

POST-CABINET PRESS CONFERENCE: MONDAY, 21 NOVEMBER 2022
HANSARD TRANSCRIPT

PM: Kia ora koutou katoa and good afternoon. First up this afternoon, I am pleased to announce that a public event will be held on Parliament's lawn on Tuesday, December 13 to celebrate our Rugby World Cup - winning Black Ferns. The Government will partner with the Wellington City Council and New Zealand Rugby to host the event. This will be an opportunity for New Zealanders to meet, mingle, and celebrate with our World Cup - winning Black Ferns, similar to events previously hosted for the All Blacks and Silver Ferns. We encourage people to come along and make it a special day on the 13th.

I also want to acknowledge the Black Ferns, who scooped major awards at the World Rugby Awards in Monaco today, with captain Ruahei Demant winning women's 15s player of the year, Ruby Tui women's 15s breakthrough player of the year, and Wayne Smith coach of the year, as well as Black Ferns legend Dr Farah Palmer winning the 2022 Vernon Pugh Award for Distinguished Service—well-deserved recognition of this incredible team.

You'll also be aware that the Supreme Court has today made a declaration of inconsistency with the bill of rights on the voting age, finding that the current voting age of 18 is inconsistent with the right to be free from discrimination on the basis of age, and that these inconsistencies have not been justified. This does not mean Parliament is automatically required to change the law. It does mean that the Attorney-General has to notify the House of the declaration within the next sitting six days. This notice is then referred to a select committee, and Ministers must present a Government response within six months of the Attorney-General notifying the House.

Cabinet has discussed this process this afternoon. We are of the view that given this question is a matter of electoral law and requires a super majority, or 75 percent of the House, to change the law as it stands, it should not just be a matter for the consideration of the Government of the day but for the Parliament as a whole. On that basis, Cabinet has resolved to draft a piece of legislation with a proposal to lower the age of voting to 16 for the whole of Parliament to consider. If supported, it would not take effect for the next general election. The Electoral Commission would be key in determining when it could feasibly take effect if supported. Ultimately, we see the best way for the matter to be resolved is for the whole Parliament to vote on it. Government alone cannot change this law.

Now, I cannot tell you currently how any member of this House will vote on this proposed law, including Labour, as we've not met or discussed it as a caucus. What I can tell you is that this is a matter where I hope parties feel that they're able to have an open debate and discussion that isn't based on politics but on their own values and principles.

Now, to the week ahead. I'm in the House on Tuesday and Wednesday before heading to Hamilton on Thursday and then on to the Chatham Islands on Friday. On Wednesday I'm meeting with the Director-General of the World Trade Organization. It follows my trade mission with a delegation of New Zealand businesses to Vietnam last week, during which we secured an upgrade to our free-trade agreement (FTA) with the Association of Southeast Asian Nations (ASEAN) and Australia.

2023 is going to be tough for the entire world. New Zealand is no exception. Central banks around the world are all downgrading their growth forecasts, and the IMF issued a grim warning to APEC leaders this weekend around rapidly slowing growth. Now, I can tell you that many of the conversations I've had with other leaders recently have been about the fragility of the global economy.

That's why we're placing greater emphasis on ensuring the fundamentals of our economy are strong. In particular, I've invested a lot of my time this year in strengthening our trading relationships, because they help grow our economy and jobs but also because they act as a buffer against the worsening global economic situation. Since taking office in 2017, the Government has signed multiple free-trade agreements and also seen our goods exports

grow by over a third, including the CPTPP, RCEP, EU FTA, UK FTA, China free-trade upgrade, and the ASEAN - Australia - New Zealand FTA. This is good for our exporters and our economy.

Here at home we're focused on addressing the high cost of living which is impacting the lives of most New Zealanders, and that's the reason that Dr David Clark is with me today. We're doing that by supporting households with rising costs, as we have with the reduction in the petrol excise levy and half-price public transport. We're making childcare more affordable for many working families and have delivered increases to Working for Families payments, wages, and benefits for low and middle income families.

Factors which mean New Zealand is well placed during this period include near record low unemployment, incomes rising faster than inflation, and the Government's strong financial position, as well as surging exports and our tourism dollars heading north. Our careful economic management means we are better placed than most to weather what is now looking like an inevitable global storm. But there is more we can do, which is why we're continuing to take action to help New Zealanders more directly. We know that early next year, more homeowners will be paying more of their income on mortgage repayments.

We've moved to introduce open banking in New Zealand to make it easier for everyone to compare mortgage rates, apply for loans, and switch banks, ultimately meaning you can shop around on rates, with an incentive on banks to provide better deals. I do have an opportunity to speak directly with the New Zealand Bankers' Association this month and will be asking what more can be done at the level of each individual firm to support customers through the next year or so.

Food shops are costly too, and we've made significant shifts in the way the grocery sector operates to get a fairer deal for people at the checkout. In June, we passed our first piece of legislation to ban supermarkets from blocking land access to competitors. We've welcomed new grocery competitors to the market, including Costco, and this week we'll introduce under urgency the Grocery Industry Competition Bill. This bill puts in place several key regulatory changes that have been announced this year to improve competition in the retail grocery sector, including establishing a new grocery commissioner to referee the sector, and setting up a wholesale supply regime to require supermarkets to provide their competitors with fair access to their products. This is about giving and enabling the likes of smaller retailers and new market entrants and ultimately securing fair prices at the checkout for everyone. We aim to have the bill passed by the middle of next year.

There is no doubt that COVID unleashed an inflationary spike on the world and that New Zealand is not immune, but these are the actions we can take to firm ourselves up against the fragility of the global economy and to help New Zealanders directly with the challenges we face. We will remain squarely focused on these issues now and into next year, and, on anything to do with the open banking work and, of course, the grocery reforms, I have Minister Dr David Clark with me today.

Media: Prime Minister, what's your personal view on the voting age? Do you think that it should be 16?

PM: I personally support a decrease in the voting age, but it is not a matter simply for me or even the Government; any change in electoral law of this nature requires 75 percent of parliamentarians' support. That's why it's our view that this is an issue best placed to Parliament, for everyone to have their say.

Media: Will it be a conscience vote for Labour MPs?

PM: Yeah, look, whether or not an issue is a conscience vote is ultimately determined by the Speaker, and so I can't say at this stage the nature of the vote or, indeed, how Labour members will choose to vote. What I can say is that on this kind of matter, I think we should remove the politics. We should put it to Parliament and we should let every MP have their say.

Media: [Inaudible] that younger voters disproportionately vote for the left, so is that giving yourself an unfair advantage?

PM: Let's be really clear. Whatever Parliament decides, this will not take effect for the next election. We'd of course need the Electoral Commission to provide advice on how it could be implemented, but that just wouldn't be right. Electoral reform traditionally skips over an election to make sure that regardless of who it may impact or affect, you give it due time to bed in and there's no accusation of it being unfair.

Media: Should it really be up to politicians to decide or should you take it to a referendum?

PM: Ultimately, well, you could equally argue that in referendum, those who the law affects also don't get to have a say. At least in Parliament, we have the provisions in place and it requires—electoral law requires—a majority, a supermajority. So, regardless, you'd see it coming back before Parliament.

Media: But you know that it's not going to pass. National and ACT have said that they're not going to support it, so it's kind of doomed to fail, right?

PM: I'm not going to make any assumption. I do think that we should put it to the Parliament as a whole, because, actually, any Government of the day isn't in a position to make this call. There are some issues I'd like to think we can take the politics out and just have a good, robust debate as a Parliament.

Media: Why do you think that 16-year-olds should be able to vote?

PM: Look, as I say, I support it, and there's a whole range of reasons why, but, ultimately, my vote will be one of 120, and it requires a 75 percent majority for it to change.

Media: What are some of those reasons you think they should be able to?

PM: For me, it's alignment around some of the responsibilities and rights that are already apportioned at these different ages. But, look, I accept different politicians will have different views. Mine is one of 120.

Media: Just going back to Jenna's question, you already have a very busy legislative agenda and not long before the election. Isn't this a waste of your time?

PM: Look, ultimately, because of the Supreme Court's decision, this has to go to select committee anyway. And so our view is, if you're sending it to select committee anyway, because by law we're required to, you might as well put alongside it the ability of Parliament to make a decision. It takes no extra time really as a result.

Media: Prime Minister, my understanding is that it requires that 75 percent supermajority or a vote in the general election but it only requires a simple majority for the council elections. So could there be a split in the way that the decisions are made?

PM: Yes, you're absolutely right. There are two different requirements from general and local. Again, we've only just received this declaratory judgment. We have not yet drafted anything. And those are some of the issues that would need to be worked through.

Media: When could you expect a vote on this?

PM: So, look, I can't tell you when exactly it would have time in the House, but what I can tell you is that we've basically got a six-month requirement. Now that the Supreme Court has made its decision, we have six sitting days to be able to report to the House and then six months after that. So we have to do that by law anyway by the middle of next year. So obviously we'd work within those time frames.

Media: Prime Minister, three waters, will that be before the legislation being before Parliament again this week?

PM: We'll have the Leader of the House confirm the legislative agenda for the week ahead via him if I may, Barry, but of course you'll know that there's not just one bill; there's a number of bills. So the water services work will take quite a bit of House time.

Media: Can I ask you what Te Mana o te Wai means to you? The statement via Māori that brings in geothermal and the foreshore?

PM: Sorry, do you want to give me a bit more specificity?

Media: It's in the legislation.

PM: So Te Mana o te Wai is the idea of the primacy of water to make sure that, of course, you put at the centre of what you're doing the health of the water. By doing that, you make sure you're putting at the heart of the legislation the health of the people that consume it, the health of the people who bathe in it, and generally the wellbeing of your community. It's a really established principle from the freshwater legislation.

Media: It gives iwi the right, though, to determine the activity, doesn't it?

PM: Are you talking—no, you're talking more about the RMA legislation?

Media: No, no, I'm talking about the three waters.

PM: Well, of course, you'll already know the governance arrangements that we have around three waters—that's been well-traversed. The day-to-day management is through an appointed entity board who has governance experience in running water infrastructure and management. It of course relates to drinking water and it relates primarily to stormwater. Issues around resourcing, that is much more of a resource consent issue, Barry.

Media: So they can't be overruled by a statement under Te Mana o te Wai?

PM: My issue is that I'm struggling to quite understand the question that you're putting to me, but I'm happy to get into more detail, perhaps after the press conference.

Media: On three waters, why is it so important to have balance sheet separation, given last week the Government decided there was no need for Kāinga Ora, for example, to issue its own bonds? Why not have the Government issue the bonds, given that the credit rating agencies—

PM: Balance sheet separation means, of course, that there would be additional borrowing capacity available to the entities that at the moment is limited. And so that then reduces the efficiency of some of the decisions that are being made. So it may be that there is a capital project that an entity needs to borrow for and invest in, but there may be limitations to the amount of borrowing that they're able to take on, and it may mean then that they cut down their investment into three or four parts, which may increase the overall cost and reduce the efficiency of the investment.

Media: But the ratings agencies assume it's backed by the Crown anyway. You're simply paying extra, as Kāinga Ora did, to have balance sheet separation.

PM: Well, I wouldn't argue that we're paying more. Ultimately, this sits separately, of course, from the Crown. We've argued that consistently. We are not centralising the assets of three waters; these remain as assets for local communities. They even have a public shareholding in these assets. So I would just argue the premise of that question.

Media: Given the voting age issue is now tied to the Supreme Court saying, as it currently stands, it's inconsistent with the freedom from discrimination, why not—

PM: It's not necessarily tied, because you're not forced simply by the ruling to change the law, just to be clear.

Media: Yeah. The issue now has that element in it, though, right? So why not give the legislation at least the trajectory to potentially pass before the election?

PM: Ah, well, look, to be absolutely clear, practice with electoral reform is always to push past, for the most part, where it affects rights in that way—tends to be to come into effect beyond the most immediate electoral cycle. And that's understandable. No one wants to run the accusation that you're making changes to electoral law to benefit any particular party or Government. That wouldn't be right, and, actually, for the most part, it often wouldn't

be good practice, because it does take time to bed in and make a law change of that nature. Yep.

Media: How far did Cabinet go in discussing a potential referendum on this?

PM: Ah, look, our most immediate response was, of course, we have these requirements. Now that the Supreme Court has made this decision, we have a requirement as a Government and as a Parliament to fulfil several steps. And so the most natural response, in our view, was to give Parliament an additional opportunity alongside those steps to share their view. So rather than just having a debate, they can have a vote. That's essentially what we're tacking on.

The idea of a referendum—again, regardless of that result, you'd still have to change the law so you'd still be back before Parliament, still requiring a super majority. So it's an additional step without necessarily a different outcome.

One other point: people will have their different views on this, but do keep in mind: a referendum would be a situation where every voter except those who are affected have a chance to have a say over someone else's voting rights. In Parliament, you do have a group of individuals elected by their communities who have to eventually have a say in that law.

Media: Wouldn't you get to decide the franchise for a referendum? Couldn't you set a new franchise specifically for the referendum?

PM: Can you expand on that just a little bit more?

Media: Well, I think during the Brexit referendum, there was a debate over whether—

PM: Not the greatest example, but yep?

Media: Not a great example, but there was a debate over whether you could set a specific franchise for that issue, and there was a debate—

PM: Ah, I see—

Media: —over whether you'd set it at 16—

PM: Ah, I see what you're saying. So create a referendum where you have a lower voting age—

Media: 16—yeah.

PM: Yeah, I mean, sure, but of course you're only ever so much of a proportion of the body who are ultimately making it, but I understand the point you're making.

Media: Did Labour lie to Winston Peters about three waters reform or He Puapua?

PM: No. But, actually, nor do I want to get into a back and forth over the different decisions that parties make post an election. I've always made it very clear that, ultimately, what we do when we come to coalition formation is deal with what the public present. They make the ultimate call, and then it's our job to form Government.

Media: Are you disappointed he's ruled you out?

PM: Look, you know, for me, I've always said, and I'm going to stick to it—I've always said when it comes to our coalition, I will not rewrite history, because, actually, I was proud of what we did. So I'm just going to stand by that principle.

Media: What's your working relationship with him right now?

PM: Ah, well, of course, we don't have much cause to have a working relationship, because, of course, by its very nature, we work with those who are in Parliament. But, actually, I've got no cause, as I say, to go back and rewrite history. I was proud of what we did. I was grateful for the opportunity to form Government when we did. And I'm not going to go backwards and revise any of that history.

Media: Winston Peters said you can't be trusted. Do you find that offensive?

PM: Oh, look, lots of politicians say lots of things about one another. I know that I'm just going to maintain the ground that I've always stated on our coalition with New Zealand First. I was proud of what we did; I'm not rewriting history.

Media: Would you work with him again?

PM: Oh, you've seen me say many times—I'd like to think I've got now a history that demonstrates that I can work with a range of different people, and I stand by that. Jenna, you had a question? Yeah, Ben.

Media: It was a couple of things.

PM: Anyone for Dr Clark, as his time is valuable.

Media: How are you going to vote on—

PM: Ha, ha!

Hon Dr David Clark: Ah, look, again, it's obviously a personal stance and I'm well on record for saying that I favour a younger voting age. I think that the decisions that politicians make effect younger age groups for far longer than they do for those of us who are already of voting age, and there are some crucial decisions that Parliaments act on. You know, I'm really proud of the work we've done in the climate change space. I don't lead on that, but I think it's really, really important work, and it affects younger people longer than it's likely to affect older people so I've got a well-established position on this.

PM: One of the things that we'll have to discuss, is, yeah, just how will that vote be treated in Parliament. As I say, it's not something that we actually determine; the Speaker determines it. Conscience votes have tended to be on areas where parties don't have established policies, and so that's where you'd see the Business Committee coming in and potentially taking a view. So that's something that would need to be worked through.

Media: My question to you, Prime Minister—I know it's an issue from a couple of days ago, but you were overseas. Do you think National's youth crime policy of putting 10-year-olds in ankle bracelets will be popular with New Zealanders and do you think it sets a stage for an election campaign that could be who can be tougher on crime?

PM: I certainly would hope not, because, actually, what I've always hoped—when it comes to debate around issues like crime and law and order, no one supports increases in crime; no one wants to see young people engaging in criminality. The only debate should be what works. And we know, because history has told us, boot camps don't work. They have an incredibly high reoffending rate. In some cases, they simply make those young people faster and better organised. So let's come back to what works and what reduces the number of victims we have in this country.

Media: So today National put out a press release calling about the reduction of the prison population, like it's a bad thing. Do you think that having less people in prison is good or bad?

PM: I want fewer peoples victimised. I want fewer crimes committed. I want fewer communities affected by crime. All, unfortunately, I've seen to date coming from the National Party—today I see parents being blamed. Last week it was teachers. A few weeks ago low-income people were called bottom feeders. I want us to talk about solutions not blaming those, particularly sometimes those who have the least power over these situations.

Media: What do you think of him calling wraparound services kumbaya and mush?

PM: Well, I would just suggest to him that he looks at the evidence. Again, let's come back to what works and what makes a difference, and I think people would find it refreshing if for once they saw politicians not trying to outbid each other on policy but just doing what works.

Media: Following on from that today, Chris Luxon had sort of a message to parents, and I quote, "You chose to have these kids. You have to wake up at 7 a.m., get kids to school at 8 a.m. You've now got free lunches, subsidised period products, subsidised school uniforms.

What we have in New Zealand is a culture of excuses." Do you agree or what do you make of that?

PM: No, I do not agree.

Media: And what do you make of those comments?

PM: As I say—and we've heard people called bottom feeders. We've heard teachers blamed. Now we hear parents blamed. There is no doubt that for a small group of young people we have an issue that we need to make sure we address so we stop harm being done to our smaller retailers. Does that mean that the world is as simple as it is in the National Party's view? No, it's not and that's why they are failing to respond to the challenge, because their world view is incredibly simple.

Media: Just following on from that, is it fair to use terminology like "You chose to have these kids."?

PM: Again, I think that is a very simple view of the world. Look, no one questions the fact that taking responsibility for situations and issues—of course. That's a centrepiece of any Government and any policy—of course. But it is vastly oversimplified to make the kind of arguments that we see the National Party make, and the issue I also have is that, on the one hand, we have this argument about a culture of excuses. On the other hand, they claim a cost of living crisis. Either families are doing it tough right now or they're not. And so my view is they are, and in some cases we do have young people where there are issues we need to address, but simply firing off blame to everyone isn't going to solve the problem.

Media: Do you think Christopher Luxon understands the challenges that families are facing right now?

PM: Well, again, it's a question for him and actually voters will make that call based on what they hear from him.

Media: So are you saying, Prime Minister, that parents should take responsibility for their children is oversimplifying matters?

PM: Well, look, you heard me already say: of course, no one's arguing here that elements of responsibility and so on don't come into policy. Of course they do. But just making an argument that that is the solution to every issue that we currently face won't fix the issues. Making an argument that food in schools and period products shouldn't exist doesn't fix an issue. You've actually got to get to the nub of it: it exists; now it's about addressing it. That's what we're focused on rather than slogans, blame, and policies that, frankly, have not worked in the past.

Media: When you say "addressing it", do you mean fixing it?

PM: Yeah, absolutely. I mean, look—do you get 100 percent success rate around every intervention? No, you don't. But we certainly know which ones have a higher chance of working. We know it because we're rolling them out in parts of the country now and we are seeing re-engagement in education, re-engagement with employment; whereas, on the flip side, you've got things like boot camps, which saw an over 80 percent recidivism rate, repeat offenders coming out of those programmes.

Media: Ram raids are obviously quite fashionable among a small section of society at the moment—

PM: They have been but they are also—

Media: What's been the best, most effective intervention on those?

PM: Again, you know, where you have disengagement from school, employment, and when you haven't got, for instance, support to make sure that you're staying in those programmes or those things that make a difference, those have been one of the interventions that we know will make a difference.

Media: Sorry, what? I didn't understand that at all.

PM: A lot of kids that are committing these crimes, for instance, may not be engaged in school. Getting them back engaged in school does make a difference. Making sure that they have someone in their life who is ensuring that they are where they need to be, that they aren't engaging in criminality, we know is making a difference, because we have programmes like that in Auckland already under way.

Media: Prime Minister, will there be an extension to the Healthy Homes deadlines?

PM: I'll leave Minister Woods to comment on that a little more later this week.

Media: Are you able to confirm that the deadlines for Kāinga Ora and all landlords, you know, will be considered at the same time if there was no kind of—you weren't considering initially Kāinga Ora and then subsequently included all landlords as well?

PM: I'll let Minister Woods speak to it a little later this week. Everyone will know, because it's been the subject of much commentary, that one of the products that's being affected by supply chain issues post-COVID has been those very products that are required in order to meet the standards, but I'll let her discuss that in more detail.

Media: When can we expect that announcement?

PM: Early this week.

Media: Regarding the voting age change, the legislation requires the Government to respond to the declaration. Is the legislation that you're drafting and introducing in Parliament—is that the extent of the Government's response, or is there another something that—

PM: Yeah, so you still have to—it's a requirement that the responsible Ministers, those who would have policy responsibility, would need to make that direct-table a response to the declaratory judgment in Parliament.

Media: And so the responsible Minister will, alongside the legislation, table some sort of report or something?

PM: Regardless of conclusion, yes. Yeah.

Media: Will New Zealand be sending weapons or paying for weapons to be sent to the Ukraine?

PM: As you'll know, New Zealand has already made contributions via the UK towards support for the armed forces in the Ukraine. We have given additional measures, like, for instance, training for troops from Ukraine. We've also provided aid such as first aid kits and those things that are required on the battlefield. We'll continue to make a rolling assessment of what else New Zealand is best placed to provide.

Media: So it's on the cards to directly send—

PM: No. So, at this stage, we've made decisions on a rolling basis. We don't have any currently planned for additional military aid, because, keep in mind, it's all about making the contribution New Zealand is best placed to make. Unlike other countries, we do not have large-scale stockpiles of the kinds of military assets that Ukrainian armed forces are seeking.

Media: Just on hate speech, has the attack overnight in Colorado Springs, on a gay bar there—has that changed your thinking at all about the need to protect rainbow communities, and, in particular—

PM: No, because my view is we do need to provide wider protection. What we're doing is a two-step process. You'll know that we went out with changes to incitement provisions. They elicited very strong feedback. Our view is that the Law Commission is well placed to help us work through the best legislative response. They're also very good at building consensus over these areas. So we've asked them to help work on those provisions.

Media: Isn't there an issue of urgency here, though? I mean, the hate speech review—officials started reviewing hate speech right after the Christchurch terror attack, so that was 3½ years ago.

PM: Yes.

Media: How long will it take the Law Commission to get there, and all this while people are unprotected?

PM: Well, first of all, I want to be very clear that currently the groups that you are referring to, our LGBTI community, are covered by the Human Rights Act and our discrimination provisions, and that's been an area where there does seem to have been by some confusion. They are absolutely covered by discrimination provisions. This is a question of the extension of those incitement or what people have called hate speech provisions. Our view is that they do need to be expanded. We went out and consulted, there was very strong feedback, we believe we need some extra help, we've asked the Law Commission to do that.

Media: Is it right that a member of the LGBT community could be—if they were to ridicule someone for their religious background, they could be prosecuted for that; but the other way around, someone in a religious background ridicule someone from the LGBT community, that's not covered. Is that fair?

PM: Yeah, well, actually, the royal commission suggested that we change the wording of the legislation. So we went out and consulted on that and got a very strong response back. That's why we've gone to the Law Commission over the wider legislation, not just the groups who are covered by it.

Media: Prime Minister, do you stand by all your statements and beliefs from when you were age 16?

PM: Ha, ha! Well, you could ask the same question of someone who's 70 whether they stand by all their beliefs and views from when they're 20.

Media: Well, I mean, just as the counter-argument, people aren't fully mature at that age, right?

PM: Yeah. And, look, the issue is that there has to be a cut-off somewhere. So the point that the—no one is suggesting, of course, that infants have the right to vote. So the point here is that the Supreme Court has said that there hasn't been adequate justification for where it sits at the moment. And our view is, well, let's put that to Parliament. At the moment in New Zealand, the different ages for when you're able to legally engage in different activities is spread out across a range of different age groups: predominately 16, 17, and 18. And so there isn't one cut-off point that you can say, "This is clearly in law when New Zealand now treats you as an adult." And that's why I think it's been subject of much debate. Here, again, I fall back to the question of why can't we as a Parliament have this debate, and not just make it about politics.

Media: Would you trust your 16-year-old self to vote today?

PM: Well, yeah. I joined the Labour Party when I was 17, so why not? But, actually, look, not to trivialise this, Dr Clark made a good point: the decisions we make as politicians have longstanding effect. People will have different views about where that cut-off should be. But the question I'm just simply posing is why as politicians can't we have that debate amongst ourselves? Government alone cannot make the decision on its own, so we won't; we'll put it to the Parliament.

Media: Numerous polls have shown it's not particularly popular with the public. Are you offside on that?

PM: Well, I think, ultimately, all I'm suggesting is that the people that the New Zealand public elected have a say; that's what we're proposing.

Media: There's some talk about a parade happening—oh, on the Black Ferns, there was some talk initially about there being a parade; what's happened with that?

PM: Ultimately, my understanding is that what's been proposed here was in consultation with the Black Ferns and New Zealand Rugby.

Media: On rural healthcare, would you be interested in having a re-look at rural medical schools?

PM: So the question for me is, what can we do to ease the pressure on our primary health workforce? Because there is no question that over a number of years we've seen that pressure increase. We need more GPs entering into the field. And so New Zealand is a relatively small country. A lot of the debate around whether or not we have an additional medical school came around the question of can New Zealand support having an extra medical school. For me, taking a step back and saying "Let's fund more GP places.", which is what we've done, let's increase—when we've asked GPs in primary practice to do more, let's make sure we fund them for that, and we did that during COVID, and, generally, what can we do to incentivise GPs entering into the field. And so that's where we've been making a number of changes, including paying trainee GPs more.

Media: Question for Minister Clark—

PM: Great! Excellent. Minister Clark.

Media: —on inflation and profit margins—their role in inflation, which this grocery legislation is partly aimed at. Research overseas shows that margin increases have been a major factor in the rise in inflation globally. Should the Government and/or the Reserve Bank do more research into the scale of the profit margin expansion as one of the major reasons for inflation?

Hon Dr David Clark: I think one of the things that we—I mean, some of this more properly sits with the Minister of Finance, but I'm happy to talk about the change that we're making in the grocery sector because I think it will actually put a whole lot more light on what's going on with profit margins. I mean, the regulatory backstop that we're setting up and triggering with this grocery sector bill is unprecedented; it's really significant. And in the bill are some triggers for the grocery commissioner to decide whether to intervene in the market and put some regulatory imposition on the duopoly, including things that go to price quality regulation, non-discriminatory pricing and the like. Now, all of that would affect margins quite directly. What we're anticipating by introducing the bill is that competition will improve in the sector—that's what it's designed to achieve. And that will inevitably address something of the issue that you're raising, Bernard. But as to whether wider research by the Reserve Bank should be done, I'd leave that to the Minister of Finance to comment.

Media: Maybe, the Prime Minister, then, given the Government's been blamed for rising inflation: overseas, there's a lot more focus on profit margin expansion. Do you think companies here are taking enough of the blame or are doing enough to reduce some of the—

PM: Two responses to that. You know, listening to the director of the IMF just confirmed for me, again, what you've heard us talking about a lot. Her main focus for the triggers for the highly inflationary environment that we're seeing globally was the war in Ukraine, and what we were seeing that do to food prices for large parts of the world, and the knock-on effect of that, and on energy supply as well—and global supply chain constraints, which we've again seen in the aftermath of COVID. So those were the two factors she pointed to. Those are the two things consistently being experienced by the world. Every Government took a different response in terms of fiscal policy or the support that they provided their people in the middle of and aftermath of COVID, but those are the two consistent things that you see around the world. So that's the first thing, and it tells you a little bit: if that's the cause, then what are the levers that we have? You can see they're somewhat limited.

But on the issue that you raise around what, essentially, is framed by others as windfall tax, here, of the issues that I'm expressing are the most problematic, actually, energy companies

have been in the eye of politicians around the world—you haven't seen the same energy price increases in New Zealand off the back of what we've seen around the war in Ukraine. Because, of course, we're over 80 percent renewable energy source for our electricity generation. So we're in a different basket than many other countries in that regard. But, again, that's not to say that we don't take an eye on more of some of the systemic problems that we have. And cost of food in New Zealand predated the issue around the war in Ukraine, so that's why we're looking squarely on that issue.

Media: Except on that energy issue, though, there's a report out last week which said that the electricity companies—the Government being 51 percent owner of the three of the four big ones—have profited and in fact paid much larger dividends in their profits over the last eight years—

PM: Eight years. But, again, here we're talking the windfall tax around the war in Ukraine. So, yep. And so, look, again, of course, you know, again, food prices is a really good example. That is an area where we have identified that an extra million dollars a day in excess revenue—now, what you're asking me is do you deal that by somehow creating a windfall tax on those companies, or do we actually do something that will make products cheaper for consumers? We're doing the latter. We want a grocery shop to be cheaper for New Zealanders. That's why we're getting to the heart of the problem. Thanks, everyone.

conclusion of press conference