

POST-CABINET PRESS CONFERENCE: MONDAY, 12 DECEMBER 2022
HANSARD TRANSCRIPT

PM: Kia ora koutou katoa. Good afternoon, everyone. Welcome to our final post-Cabinet press conference of the year. I suspect we're all enjoying that prospect in equal measure, but I hope everyone gets the decent break that they deserve over the Christmas period.

This week, the House sits for a final time, wrapping up on the Wednesday afternoon with the adjournment debate. Ahead of that, on Wednesday morning, President Zelenskyy of Ukraine will address the New Zealand House of Representatives via video link. Those who have been covering Parliament for some years will know that that is a relatively unprecedented event, with the exception of Prime Minister Gillard, who, a couple of terms ago, addressed Parliament. On Tuesday, I will join the Black Ferns at their public celebration here at Parliament, and on Thursday I will speak at the Police graduation of Wing 361, marking over 3,600 new recruits in the past five years. This week, the Government has our focus on the final reading of Smokefree 2025 legislation, which will, effectively, produce the world's first entirely smoke-free generation, as tobacco will not be sold to anyone born on or after 1 January 2009. Wednesday marks the five-year anniversary of our families package, another initiative I'm really proud of, which has helped reduce child poverty and lift the incomes of a large number of New Zealand families. On Wednesday, we also have the Treasury's Half Year Economic and Fiscal Update and the Budget Policy Statement from the finance Minister—so a number of issues wrapping up as the year ends—which brings me to Cabinet's decisions today, during which we reviewed the Green List, our fast-track to residency visa process to fill skills gaps.

The current situation in New Zealand is this: we have more New Zealanders in work right now than ever before, and the highest participation rate in the labour force on record. We're also training more people, with 240,000 supported into trades and training since July 2020. On the international front, Immigration New Zealand has approved more than 94,000 job-check positions for businesses to look for workers from overseas since June—a number larger than the population of Palmerston North—with over 17,000 Accredited Employer Work Visas now approved. Over 8,000 of these workers have arrived in the country, and counting. We've approved more than 40,000 working-holidaymakers to come in since March—a number larger than the population of Gisborne—with more than 21,000 already here for the busy summer season. So net migration has already turned positive. The last four months we have data for—July, August, September, and October—have all had positive net migration, according to Stats NZ. We're maximising job training, job opportunities, and job openings; however, global worker shortages are contributing to worker shortages here, as businesses look to hire more employees due to strong profits and the resilient economy. It's very clear a worker shortage persists, and not just here but in most markets we compete with. As I said, there are 94,000 roles approved and ready to be filled; now we need to fill them.

We need to attract skilled workers to our shores with our pay, with our conditions, and with certainty. So, in discussions with business and sector groups, we're expanding on our plan to make New Zealand the most attractive place in the world to live. That's why, today, we're announcing the expansion of the Green List, which provides two fast-tracks to residency to help attract people to New Zealand and fill labour shortages. We will expand the Green List to include further professions across healthcare, construction, and education in particular, and improvements for some already on the list. Four professions will be added to the straight-to-residence pathway. They are nurses, midwives, register auditors, and all doctors. The change for nurses, midwives, and doctors will take effect almost immediately, from this Thursday, 15 December. Over 10 professions will be added to the work-to-residence pathway next year. They are: secondary school teachers, in addition to some specialisations already on the list; primary school teachers; civil construction supervisors; gasfitters; drainlayers;

skilled crane operators; skilled civil machine operators; halal slaughterers; skilled motor mechanics; and skilled telecommunications technicians. We will also expand our sector agreements to allow for time-limited residence pathways for bus and truck drivers. To provide greater certainty for employers, too, we will automatically extend employer accreditation by 12 months if they have applied by July next year.

I want to make some specific mention of the changes being made for the health workforce. The World Health Organization has said the world is likely to be short by 10 million health workers by 2030. Since the pandemic, over 2,900 nurses have arrived in New Zealand through the critical health worker border exception. Since March, over 4,500 internationally qualified nurses have applied for registration with the Nursing Council—that's 4,500. We already have one of the easiest pathways for nurses abroad to come and work and live here, and we have already granted residence for those willing to work two years here. But in a crowded market, let's make the message even simpler. Our message to nurses everywhere: we are the best place to live, work, and play—you will be able to seek immediate residence.

As a nation we are in demand. It's not just our reputation as a safe, clean, green, and beautiful place, but with wages growing faster than inflation and the ninth-lowest inflation out of 38 OECD countries; we have much to offer. The year 2023 will see the Government focus squarely on what it will take to get through the cost of living challenges that come with global economies contracting, and we set ourselves up today to widen the workforce we need to prepare for what's to come—both the challenges and the opportunities.

I'll hand now to Immigration Minister Michael Wood to provide further details, and then we'll be happy to take your questions.

Hon Michael Wood: Thank you, Prime Minister. Today, we have announced a suite of measures to further support New Zealand businesses through the global labour shortage and retain more high-skilled workers in the long term. During a time of a global economic downturn, New Zealand's strong economic position presents further opportunities to attract more high-skilled migrant workers to our shores. Our Government has worked closely with sectors who are feeling the effects of the global workforce shortages the hardest, and we're moving to adjust immigration settings in line with those conversations; and you've seen a number of changes over recent months to reflect that.

As announced by the Prime Minister, from this week, registered nurses, specialised healthcare roles, and midwives will have an immediate pathway to residence, and from March the Green List will be further expanded to include additional roles. All applicants will be able to count their time from 29 September, 2021 towards their work to residency requirement. The Green List has been under ongoing review, and the next review will occur in mid-2023. We'll continue to monitor our settings to ensure that they remain fit for purpose.

Additional measures announced today confirm, firstly, automatically extending employer accreditation by 12 months if the employer's first accreditation is applied before 4 July, 2023, and not extending accreditation employers' requirements to all other employers in 2023 as previously proposed; introducing a streamlined, Specific Purpose Work Visa that long-term critical workers can apply for to allow them to continue to work in their current role for up to three years; and also providing a 12-month open work visa for approximately 1,800 previous holders of post-study work visas who missed out because of the border closures in 2020 and 2021 due to the COVID-19 pandemic.

Since our borders reopened, our Government has taken a number of steps to support businesses, including issuing approval to businesses to internationally recruit for over 94,000 positions, granting over 40,000 Working Holiday Visas, reopening the Pacific access category and the Samoan quota, delivering the largest increase in a decade to the Recognised Seasonal Employer (RSE) scheme, resuming the skilled migrant category and parent category visas—which was closed in 2016—to strengthen our international offering.

The evidence is clear that the international labour market is tight and will continue to be so. There is no immediate fix, but these changes will make a real and positive difference. Overall,

with the suite of measures announced today, alongside the likes of the skilled migrant category and Accredited Employer Work Visa, I'm confident that Aotearoa New Zealand has the settings that we need to access skilled labour, support migrants, and help us get through a challenging year ahead.

PM: Thank you, Minister. Happy to take questions.

Media: Just a few weeks ago, the Government was saying that nurses couldn't go on the Green List because it couldn't be assured that they would stay longer than two years. What's changed?

PM: Well obviously, even that pathway has made a difference—4,500 internationally qualified nurses have applied to the Nursing Council. But what we're seeing is a globally competitive environment. We see shortages around the world. Coming into our winter period, we want to make sure that we have a very clear and simple message amongst that competition, and that message is, "Come to New Zealand."

Media: Well, what took you so long to allow—

PM: Yeah, I would still come back to the point, Barry: 4,500 internationally qualified nurses applying to the Nursing Council. That pathway that was already there has made a difference, but the competition is only going to increase. Let's get ahead of that and remove any perception that anywhere is presenting a better offering than us into the future.

Media: Some would say you're well behind it.

PM: Again, I would say 4,500 internationally qualified nurses seeking to come to New Zealand would not suggest that. But let's get in front of this issue. I was just reading this morning, the competition that we're going to see from increasing shortages in places like Canada and the UK and, of course, Australia—we're already demonstrating we're competitive, but let's keep getting in front of that competition.

Media: That 4,500 number that you're using, are those all nurses that are offshore right now seeking to come to New Zealand?

PM: No, I don't necessarily believe they will necessarily all be offshore. Someone who works closely on—

Media: How many?

PM: Oh, I couldn't tell you the breakdown, but they are all internationally qualified who are seeking to register with the Nursing Council. The way it's been explained—

Media: And a lot are already here.

PM: Oh, I couldn't necessarily tell you if that's the case, Jenna, but the way it's been explained to me is that some will come and work in other areas but won't be working, obviously, until they get that accreditation through the Nursing Council. I think the point there is that that is just this year, so it demonstrates that we are attracting nurses, but there's a global shortage. Let's get in front of things and continue to ensure that we're as competitive as we can be.

Ultimately, we've heard the ask—the ask was, make the message simpler; we've done that.

Media: Yeah, looking at the settings as they were, you got it wrong, didn't you?

PM: Oh, again, as I say, the numbers demonstrate that people are seeking to come to New Zealand, but people have asked within the sector: make the message even simpler—and we have.

Media: We've got numbers that show that people are not seeking to come to New Zealand.

PM: The two I've provided today: 2,900, under the critical workers visa, nurses; 4,500 have applied to the Nursing Council in order to operate here in New Zealand. But we've also, at the same time, had the ask: make it simpler—so we have.

Hon Michael Wood: If I can just add to that. It is an important point. What we are seeing this year, under the settings we've put in place, is quarter on quarter the number of internationally qualified nurses seeking registration has continued to grow through the year. So it's not just that it's a large number overall; we have been seeing an increase through the course of the year.

Media: In that Accredited Employer Work Visa, there are more massage therapists that have applied to come here than nurses.

Hon Michael Wood: Well, that's right, and that's because over the course of the year we've had multiple visa pathways for nurses. Most of the nurses, through the course of this year, have come through the critical purpose visa, not the Accredited Employer Work Visa, but we're not beginning to see that transition and most nurses coming through the AWV.

PM: Since the pandemic, 2,900 nurses have arrived to work in New Zealand as nurses. And, again, I've already given you the background on the applications. My recollection is that in the last month, we had total figures for the Nursing Council as 900 in one month. But we've heeded the call. The ask has been: make the pitch even simpler—so we have.

Media: Just about anyone in the sector has been saying for six months that it was crazy that nurses were let off the Green List. I mean, how was it that the Government seemed to be the last ones to know this?

PM: We run the risk of being repetitive here, but the numbers speak for themselves. When you have record numbers applying to the Nursing Council—internationally qualified nurses—record numbers applying for the ability to work in New Zealand, it demonstrates that we were attracting nurses. We want to get ahead of the issue, though. We've been asked to simplify it and we've listened and we've made that change.

Hon Michael Wood: So Luke, if I could just add to that as well. The Government at no point over the last few months has said that we would not consider that either. Our position consistently has been that we will listen to what we're hearing from this sector and others, and work pragmatically with them.

Media: Broadening out beyond nurses, it's been clear for the last six to 12 months that the New Zealand economy's capacity-constrained—a big part of that has been a shortage of labour. You said you've heard the ask, but do you think you're coming late to the party? Again, this has been a clear—

PM: I'm going to come back to a fundamental point at the beginning here, and something that I've been repeating with the business community as well. I think the assumption has been that it's all about the immigration settings. We currently have 90,000 roles that employers are now able to go out and recruit internationally for—90,000.

The issue for us is making sure that in that crowded environment—because there is a global skills shortage—New Zealand comes out on top. And that means having decent wages, decent conditions, and a great place to live and work. New Zealand has that. This is about marketing ourselves successfully, not just about immigration settings. So that's why we've shared those numbers today, because I think it would be wrong to say it's simply about the rules; there's a number of roles all ready to be filled. Minister, did you want to add anything to that?

Hon Michael Wood: Well, look, I think the point more broadly is a really important one, that the settings that we have in New Zealand across the spectrum are as supportive as, or more supportive than, nearly any country that you could look at. So whether it's 90,000 job checks that have been issued or the fact that we're currently running the biggest residency programme in our history—we've given out residency to 120,000 migrant workers over the last year; in most years pre-COVID, it would have been 40,000 or 50,000—and that's because we want to retain those people and their skills here. So yes, we know that it's challenging in many sectors—as it is in every singly country—but we're continuing to look at these policies, and you're beginning to see quite substantial numbers coming through.

Media: Is immigration up to processing all of these [*Inaudible*] applicants that we hope to get?

Hon Michael Wood: Yes, I believe we do. So take, for example, the 90,000 job checks that have been issued. They are processed in an average of four days when they're received by Immigration New Zealand. Are there improvements to be made within Immigration New Zealand's processing? Yes. And so we continue to review the rules, we continue to put more FTEs in there, but it is now getting to the point where it's giving a good level of service across most areas.

PM: Yeah, I think—what's interesting to me is I have not been on a trade mission where skills, I haven't heard come up in one form or another. And I've repeated this a couple of times, but even talking to someone who worked in hospitality in Vietnam, they expressed that they had trouble recruiting for roles there. Fiji, it's the same. They're concerned that Australia is recruiting their hospitality workers out of Fiji. The same in a number of island nations, but everywhere I go, there is concern about skills shortages. Now, there's a big piece of work to be done to understand what happened post-pandemic to the workforce, because it appears to have disappeared, but that is the reality. There's a rebalance here that the world is going through. New Zealand just has to make sure that in that rebalance, that we are at the top of people's lists when they're seeking where they may choose to work, live, and play. But I think there is a slight hesitancy—perhaps we haven't seen before—to go and work offshore, so we need to make sure that we are putting our best foot forward.

Media: Is there a concern that given this influx of new workforce, that'll put further pressure and further exacerbate inflation?

Hon Michael Wood: Well, it's a really interesting point, and I noted that when the Reserve Bank Governor spoke on this comment a couple of weeks ago, he acknowledged that it's a complex scenario, he acknowledged that workforce shortages can have impact on inflation, but he also acknowledged that actually increasing your population—increasing your workforce—can have a counter-impact as well. So he was acknowledging that there are no simple policy choices here. What we're really focused on is that we know that there is a critical economic need here, we know that these shortages are genuine, and it can only be good for our economy to make sure we have the skills we need.

Media: Have you had your own analysis done, or are you just relying on the Reserve Bank's interpretation of immigration? Surely this would have been in some sort of regulatory impact statement, or—

PM: Look, again, this is something that, as the Minister has articulated and as the governor himself, this is very finely balanced. It's very difficult, I would say, to be able to forecast the impact of population growth that finely tuned on inflation. But these are calculations that the Government's having to make overall in this tricky economic period that we're in. We want to make sure that supply meets demand, that you don't put too much stimulus into the economy at this particular point in time because of what's happening with inflation, but, at the same time, be mindful of projections around growth in the new year. This is a fine balance that everyone around the world is trying to strike at the moment.

Media: Similar to Jason's question, has the Treasury provided any sort of information on how it believes this will impact inflation? Can we put numbers on it, or is it as you just explained?

PM: My description would be too difficult. Minister.

Hon Michael Wood: That's right.

Media: Has it been done, or is that your summary of it?

PM: That would be my summary of the economic impacts of immigration settings generally. I would want to go and check the analysis that the Minister of Finance may have been provided individually, but to say we are always cautious about where we have a very direct and obvious impact on inflation, that is not the concern at this point with this policy.

Media: How many extra workers do you think these changes might bring in?

PM: I'll have the Minister of Immigration speak to that.

Hon Michael Wood: It will vary from sector to sector, Bernard. The nature of the immigration settings that we have is that we don't set a particular target across any sector or across the system. The nature of the way that our system works is that it's effectively based on: is there a need for these people in individual sectors? So in some sectors, for example, bus drivers, where we've—in today's announcements—confirmed a sector agreement in that place. If it's a smaller workforce, we have got a pretty good handle; it's probably around 1,000 to 1,500 drivers that we think we're short. Now, will that all be filled by migrant workers? Probably not. We're going to be pushing both levers of the domestic training workforce, but we also think that migration plays an important part there. So it's difficult to give an overall figure, but we know that immigration plays one important role in filling these shortages.

Media: So what advice have you received about, you know, how much of a need there is and how many extra workers these policies might bring in, or is there no forecast on that either?

Hon Michael Wood: Well, across the engagement that we've had with the sectors we get different estimates, and if I can give one example of that—for example, the truck driving sector—we've had different groups who have had slightly different views as to what they think the shortfall actually is. We do the best, when we're looking at these particular situations, to determine where we think there are real needs, and that's what we've responded to in these announcements.

Media: So there's no forecast from immigration or Treasury on either the workforce or economic effects of this change?

PM: Firstly, on the workforce, for instance, some of those individual sectors will have the number of vacancies that they hold now, and their projections over the workforce need in the next five to 10 years and how much we are producing domestically through our current training pathways. So we do have that for some of those individual—I don't have it here specifically right now for you on some of those individual sections, but that's kind of the analysis that Immigration New Zealand do before they are putting forward the suggestions over whether they believe there is genuinely a domestic shortage. Keep in mind what we've signalled here is a list that will move on to a pathway to residency or a work to residency and others that will go straight. Those are already workers that we've already made the decision there's a shortage over. We're just repositioning them on the list in some cases. Extra ones, we'll be making decisions on in March and that's when we'll get a bit more granular detail.

Media: So how is this different from any other Governments that have been pulling the migration lever to solve some political or economic problem in a short-term way that leads eventually to infrastructure pressures and higher house prices and all sorts of strains on our infrastructure?

Hon Michael Wood: I would say, Ben, because it's been done within the context of the broader rebalance settings—we've made some very deliberate decisions, for example, about shifting our economic model away from reliance on very high volumes of very low-wage labour. So you'll see, for example, still within the Accredited Employer Work Visa system, it's still based on a median wage requirement. We have an employer accreditation system to make sure that migrants aren't exploited when they come into the system. Across the Green List settings, which we're talking about explicitly today, we're talking about the people with the kinds of skills that we actually need to boost our productivity and to build our infrastructure. So as I say, it's with the broader construct of a rebalance, which is about trying to deal with some of those issues and turn our back on what was a pretty unregulated system previously.

PM: Yeah, and I think that's really clear. I mean, one of the issues that we've had with our immigration system is the lack of certainty that we've given individuals. When you're coming here on short-term work visas, you haven't necessarily had that clarity over the longer term. Here we're being really clear: if you're falling into these particular sectors where we

have long-term workforce issues where you are a skilled migrant, where we know we want to hang on to your skills in the long term, we're giving you much clearer certainty about the pathway and what you can expect; and being much clearer that for those areas where you don't have that pathway, we're not giving that guarantee that necessarily you'll have that long-term residency option. I think we owe it to those who come to New Zealand to give that clarity over our expectations. Previously, the system did not have that.

Media: Prime Minister, the Ombudsman today released a pretty scathing report into the lottery system for Managed Isolation and Quarantine (MIQ). He's calling for officials to apologise—(a) do you think they should apologise and (b) will you apologise to the people who the lottery system wronged?

PM: Look, this is not, obviously, the first time we've had this conversation. We've had a number of reports and reviews into the MIQ system, and all the way through, as Government, we've acknowledged that it helped 230,000 travellers but it also was incredibly challenging for many others, and there were some who were in incredibly distressing situations. For the fact that it impacted negatively, yes, we've always acknowledged that, but we also, on the flip side, only did those things in order to save lives. That was the reason MIQ existed. So I haven't had a chance to look at the report in full, but from what I've seen it looks not unlike some of the court decisions that have already been made. But I will take the time to go and look at it in full and, of course, we have a royal commission looking at the use of MIQ generally.

Media: You're right in that it is very similar to the High Court's decision, which found similar failings. So clearly, the High Court and the ombudsman have now found the same failings in the system, so why not apologise to those who were hard done by and, in fact, wronged by the system?

PM: Let's keep in mind that the issue that they raised is not the existence of MIQ. The existence of MIQ, I think, is understandably being seen as necessary, as hard and as difficult as it was; it was the method of distributing places. There were always going individuals who would have found themselves in difficult circumstances because we had more people than we had places. So we tried to fix the problem with a system that has found less wanting. We acknowledge that. We wouldn't use a similar system in the future, but our hope is not to be in that situation again.

Media: Disabled people, in particular, though, weren't able to access the lottery system and had to be helped through it, and the ombudsman says those people deserve an apology.

PM: You'll forgive me that it is not going to be particularly going to be so satisfying for me to offer an apology without even having read the report. Would you forgive me for allowing me to at least read what has been found? But I wouldn't characterise at all that we haven't in the past acknowledged; we have—we have—acknowledged how difficult the system was, the distress it caused people, and we would not repeat that same form of allocation again. But we stand by the fact that, generally, MIQ saved lives, including those who are severely immunocompromised.

Media: And for those who couldn't get an MIQ voucher, there was a back door; that was the transit flight through Auckland and then not getting the last leg of the flight. Officials considered making that an imprisonable offence to use that back door. Isn't that extremely heavy-handed, to actually imprison New Zealanders looking to come home?

PM: Keep in mind that we had maybe—there was a small handful of examples where it appeared that that was being deliberately used to circumvent the process. Again, I would have to track back to look at the advice that was given from officials at that time, but we were aware of it; we wanted to, of course, discourage it because there was so much distress for those who were already using the system, but I couldn't give you a blow-by-blow account of the individual recommendations that were made at that time without going back and looking.

Media: Minister Wood, you talked before about the two levers: the domestic and then the migrant lever. How much of the domestic lever, I guess, is exhausted at this point, and how

heavy is the reliance—I know, going back to Bernard’s question, you couldn’t put numbers on it—but how heavy is the reliance now on the migrant factor? Because when it comes to skills training, actually, there’s just not a whole heap of people left in that area.

Hon Michael Wood: It still remains enormously important to us. One of the reasons that we have some of the challenges that we’re dealing with now is that for the past 20-plus years, we collectively, as a system—and as a country—haven’t put the energy and the investment into some of those domestic training pathways. So that’s why things like the Apprenticeship Boost that we introduced during COVID have been so important; an additional 40,000 young people getting involved in trades training and apprenticeships, and that’s in some of the professions that we’re talking about here today. And we know that over the coming years, they’ll be able to start coming through and filling roles, like being drain layers or gasfitters, but it’s going to take us a little bit of time to get there.

Media: So they’re the long-term strategy, basically?

Hon Michael Wood: Yeah, medium to long term depending on the level of skills. Some of these roles—particularly the more senior medical roles—they can be five, six years-plus, from getting someone into the system before having them ready to enter the workforce fully. So you do need to use both.

Media: So on that basis then, if that’s your sort-of medium to more long-term strategy, then coming back to the point that was made earlier, when it comes to pressures on infrastructure—you know, housing, all that sort of stuff—if you are, in the short term, relying predominantly on people coming into New Zealand—extra people—you are going to be putting a lot more pressure on local infrastructure aren’t you, in the short term?

PM: We have outflows—keep in mind we have outflows as well.

Hon Michael Wood: That is right, but here I’d actually go back to Ganesh Nana’s Productivity Commission report from last year, where, you know, some of the best analysis available, the Productivity Commission have looked at the evidence in this area and came to the conclusion that actually, broadly speaking, we need a migrant workforce in New Zealand if we want to have the skills and we want to have the capacity to deal with the infrastructure deficit, and that immigration is not to blame for the infrastructure deficits that have built up over 30 or 40 years. So I think it would be a fair critique if we weren’t getting on with the infrastructure build at the same time—but we are.

Media: And then, I guess, in terms of caps then, you know, when it comes to immigration and, sort of—I know, again, you said you can’t put a number on how many might have come in in order to sort of solve that issue. But, you know, is there a point where you say, “Well, actually, infrastructure hasn’t moved along at a pace—we don’t have the ability.” Like, do you cap out at some point?

Hon Michael Wood: Well, as the Prime Minister said, across most of these areas we do have estimates as to what our shortfalls might be in the workforce. The point I was making is that we will fill those shortfalls both through domestic and migration pathways. We—

Media: What decisions—

Hon Michael Wood: I mean, just to come to the question there: the answer is that we need to put the foot down—that’s what we’re doing on the immigration front. Whether it’s across transport; whether it’s across some of the core housing infrastructure that we need. And we can demonstrate the record investment and some of the outcomes that are coming through there.

Media: What decision was made on—

PM: Oh, I think I did say I’d come to Ben, and then I’ll come to you, Jane.

Media: Jason—Jason it was.

PM: Oh, I thought it was Ben, sorry.

Media: I'd happily go after Jason.

PM: Oh no, I already come to Jason. I won't give Jason a round two just yet, I'll go to Jane, then, if we're not going to—Jane.

Media: You literally said Jason.

PM: Oh, sorry, forgive me. Jane.

Media: Was there a decision made on fuel excise and the subsidy, and, if so, what?

PM: We'll be making announcements on the future of the fuel excise reductions this week. We're very aware that even though they run through till the end of January, that we do need to give people some certainty in their ability to plan, particularly the sector.

Media: What about public transport subsidies? Are they included in the discussions as well?

PM: We'll be talking about the whole suite—all of the knock-ons from the excise decision. And given that we talked about public transport in the first instance around those reductions, we'll be also talking about public transport at the same time.

Media: And was there any other discussion, you know, looking ahead to, I suppose the reset that has been flagged around any portfolios, or any projects—

PM: Still for next year.

Media: —that might have been brought up higher to the priority list for looking at?

PM: Again, as I've indicated several times, I've asked Ministers to go away over this summer, and so that's what we'll do.

Media: Prime Minister, thank you—

PM: Ben, forgive me if I called you Jason.

Media: No apologies—you don't need to say sorry for that.

PM: Yeah, it's all in the eye of the beholder. Ben.

Media: Given the global war for talent and skills, what will New Zealand rely upon to attract people, given it can't compete with countries like Australia on wages?

PM: Do you want to have a first blush at that, Minister?

Hon Michael Wood: A few things there. I think the first is that, as the Prime Minister said before, we've got a really unique proposition for people. This is one of the most stable, peaceful, beautiful countries in the world, and it's why consistently, over the decades, people have found New Zealand an attractive place to live and settle. You talk to most people around difficult parts of the world, and the prospect of living in New Zealand—if there's a good job there—is an attractive one. So that's something that I think we can really double down on.

We do just want to address the wages point, though. Because you're right that we do face that differential, and that has held us back sometimes. That is one of the reasons why, for our Government, continuing to invest and have the policies in place that make sure we have decent wages and good conditions for people is important. And you see that, in part, in this announcement today. So the bus driver sector agreement, for example, is explicitly about the fact that we are moving to lift bus driver wages, and saying to employers in that sector, "We'll help you to recruit, but we need you to make the commitment to be lifting wages to a more sustainable level at the same time". Across many of these workforces, our policies are, and will be, leading to better and more sustainable pay and conditions as well. So I don't think we should give up on that fact; we should be making sure that we pay people well and treat people well, as well as putting forward the broader offer for New Zealand.

PM: I'd say, Ben, you're probably better placed than most to talk about what brings people to New Zealand, and, indeed, what keeps them here. It'll be a raft of individual reasons, but we have to keep promoting those things that people already believe and know

to be true about New Zealand. Clean, green, safe place to come raise a family and have a fantastic work experience.

When I've been offshore, I've met a number of individuals who are either considering coming to New Zealand, or are planning to—in the UK, recently, a doctor who was coming to live and work in New Zealand. We do have a strong proposition. We've got to make it a really clear one, and that's what these announcements are about today.

Media: And just because you referenced outflows before, that's easing infrastructure in that context, are you comfortable with the level of Kiwis that are currently upping sticks and moving to Australia at the moment?

PM: Well, at the moment we have, you know, a net positive, and so that's often what's being used as an indication of whether or not we're addressing where we have need and skills gaps.

Media: A net positive what, sorry? In what reference is the net positive—

PM: I referenced it in my introductory remarks: the fact that that in the past four months that we have data for—July, August, September, and October—we've had positive net migration.

Media: To Australia?

PM: Oh, sorry, not specific. No, right, sorry, I'm not being specific to that.

Hon Michael Wood: Just an interesting little factoid on that one, if you're talking about the flow of New Zealanders. For every month between the beginning of the year 2000 until the start of COVID, there was a small net outflow of New Zealanders. That is business as usual, that New Zealanders go out and travel, and it's always been the case that we've balance the inflows and outflows between Kiwis going out and people offshore coming in.

Media: On your summer policy reset, how likely is it that unemployment insurance proposals survives that reset? Is that a high priority? Is that to keep or—

PM: I appreciate that there'll be everyone in this room who may have one or two things they're going to throw into that mix and try and get some indication from me. As I've said, it would be unreasonable of me to say I'm giving Ministers this summer to go away and look at our legislative programme and different policies to consider, and then get into the situation of ruling in or out a whole bunch of policy. I won't be starting that practice. Do not read into the fact I'm not giving specifics on any of them, because I won't because it is simply the case that I'm giving Ministers space.

Media: And on 16-year-olds voting, it's pretty clear that you don't have the numbers to change the general election voting age but you do have the numbers to change the local election voting age. In the legislation that you put forward, will there be a provision to allow that local voting age to progress or do you want to do it all at once?

PM: We'll be looking to get into the detail around the legislation in the new year. It's not something that will be put to this House this side of Christmas. And one of the benefits, I hope, of that will just allow there to be a bit more conversation and discussion over the issue generally, because, obviously, the sooner it comes to the House, then the sooner the question gets answered. I want to give a bit of time for a bit of discussion and thought to be given to it all.

Media: What is the purpose of New Zealand's immigration policy now?

PM: What is the purpose of New Zealand's immigration policy? The purpose statement for immigration—I'll let the Minister start.

Hon Michael Wood: Yeah, look, I'd encapsulate it by saying it's about supporting New Zealand's economy and productivity; It's about making sure that this is a good place for people to live and contribute.

Media: So all these professions could have gotten residency through the old points system? And then they couldn't because the points system was taken away, and now they can because we're making an exception. So why the sort of roundabout?

Hon Michael Wood: I wouldn't necessarily be so sure that all of these roles would have under the old points system, actually. But the way that we are setting up the system, of course, is to have the skilled migrant category at the core of the way in which people can seek residency as a result of their skills. The Green List then, effectively, gives us a bit of flexibility for some of those roles that might not quite make the grade there. So we're trying to cover off the bases—those roles that have a high level of skills and make the skilled migrant category, but also other roles where there are critical shortages but don't have that option.

Media: If people have skills and if they have a qualification, they have experience and they have stayed here for a certain level of time, then they could have gotten residency under the old system, right?

PM: Except that—think of the certainty as well. The points system does not tell you straight off the bat whether or not you're going to be on that pathway; this system does, and I think certainty is important.

Media: But it's over a period of time, right? So in a couple of years, it could change.

Hon Michael Wood: But I mean, to give a really particular example—for example, the bus driver sector agreement that we've announced today, which will give a pathway to residency, that is an occupational group that would not have had a pathway to residency under the old points system.

Media: So they're guaranteed residency no matter change of Government, change of policy—they're guaranteed it after a certain period time?

PM: It would be very unusual for someone who's already on an existing rule to have the rule changed midway through. You might see transition approaches for, you know, if you have a change of Government and a change of policy, but it would be rare to whip out from underneath someone a pathway that they'd already be on.

Hon Michael Wood: Yeah, and just to underscore the point we made at the beginning: this is a significant simplification over the previous setting. So if we go back to nurses, for example, only a small group of nurses had a clear pathway to residency under the previous settings. We brought all 13 occupational groups together through the Green List two-year approach, but now we've got the straight to residency option. So it is streamlining and simplifying it significantly and gives that ability for health employees to go with the international market and make it as clear as possible.

Media: And just on the RSE scheme, so the Human Rights Commission says there's systemic problems; the employers say there isn't and it's bad apples. What do you think?

Hon Michael Wood: Well, we've been working through this issue really carefully, as you'll be aware. For the first time, I think, in the existence of this scheme, we made the decision about the cap numbers this year by getting employers, unions representing a voice of workers in the room, and we've talked about more than just the number; we talked about some of the improvements that we would want to make. And that process is ongoing now.

So we'll move into a full review next year. I look forward to the Commissioner being a part of that review—I think she's been a really useful voice in this debate, but also we're not hanging back in the meantime. I can confirm today that we've already agreed changes to that tripartite process. There's now going to be an improved process for employers to be required to take employment modules so they can be crystal clear about the obligations, and we're also going to move forward with a freeze on accommodation costs in the coming season as well. So we're definitely hearing those issues, making changes, and we'll look at the more systemic issue through the full review—and everyone will be at the table for that.

PM: Can I just check if anyone had anything further on the RSE, just to close that out [*Inaudible*] at the back?

Media: Just to follow on with that, in light of today's findings and the Government's own review of the RSE scheme, why did the Government raise the cap for RSE workers rather than wait for the reviews to finish and for improvements to be made?

Hon Michael Wood: As I was saying, the process that we went through this year wasn't just about the cap. We had employers and unions representing workers; sitting down at the table and saying how we want to take this scheme together sustainably, and they said to us that we could move forward with a cap increase, but there needed to be a more collaborative process and there needed to be some of these changes that went along at the same time. So that's where we took our guidance as a Government from—from that tripartite discussion, and that's how we'll carry things forward. I think we can all see that improvements are needed in this area; we're getting on with those, and more will follow.

PM: There is also the issue that there are some good employers who have been using the RSE scheme for a number of years, who have a strong relationship with the workers that they are connected with season after season; there are others who are not—we need to crack down on them whilst not seeing fruit rot on the ground because of that group that we need to address.

Media: Prime Minister, can I just ask—I know you're not ruling anything in or out—

PM: No, no, I think we've been nice and hopefully clear on that!

Media: —but is it possible that you will cancel the merger?

PM: And I'll give the same answer that I gave this morning on that same question. I've asked Ministers over the summer period: go through your legislative programme, go through your policy programme; 2023 needs to be an absolute focus on the economic situation experience globally. We need to be ensuring we're supporting New Zealanders and have a clear eye on that issue. We do need to trim back the amount of issues that we are progressing as a Government. I won't specifically give you a list at this stage, but that is my ask. So I think I've probably said as much as I will on that.

Media: On COVID vaccines, particularly the Omicron-specific ones, they've been approved overseas in the US, the EU, the UK, for months and months now—what's taking so long here to—

PM: The bi-variant vaccine?

Media: Yeah, and do you really think Medsafe's process is going to uncover an issue that the Food and Drug Administration missed or the UK regulator missed or the EU regulator missed?

PM: No, but I will—if you'll allow me—have Minister Verrall give you an update on that. This is one of those issues where I've seen a number of briefings and I can't be sure on what is in the public domain yet, so I will ask Minister Verrall to give you an update over the next week.

Media: Prime Minister, just on the ombudsman report—in that, he was quite critical of the advice being given to Ministers to make their decisions, thinking about the impact that it would have on people. Are you concerned about that environment around officials giving advice to Ministers, and will you do anything to address—

PM: All I can say is that, of course, we take a very firm and clear view on the importance of free and frank advice. If there's anything in the report that demonstrates that there was any reason that's within our control that prevented that from coming forward, we of course will look closely to what we can do, if anything, to improve that.

Media: How many MPs are you announcing are retiring tomorrow?

PM: I haven't given a number, but you don't have to wait long.

Media: A study has found the level of microplastics falling over Auckland each year is equivalent to 3 million plastic bottles. Are we doing enough to combat plastic pollution?

PM: I would ask, if you wouldn't mind—talking to the Minister for the Environment on that.

Media: We'd love to talk to another Minister today, but no one else was available, so—

PM: I think you might have been asking during Cabinet. Bernard—

Media: Minister Wood, have you had a response back from officials—

Hon Michael Wood: I think we're going to Bernard there first.

PM: Sorry, I'll go to Bernard, and then I'll come back to—sorry Jenna, I'm trying to get a fair allocation across this last press conference. Bernard.

Media: For Minister Wood: you mentioned that the outflow of New Zealanders to Australia was just in line with what we've seen in the long run, but actually there was net migration of 15,300 New Zealanders to Australia in the last 12 months. That's up from 3,000 in the previous five years and is not much lower than that big 30,000 year from 2004 to 2013. What's the point of having extremely high housing costs here that push New Zealanders out, and then replacing them with new foreigners who maybe don't know how high our housing costs are?

Hon Michael Wood: Just for clarity, the figures that I was talking before about weren't specifically about the flow from New Zealand to Australia. It was about the flow of New Zealanders generally travelling around the world and exiting New Zealand on a month-to-month basis. In respect of Australia, a couple of things I'd note there. The first is that there are similar challenges in terms of housing costs in most large Australian cities at the moment. Secondly—and again, it's a bit similar to the conversation about infrastructure—of course we recognise that's an issue; that's why we're pursuing policies to try and assist with that issue.

Media: You're investing \$59 billion when the Infrastructure Commission says you need to invest \$200 billion.

Hon Michael Wood: There has never been a Government in the last 50 years that has invested more in directly building houses and providing the infrastructure to build houses and providing the planning framework to enable more building of houses than this Government.

PM: Just to wrap this, if your argument is that we should ignore the skills shortages we have and have our hospitals tell us that we don't have the health workforce we need because we don't believe that we've got the infrastructure, I'd push back very, very hard on that. We have done both, and I think you'd be hard pressed to find a Government that has done more to build the hospitals that we need, the classrooms that we need, and the houses that we need, and indeed the water infrastructure that we need. It has not been without contention, but we have been focused on fixing our infrastructure. *[Interruption]* If I may—Jenna.

Media: Minister, have you had a response back from officials about possible changes to visa conditions following alleged exploitation at Zirka Circus; if not, when are you expecting that advice?

Hon Michael Wood: I haven't received that formal advice yet, but I do expect it before Christmas.

Media: Prime Minister, former Russian President Dmitry Medvedev has reportedly said New Zealand and other Western nations have pledged allegiance to Nazis. How offensive is that?

PM: I actually had that raised with me—this is something that was raised some months ago. I, of course, reject any and all Russian disinformation, and that's the category under which I would put this.

Media: Is it concerning to you that we have plastics falling on Aucklanders?

PM: Again, I want to make sure that I have the ability to give you a more comprehensive response than what I would if I, unfortunately, glanced at the front page of the newspaper today. Give me a heads-up that you want to get into a topic in a bit of detail and I'll make sure that I'm ready for that. Last question in the front, if we may.

Media: Minister, just with the workforce, wouldn't it be more advantageous to have visa waiver for Pasifika?

Hon Michael Wood: I note a couple of things on that front. The first is that we do work really hard in terms of our relationship with our Pacific neighbours through the immigration system, and on trying to provide as much support as we can through the visa system. So you will have seen the announcements that we made earlier this week, for example, which will provide streamlined access to every Pacific country in respect of officials, consular, and frequent business visitors. And also, as of this month, we are getting on with opening up the Pacific and Samoan access quotas, which will give a large number of people from the Pacific—through a very special arrangement that only applies the Pacific—the ability not just to work in New Zealand on a temporary basis but the ability to settle here as residents. So we've got a lot that's going on there. The question around a visa waiver keeps being raised. That's one that we haven't ever ruled out, but at the moment we're broadly comfortable with our settings.

Media: Prime Minister, what is your whakaaro on Christopher Luxon's attack on South Auckland garages?

PM: If I'll may, this is the last question so I'll make this the last question and answer. You know, when I saw the impassioned response from Minister Sio, I can absolutely understand why. To stereotype an entire generation in that way is just wrong, and there was something that particularly stood out to me, which I'll just actually quote from him—from Minister Sio: "Luxon does not know South Auckland young people, because the majority are good, law-abiding, who listen to their parents, give back to their communities through sport and the church, and lead good lives." That is what I know South Auckland young people to be as well. Thanks everyone.

conclusion of press conference