

POST-CABINET PRESS CONFERENCE: MONDAY, 6 MARCH 2023
HANSARD TRANSCRIPT

PM: Kia ora. Good afternoon, everybody. Two weeks ago, Cabinet agreed an initial package of support for farmers and growers affected by Cyclone Gabrielle. This initial funding is available to help with the immediate clean-up and for urgent repairs to plant and equipment. The Ministry for Primary Industries now estimates that about 5,500 individual farms and growers, covering 14,000 hectares of horticultural land, have been affected by the cyclone. Around 258 applications for the fund are arriving each day. They are being processed as quickly as possible. More than \$17.4 million has been paid out so far, to around 1,500 applicants, or about \$1.5 million a day. It is clear, though, that more funding is going to be required.

Today, we're extending the fund for another two weeks and topping that up with another \$26 million. In total, we've invested \$55 million so far to help farmers and growers in all cyclone-affected regions take steps towards recovery. Up to \$10,000 is available for pastoral and arable farmers, and up to \$2,000 per hectare, up to a maximum of \$40,000, for growers. It means that those with no current income can carry out time-critical jobs. It's things like repairing fences and culverts, removing silt and debris, and ensuring that stock is being appropriately looked after.

There are some early and small signs of recovery in parts of the agricultural sector. With more roads reopening, Fonterra reports that milk collections are starting to get back to normal in the Hawke's Bay, outside of 30 or so farms that have dried off. And Fonterra reports that they're now able to access all farms in Northland, Waikato, and the Bay of Plenty. But there clearly is a long road ahead and more support will be needed. The Government will be continuing to make progress on the design of our recovery and support packages over the coming weeks.

I can also confirm, today, that tertiary students will still be able to receive the cost of living component of their student loan while the delivery of their course is interrupted by the cyclone. The Ministry of Social Development will provide the option of continuing these payments up until 1 May for students who remain enrolled in study but are unable to learn due to the effects of the cyclone. Without this adjustment, we know that students could face unnecessary hardship, and the same flexibility is already in place for student allowances.

Looking quickly at the week ahead, on Wednesday I'll be at Premier House to meet and present certificates to the winners of the Prime Minister's literary achievement awards for 2022. They have been recognised for their significant contribution to New Zealand literature in the genres of fiction, non-fiction, and poetry. On Thursday morning, I will be in Taupō to mark the opening of key infrastructure projects in that area. The Taupō Town Centre Transformation, eastern arterial shared path, and airport redevelopment received \$35 million between them in Government funding, with the money coming from the Provincial Growth Fund and the shovel-ready projects funds. It's good to see another delivery milestone being ticked off. I know these projects are going to make a big difference to that community. Later in that afternoon, I'll be travelling to the Coromandel to talk to local businesses and groups about cyclone recovery and to survey the damage in the roads. And then, on Friday, I will be back in Auckland for the Polyfest, then to attend the Kūmeu A & P show on Saturday, and the Big Gay Out on Sunday.

With that, I'm happy to open up for questions.

Media: We've just had the news through that Georgina Beyer has passed away—obviously a very influential and trailblazing member of Parliament. What are your reflections on her?

PM: I didn't know Georgina well. I just got the news just as I was coming down today as well. So I do want to extend my condolences to all those that Georgina was important and special to. I know that she had a very big following within the New Zealand community. She

was our first transgender member of Parliament, winning a general constituency seat and making, I think, a lasting impression on the Parliament in the process. So I certainly think that Georgina has blazed a trail that has made it much easier for others to follow.

Media: On the issue of early childhood education, do parents do better under National?

PM: If you look back at the history of National's track record of early childhood education, I'm not sure that anyone would place a lot of trust in what they're saying now, given that during the time that they were in Government, they froze funding for early childhood education for the better part of nine years. The result was parents ended up paying a lot more.

Media: Do you think there's a room—what do you make of the debate around the numeracy and literacy tests, and do you think it should be made easier for children, for example, to use spellchecks in exams?

PM: One of the reasons that we've been looking at the literacy and numeracy tests—and the literacy and numeracy requirements for the NCEA—is that we know we've still got a challenge here. Changes have been made over the years. If you look, say, at the changes to the NCEA, that made it easier for kids to get their literacy and numeracy requirements, and the end result is that our universities and our workplaces report that our young people are entering there without the basic literacy and numeracy skills that they require. So there's a difficult balance here: we want to make sure that they're getting the skills that they need, but we don't want to be lowering the standard in order to make sure more kids pass.

Media: So would you see, you know, the likes of spellcheckers lowering that standard and maybe not setting expectations that are going to be needed for that progressive education?

PM: I think the key thing is that we need to be transparent in the way assessment is completed, so I'm not going to design the assessments myself; I'll leave that to the experts to design—

Media: So what do you make of the Ministry of Education saying to the NCEA, "Look, it's too hard, and you haven't got it right."?

PM: Look, I know that that's been a debate that's been ongoing. I know the previous Minister of Education, for example, was quite determined to ensure that we did raise the bar when it came to literacy and numeracy, because we have to recognise that young people have been leaving our school system without the levels of literacy and numeracy that they need in order to be able to survive and thrive in the outside world.

Media: Prime Minister, could you walk us through this apparent U-turn of the Government when it comes to the GPS? We had the stories out this morning, saying it was going to be a very climate-change focused GPS. However, it looks like you've backtracked now.

PM: Well, the GPS—a lot has changed in the last couple of months that are going to have a bearing on the final GPS. It will change from what was previously consulted on. Clearly, there's been a change in leadership of the Government, but also we've dealt with an event that is going to have a significant impact on transport infrastructure and where we have to prioritise.

Media: So, under your leadership, you are less keen to see roads turned into cycleways and busways?

PM: Look, I'm a big fan of busways and I'm a big fan of cycling, as everybody will know, but we also have to be investing in maintaining our roads and making sure that people can get around.

Media: Your transport Minister this morning didn't rule it out. Did he misspeak?

PM: Sorry, in what regard?

Media: He said it was still on the table.

PM: Cabinet hasn't made decisions on the NPS around transport at this point.

Media: Should Michael Wood have been clearer?

PM: Michael Wood was speaking, of course, to the draft that was previously released. That's generally what Ministers do until there's been a change in that. I think there will be a change.

Media: Can Kiwis expect taxes to be increased?

PM: You will see that my track record here has been to reduce taxes on fuel, particularly at a time when fuel prices are otherwise higher than they have been previously. I don't intend to increase them at a time when we are actually trying to decrease them.

Media: Some of the original changes were—the original proposals were—to make roads more resilient and to look at decreasing emissions, so what's changed now? Is it going to be a lot different from that?

PM: I think you'll see resilience and the resilience in the transport network being a much, much bigger priority now. It was in the previous priorities, but I think you'll find it'll be front and centre of the final policy statement when it's released.

Media: Prime Minister, so the emergency situation aside, will climate still be the top priority?

PM: Look, climate change is informing all of the Government's decisions across a whole range of policy areas, and of course it will inform our decisions in transport as well.

Media: Will it be the top priority?

PM: Like I said, resilience is going to be probably the top priority, but Cabinet hasn't made those decisions yet.

Media: You said that Michael Wood was speaking to the GPS as it stands at the moment, which came out in February, I think it was—the council to be consulted on—but shouldn't he be giving interviews in the context of today, which is obviously post - Cyclone Gabrielle?

PM: Well, I think he has done this—later—this morning.

Media: Yeah, correct: "later" this morning. So he just got it wrong earlier, didn't he?

PM: Look, I think, at the end of the day, people can see that the Government is reviewing this in light of the events that we are currently faced with.

Media: Are you scared—is this Government afraid, you know, of the political repercussions of putting climate so high up on that priority list?

PM: Look, all Governments have to deal with the reality that's right in front of them, and one of the realities that's right in front of us is that we have a transport network that has shown to be wanting at a time when we're faced with a major catastrophe, and we have to put that front and centre of our decisions around transport planning and transport funding.

Media: Is climate change going to be front and centre on your transport planning and building?

PM: It'll still be in there but, as I've said, resilience is going to be right at the top of the priority list.

Media: So are you going to put cycleways in all the residential—

PM: I'm not going to write the policy statement now. It will come to Cabinet. There'll be an announcement once we've worked our way through it.

Media: You're making some pretty sweeping—from the podium up here, kind of giving direction of what that should be. Is it even worth having a Cabinet discussion if you're basically just standing here dictating what the policy should be?

PM: There'll be, I'm sure, a lively conversation at Cabinet about it.

Media: How do you plan to pay for these sorts of things? You've said that you're not going to increase taxes, so where's the money going to come from if you are going to have a more resilient build?

PM: Well, at the time that we make the announcement, of course, we'll articulate how we're going to pay for it.

Media: Can I ask about National's childcare policy? You've obviously made the political point about what National has previously done. Can I just invite you to forget all that stuff. Is it a good policy?

PM: Do we want more kids in early childhood education? Yes, we do. Do we want to make sure they've having a quality experience when they're in early childhood education? Yes, we do. Do we want to reduce the barriers to participation in early childhood education, cost being one of them? Yes, we do. Whether or not the National Party's approach is the right one, well, that's a matter for them to comment on. You'll see our track record on that, including the fact that we've actually got some changes coming into force in a couple of weeks' time that are designed to reduce the cost of early childhood education, and we'll continue to do more, I'm sure. But I'm not going to make announcements on that on the hoof.

Media: The Deputy Prime Minister's main criticism was that the amount paid to the number of consultants and contractors should be pared back. Has that got out of control?

PM: We've seen a significant increase in contractor and consultant expenditure, particularly during the COVID-19 period, where a lot of temporary workforces were engaged to do particular projects, including the vaccination campaign, which resulted in a lot of expenditure on contactors and consultants for that particular purpose. That money's been spent and there's no further money budgeted to do more of it, or if it is it's at a significantly lower level than it was before. Almost all of the examples the National Party have put out in terms of things they would cut are things that have already been done. So I think they need to be more transparent about what they're not going to do in the future if this is the way they're going to pay for their early childhood education policy.

Media: What's your message, then, to Government agencies and departments about the use of these contractors? I think people accept that in some cases it's short-term or particular expertise, and there is a case. But are you really saying that it hasn't sort of blown out to a point where people would question the use of them in the Public Service?

PM: I've always been very clear that I want to see more in-housing of some of these things, and less reliance on consultants and contractors. Having said that, there are some areas where there's been an increase in Government spending where they are consultant-, contractor-heavy professions. So if you think about transport, for example, Waka Kotahi, or the NZTA, that's been an area of increase. That's the nature of the industry. So those consulting engineers, for example, that design our roads, that's the nature of that workforce. And so if the National Party want to reduce spending on roads, then they should be transparent about that.

Media: But there's a lot of different areas—media teams, for example. Some of that's contracted out and that expertise, arguably, could be used in-house. Where do you draw the line, and, again, what is your message to them about using in-house as opposed to the costly option of using contractors and consultants in many cases?

PM: The Government's message hasn't changed, which is that we want to see much more reliance on in-house rather than the use of contractors and consultants. One of the reasons that we're having this debate is when we became the Government we actually put in place reliable and robust reporting of the use of contractors and consultants, because it didn't actually exist previously. So the true extent of the issue wasn't transparent in the way that it is now.

Media: Is there enough capacity in the Public Service for them to do the job that they need without increasing their numbers or increasing the use of consultants and contractors?

PM: Look, I've spent quite a lot of time looking at this issue, and there are a variety of things you need to weigh up, one of which is often consultants or contractors are used where a vacancy can't be filled—for example, there aren't enough people available so they'll bring someone in on a short-term basis to fill that vacancy until they can actually recruit to fill it. Sometimes, as I've indicated, it's the nature of the workforce, in some of these fields—like transport and infrastructure; that's a consulting sector. Generally speaking, people do that, and if you want to do these sorts of projects, then you have to accept that. Ministry of Education, one of the areas of growth for their consultants and contractors has been in the capital space—so, you know, consulting on school building projects. They bring in consultant architects, for example, to do the design work. I imagine that's going to continue to be the case even if we're telling them to in-house that work.

Media: To what extent has the public sector pay freeze contributed to this problem? Have you, sort of, counterintuitively made it more compelling or more lucrative for public servants to leave full-time roles and then contract back?

PM: No, because there are specific provisions in the—well, first of all, there's not a pay freeze. Within the wage restraint guidance, there are specific provisions that allow for recruitment and retention issues.

Media: So you don't think that Public Service employees are finding it's more—yeah, they can make more money by leaving the Public Service and then contracting back at higher rates?

PM: No more so than perhaps they always have been able to. But, no, I don't think that the wage restraint guidelines have been a contributing factor to that.

Media: Did you know that Education actually spent higher than Health—and you were the Minister—on consultants in the year to 2022, June, and do you think there is \$400 million of fat within the system that could be—

PM: I mean, ultimately, those people are all doing work of some description. So if you were to say you want the ministries and the Government departments to in-house that work, that work still needs to be done, so, at the end of the day, there's still going to be a bill for that. I'd be surprised if there was \$400 million' worth of reductions and expenditure; you'd have to find \$400 million' worth of work that you don't want to have happen, if that was the case. Now, at a conceptual level I would rather Government departments did more of this work in-house and less of it consulting, but in the Ministry of Education's case, because that is an area that I looked at closely, if you look at some of the big areas of growth, as I've just mentioned, one of the big ones was the fact that we're spending more money on school capital—i.e., classroom upgrades and rebuilds and building new schools—than any Government in generations. And the result is that that particular sector is one that's dominated by the contractor-consulting approach, and so that's been one of the big drivers of growth there.

Media: Do you think there's enough progress on—like, your ambition that there's more stuff being brought in-house, I mean, all those contracting and consulting activities, if you look at the numbers, it's all kind of piled in together. So, Ministry of Education—I had a look today—includes things like school lunches; school bus services; as you say, building classrooms. So I've got no idea whether, you know—I mean, those things seem legitimately contracted-out services, but how can we really tell whether you're making progress or whether you're going backwards?

PM: That's one of the reasons that we put in place the guidance that requires Government departments to report more transparently on this, so that we can actually see where that money's going. I think we could probably get that information down to a slightly more granular level so that people can see exactly what sorts of activities it's being spent on. I think we've made progress, but I think there's certainly more progress to be made there. I'm not going to defend the consulting and contracting industry; you know, they can defend themselves. I would prefer that more of that work was in-house, but I have to also

acknowledge that where Government departments are saying, “Look, we’ve tried that and we can’t actually get the people to do the work.”, if the work needs to be done, they have to do it somehow.

Media: Prime Minister, speaking of granular, there was a story in the *Herald* over the weekend about—and this might be a leap, actually—the Ukrainian Government wanting New Zealand - specific equipment to help with grain shipments over in the Ukraine. That was blocked by the Government. Can you just tell us why? I mean, people would look at that and think it’s ludicrous that the Government said no.

PM: I’ve asked for some more information on that. So the information that I’ve received so far, which I’m not going to get into the detail of because I’m not 100 percent sure that it’s completely accurate, is that some of the claims being made around that process don’t stack up. So I’m getting more information; I’ve asked for a time line of exactly who did what and when and who asked for what and when. But in terms of our engagement with the Ukrainian Government, their requests have been very clear. It’s in the military space that they’ve been looking for, you know, more support from us and from other international partners.

Media: But do you not see how it’s a bad look? I mean, the Government has for about a year now been saying how bad the situation is in Ukraine, how bad the invasion is, and then it kind of falls at the first hurdle when the Government is, essentially, blocking something that the business sector could’ve done without the Government involvement at all.

PM: Yeah, like I’ve said, I don’t think that the way this is being portrayed, based on the information I have at the moment, is an accurate reflection of what has happened, but until I have a detailed explanation of exactly what’s happened, I won’t get into that any further. We are absolutely committed to supporting Ukraine. The requests from the Ukrainian Government have been in that defence, military space, so that’s where we’ve been responding.

Media: Prime Minister, you met with the climate change Minister last week on proposals that could potentially speed up on climate change. Can you go through those conversations of what sort of proposals are on the table, please?

PM: No, because, you know, there’s obviously still a process to work through, and him and I just having a conversation doesn’t necessarily mean that there’s anything to announce at this point.

Media: On the Ukrainian military aid request that you’ve just mentioned, Ukraine asked in August for some of our light armoured vehicles and we said no. We’ve actually got a few that we’re trying to sell. Would you reconsider that decision and maybe give them to the Ukrainians instead?

PM: I think that there are a variety of things that we’ve had to weigh up about that particular request, and I haven’t got the latest information on that. But one of the things that we, I know, looked at at the time was whether they were in a state to be able to be deployed readily, and what the ongoing kind of maintenance contribution would require, and it was a whole—and also whether there were discussions sufficiently advanced with other potential buyers of them, that we wouldn’t want to breach any obligations that we’d already made. And I think on the cumulative picture, with all of those things weighed up, that wasn’t the best way for us to contribute. But I don’t have an update on that in the last few weeks.

Media: Prime Minister, a proposal was put forward by Westport in 2021 for several hundred homes to have managed retreat. Do you know why the Government didn’t accept that proposal at the time?

PM: Sorry, no—that was not something that I was particularly focused on at the time. I’m very happy to come back to you with some more detailed information on that one.

Media: And if West Auckland homeowners are given managed retreat, is that something you would consider for somewhere like Westport, which is prone to flooding?

PM: Well, look, I think all of the conversations around that are a little premature at the moment. We've still got quite a lot of work to do around the West Auckland area around geotechnical studies and so on. What we know from the Christchurch and Canterbury earthquake experience is that the Government needs to set very clear criteria about how we support communities in these situations, and that's the process that we're going through at the moment.

Media: Prime Minister, have you or your Ministers or the Public Service Commissioner—have you had any conversations about Steve Maharey and his partiality at all?

PM: My understanding is that Steve Maharey himself contacted my office this morning as a result of some recent commentary on the matter, and, as a result of that, I think, you know, he's reflecting on whether or not he should continue with his column. My understanding is that he, by and large, doesn't write about political matters, and so I think he's doing some reflection on that and he's asked for some feedback on that. So I think he's approaching that in a very open-minded way.

Media: OK. He's written some editorials while he has been in the role of the chair of ACC and Pharmac. Some of his comments here I can quote verbatim. He says, "National is not and never has been the party of change. Its leader's brand rests on him being a good manager of an airline." He said, "Luxon always looks like a person who belongs to the past." He said, "nothing seems new or fresh about the team National is offering." In another editorial, he has said the National Party is seen "in the same light as the Republicans in the US, ... more interested in the past than the future." Are his comments, do you think, in the context recently of Rob Campbell and his tacking—are they inappropriate?

PM: Ultimately, Steve Maharey has indicated—I mean, you know, he's been writing that column for some time. He's indicated himself that he's rethinking whether or not that's appropriate for him to do in his current role and has asked for some feedback from the Government on that, so I think he is certainly open to making changes in that area—I'm sorry, I think he accepts that it could be a problem. That is quite a contrast to what we were talking about last week, where the author of the relevant comments didn't believe that they were a problem.

Media: But there's a perception issue here, I would say—I mean, if Rob Campbell as chair of Te Whatu Ora was in breach of the code of conduct and he was critical of the National Party policy, you now have the chair of Pharmac and the chair of ACC—two enormous organisations, as well—being critical of the progress of the National Party. That surely would be seen as a breach of the code of conduct too for a chair.

PM: Look, and as I've indicated, Steve Maharey has already been in contact, seeking feedback on that, and he's certainly willing to take that feedback on board.

Media: Do you see a difference in the comments between Rob Campbell and Steve Maharey?

PM: Look, I don't ask for perfection, but where there has been a breach of the code or where there is a perception of a breach of a code, I think if somebody is open to receiving feedback on that and open to changing as a result of that, I think that's all we can ask of them.

Media: Is this a good time for you to send a little bit of a note or a refresher to CEs and chairs of public entities to stay apolitical?

PM: Look, certainly I would expect, as I indicated last week, that the chairs of these significant public entities should preserve the principle that they should be ready and willing to work with whomever the Government is, regardless of the political stripe of that Government.

Media: Did Steve Maharey coming forward himself save him from sacking?

PM: What was that?

Media: Did Steve Maharey voluntarily coming forward himself save him from sacking?

PM: As I've indicated, you know, I don't ask for perfection from people. I think if there is a perception of a conflict or there is a conflict, then people being open to having conversations about that is the right way forward.

Media: But him being moved on from those roles is still on the table, then?

PM: Ah, look, we're having conversations with him. I think the most likely outcome, from what I gather, is that he's going to stop writing his column.

Media: So Ayesha Verrall asked for advice on Rob Campbell the evening he made that LinkedIn post, so it was clearly the post that spurred that action. Why is the same action not being taken in this instance?

PM: I don't think anyone has raised it up until now. I don't think I'd even seen the columns in question.

Media: But after hearing them, are they a problem?

PM: Look, as I've indicated, you know, we expect our chairs to act in an impartial way. I think Steve Maharey himself has acknowledged that there could be, you know, suggestions that he hasn't been, and so he's asked for feedback on that. I think that that's an absolutely legitimate thing for him to do.

Media: [*Inaudible*] former Labour Party Minister and MP?

PM: No, not at all. I think, you know, one of the challenges with Rob Campbell last week was that he didn't believe that he'd done anything wrong and continues to assert that he hadn't done anything wrong. That's clearly not the case here.

Media: Prime Minister, you would think, though, someone with Steve Maharey's experience—you know, you did hire Rob Campbell, who is not from a Government background; Steve Maharey is. And in 2018, the official advice from the Ministry of Health was to not employ or bring in Steve Maharey as chair—the advice was to stay with the existing chair of Pharmac at the time. Now, David Clark went against that advice and put him in place, as a former Labour Minister. This is challenging, I guess, when we're looking at the moment at the politicisation of the Public Service and commentary around that. Can you see that from the perspective of a former Labour Minister with almost no expertise in health, is now being the chair of Pharmac?

PM: Steve Maharey has a lot of experience in public sector governance, and that's ultimately what the role is about, so I have absolute confidence in him in that role. In terms of his role as a columnist, whether there's a conflict between his role as a public sector government and his role as a columnist, that's certainly something that he's reflecting on and that we'll provide him some feedback on that.

Media: It would be easy to make a call on that, like, now—that's it's inappropriate?

PM: I haven't had the opportunity to speak to him in person at this point.

Media: What I would say in the Pharmac review that came up—it was a pretty damning review which really did point the finger at the leadership and the governance in particular of Pharmac. Steve Maharey came in for some criticism in that report. Pharmac on Friday, in the death hour, dropped their response, a very long-awaited response, to that Pharmac review. They've resisted every interview request to speak to that; we've given them many opportunities at Today FM—some of the criticisms were about accountability, among other things, and governance. Is Pharmac upholding the new standards that you would expect of them in the wake of the findings of that review?

PM: I'd certainly expect Pharmac to operate in an open and transparent manner, as we would expect of a Government organisation of their size and prominence.

Media: Prime Minister, the recently former chair of Te Whatu Ora has today said that in Pyongyang, North Korea, there's a public service which would appeal to our own Public Service Commissioner. Would you liken Peter Hughes to Kim Jong-un?

PM: No.

Media: And what did you make of the overall criticism from Mr Campbell—is basically there's no room for dissenting views around the Wellington Public Service, and Wellington public servants really act in their own interest rather than the interest of the public. Would you accept that?

PM: No, I definitely don't accept that. And, ultimately, Rob Campbell no longer holding the two roles that he previously held wasn't actually to do with policy; it was to do with the fact that he was engaging in a political debate in a way that was inappropriate, and wasn't willing to change.

Media: But based on his, you know, behaviour, I guess, since he lost the job, what does that say about his appointment in the first place?

PM: I'm not going to go backwards over that. You know, ultimately, we are where we are and he no longer holds those roles.

Media: It's not an isolated view, though, is it, around this risk of group-think. There was a New Zealand Economics Forum session last week. We had Sir Maarten Wevers, Anne Tolley, and Graham Scott—former Treasury secretary—all expressing various levels of concern about the need for greater diversity of views. Do you think there's too much homogeneity when it comes to the public sector now?

PM: A little bit of a contradiction in the questions I'm being asked today. On the one hand, I'm being asked whether there's group-think within the Public Service, and then I'm being asked whether they're bringing in too many external people to provide them with advice. There's always aspects of truth in both of those things. So I think one of the roles of Ministers is actually to make sure that we're receiving contestable streams of advice so we're not just getting advice from the public sector. One of the reasons I think it's important that Ministers get out and about regularly and speak to a wide variety of different audiences is it does give you an opportunity to test the advice that you're getting from the official circles. One of the reasons I enjoy engaging with business communities is that they often give us quite frank feedback about a whole variety of different matters. It might not always be feedback that we agree with, but I think it's important that we hear those views and perspectives.

Media: The Deputy Prime Minister's main criticism of the Nat's FamilyBoost policy yesterday appeared to be that it would be "too popular" and there would be "too much demand". Does that imply that cost is holding back more parents from seeking childcare?

PM: No, I don't think that's a fair characterisation of the comments that the Deputy Prime Minister made. I think she did make the observation, though, that they seem to have undercooked—based on what information is available at the moment—the potential for increased subsidies in this area to result in increased participation. We know from the introduction of 20 Hours free—back in 2007, I think it was—that participation increased quite a lot, and, therefore, the overall cost of that policy was more than was originally envisaged.

Media: Is early childcare in New Zealand still too expensive?

PM: It's certainly been an area of growth and cost for families, and that is something that our Government has been taking seriously. And, as I've indicated, there's change coming in the next few weeks that's going to make an impact on family budgets, in terms of giving them back some more of that money.

Media: But it's not just the cost, right? It's also the availability of centres and waitlists are infinite—up-the-wazoo long. What are you going to do to fix the ECE sector to make sure that

there are services and centres and spaces for parents who want to be able to send their kids to childcare?

PM: One of the biggest issues is not physical constraints in the sector at the moment; it's staffing constraints. So it's that centres are struggling to recruit enough teachers in order to be able to serve the populations that they want to. So that's been a real area of focus for our Government, making sure that we're recruiting more early childhood education teachers and that we're paying them more, because that's how we'll retain them.

Media: I do believe that early childhood teachers aren't on the fast track to residency—i.e., on what is colloquially “the green list”. So would you look to move ECE teachers on to a faster, immediate residency pathway to get the teachers that you need?

PM: There are already a significant number of incentives in place to recruit early childhood education teachers from overseas. There isn't a big pool of early childhood education teachers floating around internationally either; it's another one of those professions where there's a global shortage of people in that area, which is one of the reasons we've placed a significant emphasis on training more people here locally. But we certainly have incentives in place to recruit them internationally as well.

Media: On the \$10,000 figure for farmers for cyclone recovery, where did that figure come from and is it enough? Surely renting like a digger or equipment to clear silt would suck most of that up in a day.

PM: Yeah, so these are initial upfront costs. So this is about just getting things started. It's not the totality of the package. We've indicated that we know that there will be more support required.

Media: Do you have any oversight as to whether there's even enough diggers or equipment like that in the region to do this work quickly?

PM: In all of these things, I know that the market will be reorienting itself quite quickly to provide more support to the affected regions. Similarly, after the Canterbury earthquake, there probably weren't enough demolition machines available initially; very quickly there was a market that developed for those, and I imagine that that's going to happen in the East Coast as well.

Media: On the National policy announcement today, clearly, now, they're starting to propose new policies for the election. Last election, Labour withheld all of its policies until the month before the election—after the coalition's done. When will Labour start to announce election policies?

PM: I don't think you'll see anything significant on the election-campaigning front from us until after the Budget. Clearly, the Budget's, you know, the big area of focus for us in the next couple of months.

Media: Does that mean that you're fighting with one hand behind your back?

PM: No, not at all. I mean, unlike the Opposition, you know, the Government continues to govern on a day-to-day basis, so people know what to expect from us, because it's actually far more transparent. You know, it will be in the Budget documents.

Media: Prime Minister, what is the point of the—

PM: We'll wrap up soon, but, yeah.

Media: What is the point of the early childhood education network management policy? Doesn't it sort of reduce competitiveness in the market for early childhood centres?

PM: No. One of the challenges that we've faced in the early childhood sector has been that growth in the number of centres has, effectively, diluted some of the available staffing, some of the available quality of some of those centres. Some parts of the sector have argued very strongly in favour of network management because they know that it ultimately is going to result in a higher quality of education for the kids.

Media: Prime Minister, on business—you know, the meetings you've been having with the sector—no doubt the businesses are telling you that they're facing higher costs, so they're putting up prices. Have you received any advice that would make you concerned that businesses are in fact price gouging in this inflationary environment, if they can get away with it, and that might be contributing towards inflation?

PM: We have some systems in place, you know, in order to check—to make sure—that there isn't price gouging going on, but, as you'll be aware, the Government isn't convinced that we have a fully competitive sector when it comes to groceries in particular, and we're doing more work in that space to make sure that we do get a more competitive grocery industry, and we'll continue to look at what more we can do.

Media: Prime Minister, have you had any further thoughts on whether people who paid for supply drops out of their own pocket for the cyclone should get repaid by the Government?

PM: Yeah, so we're getting some further advice on that, and it's due within the next few days or in the next week or so. One of the key things we've just got to work through is who gets reimbursed and for what, because we have to do that in a clear and transparent way, so we're working our way through that, but I'm hoping that we should be in a position to be able to share decisions on that within the next week or two.

Media: Prime Minister, over the weekend—a bit of a cheeky one—Mark Mitchell challenged Stuart Nash to a boxing match for Fight For Life. If these two were to square up, who would you think would have the edge?

PM: Stuart Nash has already, I think, made very clear that his focus is on supporting his home town, the Hawke's Bay, through the cyclone recovery, and I endorse that. I think that's an appropriate place for his priorities.

Media: Prime Minister, just going back to the GPS, one last one: in terms of having an overarching focus—that was what the draft considerations were: an overarching focus—on emissions reduction, and now you've, you know, pivoted away from that because of Cyclone Gabrielle, which is, you know, an effect of climate change, is there an irony in that?

PM: No, not at all. Emissions reduction will continue, as you'll see, to be a focus of our transport planning. I think what we have to recognise is that, what we were talking about last year and what we're talking about right now, there are going to be some different priorities as a result. All right. Thanks, everybody.

conclusion of press conference