

POST-CABINET PRESS CONFERENCE: MONDAY, 26 JUNE 2023
HANSARD TRANSCRIPT

Acting PM: Kia ora koutou. Just looking around to see who's still here and not overseas. A few. Good afternoon, everyone. I thought I'd start by talking about the 1 July and many of the initiatives that have been announced in the Budget that will come into force.

On Saturday, around 3 million New Zealanders will no longer have to worry about paying the \$5 prescription co-payment. It will make it easier and cheaper for New Zealanders to access the medicines they need and will have a meaningful impact for many households, particularly those who have multiple prescriptions to fill in on a regular basis. This includes 770,000 New Zealanders over the age of 65. Free access to medicine will also relieve pressure on the health system, as we have discussed previously. In the year to March 2022, more than 135,000 adults did not collect their prescription because of cost, so by assisting them to manage their health needs in this way, this policy will also ease demand on the health system.

From Saturday, the Government will also be supporting New Zealanders with the cost of living by making public transport more affordable. We've provided the funding for councils to make fares on buses, trains, and ferries free for children aged 5 to 12 and half-price for all passengers aged 13 to 24. This will make it easier for kids to get to school and provide relief to family budgets, saving up to \$30 a week for the average household with two children. When half-price fares for under-25s and community services card holders and total mobility users are added together, barriers to taking public transport help tackle congestion and get Kiwis moving will be removed for 1.6 million Kiwis.

There are a number of other initiatives that will come into force on 1 July, as well. One I'm particularly proud of is the end of a discriminatory child support law. Child support pass on takes effect from Saturday, and around 41,550 sole parent families will benefit financially by an average of \$65 per week with a median gain of \$24 per week. Following the abatement of benefits and other assistance, these families will gain overall by an average of \$47 per week and a median of \$20 per week. It's estimated this change will lift as many as 14,000 children out of poverty. This is a change to a policy that dates back to 1936 and which was incredibly complex. It's taken some time to unwind it, so to see the progress has been incredibly heartening. Sole parent beneficiaries can expect their first child support payment from July to be in their bank accounts in August.

I can also announce today that the Government is providing an extra \$6 million for organisations such as foodbanks to help meet the increased demand we're seeing post weather events. This is on top of the \$26 million announced in Budget 2023. During COVID, these organisations saw a big uptick in demand for their services, and they have not yet returned to pre-COVID demand levels. So this funding, over the next six months, will help ease the transition from the one-off COVID funding back to baseline. We'll be keeping an eye on the need in the sector and respond further if required.

Finally, the Government is also tasking providers and organisations to help more Kiwis obtain their driver licence. The next financial year will see 15,000 places available across the motu for people to complete a programme that'll provide driver licence support. The programme of support may include professional driving lessons, access to a legal vehicle to take a test, eye tests, and licence and testing costs. We know that having a driver licence is a key requirement for up to 70 percent of jobs. However, there are many within our community that can't access training or tests due to the costs and other barriers. Through Budget 2022, we're supporting an estimated 64,000 people to overcome these barriers to gaining their driver licence. This targeted support will also help turn the tide on the number of people whose criminal records start with fines for driving without a licence. It really is a win-win.

And lastly, to the week ahead, I'm in the House all of this week—so, Tuesday, Wednesday, Thursday. On Friday, I'm in Blenheim opening the new Marlborough library and art gallery and visiting an employment provider. And to mark 1 July this weekend, I'll be making my way

around the Ōtara, Avondale, and Grey Lynn markets with our local Auckland-based MPs. I'm now happy to take your questions.

Media: When it comes to law and order, do you think the National Party is scaremongering, if you like?

Acting PM: Well, I think there's a couple of issues with what they announced over the weekend. The first is the lack of evidence base behind some of what they're saying, and the second big issue is the cost and the fact that they don't know the costs of any of the initiatives that they have proposed. And so those are two very big issues: whether or not what they're proposing will even, in fact, be effective, and, secondly, whether they have the money or whether they even know how much money it will cost.

Media: When it comes to rehab, though, the Government isn't offering people who are on remand access to rehab programmes if it's related to violence or sexual offending, whereas the National Party says that is what they would do. Why won't the Government do that?

Acting PM: So, Minister Davis has already tabled a bill in the House that will see those that are on remand get access to some support that they haven't previously been able to access. It could be to do with getting support for literacy; it could be to do with support for something like alcohol issues that they face. There are some things that are a little bit difficult to offer someone in remand, particularly if they have been charged with something that they haven't yet been found guilty of, and so it would be difficult to see those people voluntarily taking up any courses that could actually influence the outcome of their court case.

Media: In October last year, Stuart Nash said there would be no more financial support to Ruapehu Alpine Lifts, then in December you put up another \$6 million; today, another \$5 million. When does the money train end?

Acting PM: Look, I wouldn't call it a money train, but I would say that it is really important to us. I mean, Ruapehu, that region—you know, it's part of Aotearoa, it's a taonga to us, and clearly there been challenges there and so we need to support with regards to finding a solution. I think a media release has gone out. There is another party that is interested in potentially taking over, but in the meantime there is a need to make sure that we still provide access and support so that it can continue for New Zealanders.

Media: Is that \$5 million a loan or a gift?

Acting PM: Let me just check that—I can't remember what the answer to that question is, so I'll just check that.

Media: But, essentially, aren't you just throwing good money after bad?

Acting PM: Look, it's not a situation anyone wants to be in. We wish that they hadn't gone into liquidation, that we weren't in a position where we needed to support, but we need to, and people still want to be able to access this taonga and we understand that. It's an interim solution, and so we certainly want some more certainty and to find a solution for the future, but in the interim we are providing some financial support.

Media: The Crown has already publicly backed Pure Tūroa and Whakapapa Holdings, so what's changed now?

Acting PM: Oh, look, I think the Minister's put everything out. It has been not the situation that we would want to be in, but we certainly want to still provide access to New Zealanders. We have to step in here because no one else will for the interim, but we are looking to find a longer-term solution.

Media: This looks nothing short of shambolic. What do you say to communities like Ohākune who were actually banking on the two private bidders hitting the ground running?

Acting PM: It's unfortunate that we're not in that position, but we're certainly going to be working hard to find a solution.

Media: Will any of that \$5 million go to Life Pass holders?

Acting PM: I don't think it's intended to go directly to Life Pass holders. It's to keep the place operating in the interim until we find a longer-term solution.

Media: Minister, do you think the effects of climate change have been overlooked somewhat in the debate on Ruapehu? I mean, we're well into winter now. There's not much sign of snow there. Does it really have a future long term?

Acting PM: I think so, and we certainly think so. I mean, the lifts that were put in—at the time I can remember going to visit—recognition of the fact that there was less snow, but still this is an amazing taonga to have access to. Obviously the first priority has to be mitigating the risk of climate change and doing everything we can, but in the event that situations weather change, how do we then use or access the taonga that's still there? And so those lifts, if you've been up not in the middle of winter but if you've been up when there's no snow, it's still a beautiful place to go and visit. So I think everyone that's in that situation is probably rethinking where they pivot to and how they work with regards to the tourism sector and access to our taonga.

Media: But, so, are you saying that it could operate as not a skifield, just as a tourist destination?

Acting PM: Oh, I certainly am not going to be the person that says that is what's happening, but I know that that was a conversation that was raised with me when I was visiting a couple of years ago.

Media: I have some questions for you as workplace relations Minister. The Prostitution Reform Act prohibits migrant sex workers from working. The founder of New Zealand Prostitutes Collective wants that repealed, saying the current law makes them at risk of exploitation and abuse. Is that something the Government's looking at changing?

Acting PM: That's not something that I've seen on the work programme since I took on the portfolio last year, and nor had I had any conversations about that particular issue with the previous Minister. So I'm not aware of that being something that we are looking at doing at this point in time.

Media: And the prostitutes' collective also wants to see more legislative reform around anti-discrimination measures and recognition of hate crimes against sex workers. Again, is that something that the Government would consider implementing?

Acting PM: That is not something that I have seen on the work programme or had mentioned to me since I've taken on the portfolio.

Media: But is that something, though, that, you know, discrimination towards sex workers; is that something that you would, at some point, want to look into?

Acting PM: Well, we certainly would oppose and find unacceptable any discrimination towards sex workers, but I can't say that it's on the work programme that I've got in front of me for workplace relations.

Media: What would they need to do to get that on the work programme?

Acting PM: I don't know whether or not they've had conversations with the previous Minister. But if they wanted me or anyone in the Government to look at it, then they can certainly write to politicians to raise it.

Media: Universities around the country are facing huge cuts to jobs and to the courses they're offering. Can they expect any Government support coming their way?

Acting PM: Certainly had a conversation, as Cabinet Ministers, and I don't want to pre-empt any announcements. I think that media and the general public will just need to wait to hear directly from the Minister of Education on that.

Media: Do you have any concerns that there will be gaps in the courses; well, there will be gaps in courses on offer and that that will lead to gaps in New Zealand's academia and

research sector? And just, you know, the quality of education people are getting in there, it has bigger implications for New Zealand more generally?

Acting PM: I think there is the need for ongoing conversations there. I met with the Regional Skills Leadership Groups last week and the chairs of the Workforce Development Councils. They have been tasked with ascertaining what is required in terms of workforce development in their regions; and also for the Workforce Development Councils across the different sectors. And so it's their insights that will help to inform some of the decisions by TEC with respect to investment and then, hopefully, ensure that we've got the right training in place to mitigate the risk of down the track not having the workforce that we need.

Media: Is it the view that the sector is in need of huge reform to be able to stand on its own two feet without relying on international students?

Acting PM: I don't know whether that's the real concern right now, but we're certainly focused on making sure that we've got the right structures in place so that we're working with the tertiary sector to make sure that we've got the courses and the training and upskilling opportunities available to people, particularly in those areas where we have or will have potentially workforce shortages.

Media: On the China trip, the ghost flight that accompanied Mr Hipkins to the Philippines, do you guys recognise that's a terrible waste of emissions or is that just necessary given the unreliability of the fleet?

Acting PM: I say, just to clarify, the second plane hasn't gone to China. I think it's currently parked up in Darwin and it is there as a bit of a back-up plan. Everyone will remember 2016, under John Key, when the plane broke down. We've got 81 people travelling on that plane. If we didn't have a back-up plan and something did happen—and of course we hope that it won't—then not only would they be stranded in China but the cost that that would incur, in terms of accommodation and trying to at the last minute organise some kind of plan to get them back, would outweigh having a back-up aircraft waiting somewhere just in case.

Media: The replacements to those aircraft were supposed to be delivered around now in the first part of this decade, but the Government's pushed it out to 2028. Do you know why that is?

Acting PM: Well, I mean, that's the plan that I've seen, is that they are due to be replaced 2028 to 2030, and, so, as far as I know, we're on track for that plan.

Media: Do you find it embarrassing for New Zealand?

Acting PM: We've invested significantly into the Defence Force since we got into Government, and I think that if we look at the figures—and I can provide them to you later. If you look at the nine years prior to that, there was an underinvestment not only in the air force but across the Defence Force in general, and so, you know, we've certainly tried to make up for that lack of investment since we've been in Government. Clearly, there's still areas that need to be focused on, and so our Minister of Defence is doing that work, plus there's a plan in place—2028 to 2030 is when it's due to be replaced.

Media: Everyone knows that those planes are clunkers. They're ageing; they break down almost every trip. I mean, can we actually last till 2028 or are we going to have to send back-up planes on all these trips?

Acting PM: Not every trip, because I did go on the Pacific mission and we got back OK and it didn't break down, and I think there's a number of times it has gone and it's been OK and hasn't broken down. But we recognise, yes, you know, our kit needs to be updated and so there's a plan in place for doing that, and we're just not at the point where that's happening right now.

Media: Why not?

Acting PM: There's a plan in place. So 2028-30 is when the plane's meant to be replaced and so that's what we're gearing to.

Media: Until that point, though, are we sort of sending double the emissions on all our flights—by not waiting until 2030 we're essentially doing double emissions?

Acting PM: Just keeping in mind, though, that second plane has not travelled to China. So it is there to—it is there as a back-up if anything happens and, hopefully, that isn't the case and we don't need it.

Media: Sorry, that wasn't my question, though. So we have to keep, essentially, causing double the emissions on our overseas trips until 2030?

Acting PM: Well, that's not double the emissions, because it hasn't travelled the distance.

Media: It's about 95 percent of the way to China. Manilla's about 95 percent of the way to China.

Acting PM: And we are in the situation because of almost a decade of underinvestment in the Defence Force. We've put money into it, but there's still obviously investment that needs to be put in—and the cheaper option is having a back-up plane right now than running the risk that we could have 81 people stranded.

Media: How frequently does this happen? Like, how frequently have we sent two planes?

Acting PM: I don't have the examples in front of me, but I did get told that this is not the first time where a second plane has been put on standby somewhere just in case.

Media: Minister, is the quality of that plane acceptable?

Acting PM: Certainly, no one wants to see even the risk of a plane breaking down whilst you're travelling around for important business, so I don't think anyone would accept that that's OK. But we're in the situation because of almost a decade of underinvestment in the Defence Force. We're trying to make up for that but we're not saying that we're there yet.

Media: Sorry, just all joking aside, though—

Acting PM: I'm not joking.

Media: No, but there's a lot of joking about this plane breaking down—but joking aside, is it actually putting the Prime Minister and others' lives in danger by—

Acting PM: My understanding is there hasn't been any event mid-air or whilst in transit that should cause any concern. That hasn't been something that's been raised.

Media: Just on the \$6 million for food banks, it follows, what, \$26 million in the Budget— isn't that an indictment on the Government's handling of the cost of living crisis, that there is such pressure being put on food banks?

Acting PM: Well, I think what we need to remember is that, if we look back at any economic event—so the global financial crisis (GFC) is one—despite the fact that things resumed back to some kind of normal after the GFC had passed, we didn't actually see the reduction in hardship need that you would expect to see. So this is not unusual, and inflation is real. The cost of living is high at the moment, and we're not the only country experiencing that, but that is people's reality. And so we've been trying to put measures in place that help with a range of household costs that hopefully frees up some money so that they can afford the basics. But I'm not going to ignore the fact that our food banks and those that are working with families and communities on a daily basis are still experiencing some pressure, and so we want to support them.

Media: But the food bank would be, what, the ambulance at the bottom of the cliff? There are so measures in place before someone needs to then turn to a food bank for support. So why are those other measures not working to the point that we're having to pump millions into food banks?

Acting PM: Well, we are implementing other measures, as you've said—trying to get other household costs down, whether it be ECE, public transport, health or medication

costs; so all of those things are happening. Also on top of that, we did extend access to special needs grants, so those on the lowest incomes, through MSD, can access them. The reality is that when you come out of something like a pandemic or any kind of economic crisis, then what you have is not necessarily people returning to what was deemed “normal” before. The hardship need is still high and we’ve seen that in the past and that’s what we’re experiencing at the moment.

Media: Do you share the opinion of some working in the charity sector that, in an ideal world, they wouldn’t exist?

Acting PM: Absolutely. I think we all share that. We don’t want to be in a position where we need charitable organisations to support families because they’re experiencing hardship. But, over the course of time, they have always existed in some form, and if we were able to put them out of work because we’re able to reduce poverty to that extent and address the hardship of everyone that needed support, then that would be a wonderful day. But I think that everyone would accept that that’s not our reality for now and has not been for many decades.

Media: Just on the food banks. You mentioned in your opening remarks that this is also due to increased need after the weather events. Is that correct?

Acting PM: Yes, in parts of the country and in certain communities, that is the case.

Media: Can you explain what that need is and what it looks like?

Acting PM: Yeah, I would say probably—and from my conversations with the City Mission—less in Auckland than in some other parts of the country, because obviously it depends on the communities that it’s impacted, too. But it still has had an impact.

Media: So has that been the most, sort of, increased cost? Is that the reason?

Acting PM: No, I would say, particularly for Auckland, it would be cost of living is the main issue.

Media: What’s the latest on the negotiations between the Government and councils over the cyclone recovery package?

Acting PM: So we continue to work with them. Any particular area that you’re asking about or are you just asking generally?

Media: In terms of the property buyout, particularly, the discussions over how much councils will have to pick up, how much the Government will pick up, I mean, how difficult are those negotiations?

Acting PM: Well, it’s not just about the negotiations around money; it is determinations around how particular homes that were impacted are categorised. And so all of these decisions kind of go hand in hand, in many ways. And so there’s still some very serious and important decisions to be made.

Media: When do you expect to reach agreements then?

Acting PM: I’m not going to put a time frame on that, but obviously we want to work as quickly as possible so that we can provide certainty to these families.

Media: How would you categorise the nature of those negotiations?

Acting PM: Look, we’re working constructively with the councils, and we need to. Those communities and families are relying on us to be able to work together and make the decisions that are going to impact their lives, and they need that certainty.

Media: Australia today has announced \$110 million worth of support for Ukraine. That’s more than New Zealand has provided all up. In total, Australia has given 11 times more than New Zealand has. Does New Zealand need to step up to the plate and provide more support to Ukraine, in your opinion?

Acting PM: Well, my understanding is the support that we've provided to date has been received really well; and certainly from Ukraine themselves, I haven't seen or heard of any criticism with respect to what we've tried to do and what we've been able to do. So we continue to watch this space and see where we can support.

Media: So your argument is that's what you can afford?

Acting PM: Well, it's also just watching this space and seeing where else we can add value and we can support. We'll make changes as time—or we'll make decisions as time goes on, but, you know, there's a number of countries, including us, who want to support the Ukraine. So we're all lending a hand to that, and then we'll just continue to ascertain as we move forward if there's anything else that we can do. My press-sec is doing this—like, wind it up.

Media: Just back on the plane, isn't that really about political expediency. You don't want to look like you're buying a plane for the Prime Minister.

Acting PM: I don't think that's it at all. There's a plan in place for when those planes will be replaced and we're sticking to that plan. In the meantime, because of past experience with overseas travel, particularly going that far, a decision was made to have a backup plan. So having a plan B, or a backup plan, is actually a good thing, and we will be looking to replace those planes. So it's—

Media: Not until 2028 at the earliest. Those planes will be 40 years old by then. How is it acceptable to put a Prime Minister on a 40-year-old plane that could break down?

Acting PM: Well, he's comfortable with his travels, and clearly he wouldn't have gone if he thought that he was at risk. So the risk is it breaking down when it's there. The thing that we worry about, because it's happened before, hasn't happened every time—but it has happened before. So plan B was decided on, and so I think that that's acceptable. As I said, it would be more expensive if we had 81 people stranded in China, and I think we'd cop a whole lot more criticism if we hadn't put a plan in place to avoid that happening.

Media: Surely it's going to be more expensive, though, to continue having these ageing planes—they've been called ageing for about a decade now, by the way—and continue to use these planes and use an extra plane as well than just biting the bullet and buying a new one so that you don't have to take two planes at once.

Acting PM: We're not jumping ahead. There's a plan in place for when replacement will occur, and so we're committed to that. And, as I said, we have significantly increased the investment into our Defence Force over our course of time. There's still things to fix, to change, to upgrade, and so it's important that we stick to that plan. I think that's it. My press-sec is saying that's it. OK, thank you very much. Sorry for choking at the beginning.

conclusion of press conference