

POST-CABINET PRESS CONFERENCE: MONDAY, 4 DECEMBER 2023
HANSARD TRANSCRIPT

PM: Ka nui te mihi ki a koutou. Kia ora, good afternoon, everybody. It's good to see you all. As you know, we campaigned on alleviating the hurt that is being felt by hardworking Kiwis as they struggle to make ends meet without out-of-control cost of living pressures—pressures that have been caused by the Labour Government's inflationary and wasteful spending. The rent must be paid, the mortgage is due, feeding the kids is a bigger struggle than it once was, and we see families in foodbanks in record numbers. Luxuries are being cut and, in many cases, so are necessities. It is difficult out there and many Kiwis are all feeling it. That is why every move that this coalition Government makes will be about common-sense actions to make Kiwis' daily lives better.

We are starting our 100-day plan with a laser focus on bringing down the cost of living and inflation, because that is what is hurting families the most right now. You will have seen that today I announced an increase in the family tax credit in the Best Start rates for new parents beginning 1 April 2024. The Income Tax Act requires that Working for Families payments must be adjusted once inflation hits 5 percent. The new family tax credit rates will increase from \$136 to \$144 per week after tax for the eldest child, and from \$111 to \$117 per week for subsequent children. The Best Start tax credit rate increases from \$69 to \$73 weekly after tax. Families have been feeling the impacts of the cost of living crisis, and this increase will be a very welcome to the back pockets of those who most need it.

This is just one part of our wide-ranging plan to get New Zealand back on track, and we will be relentlessly focused on that in the next 100 days and further. That's why Cabinet also considered the framework around HYEPU and the process by which we will ensure the Reserve Bank has a single mandate yet again, and to talk more about the Reserve Bank mandate, I'll hand over to Nicola before taking any further questions.

Hon Nicola Willis: Thank you, Prime Minister. Today I can confirm that the Government's mini-Budget will be released on 20 December. This will occur alongside the release of Treasury's Half Year Economic and Fiscal Update. That mini-Budget document will reflect a number of time-critical decisions made by the incoming Government, including some already confirmed in our 100-day plan. It will also outline a series of actions this Government is taking to restore a culture of fiscal discipline, both to guide the Budget 2024 process and to deliver ongoing fiscal sustainability in the years to come.

All three parties in Government are resolute in their commitment to getting better value for taxpayers' money, to bringing the Government's books back in order, and to ensuring New Zealanders can keep more of what they earn. We must put New Zealand on a firmer financial footing, and this will require a much more disciplined approach to Government spending decisions than has been the case in recent years.

At our mini-Budget, I will outline a number of specific steps our Government will be taking to take a more disciplined approach to spending decisions. As I have expressed, I am concerned by the scale of the financial challenges left to us by the outgoing Government. I am still receiving advice on both the number of those challenges, their size, and the options available to the incoming Government.

The challenges fall into two broad categories. The first are risks that were referred to in the pre-election update, but the true scale, and urgency of which, was not made clear for a range of reasons, including commercial sensitivity. Some of these risks are now upon us, and they are much larger than had been suggested.

Second, I have been surprised by the sheer number of Government policy programmes for which funding is due to expire as the Government chose to fund those programmes on a short-term basis only. In some cases, this practice is extremely disingenuous. This is because it makes the books look better in future years, even though it is highly unlikely Ministers genuinely intended to stop funding those programmes. It is remarkable to me, for

example, that the outgoing Government left a massive fiscal cliff for Pharmac funding. Did they really intend to withdraw funding for listed medicines? And if not, why didn't they account for that in their pre-election update?

I have asked Treasury to advise me of how many times this approach has been used and therefore how much funding we will need to find to continue essential programmes left short-changed by the outgoing Government. The preliminary advice is that this sum is likely to approach many billions of dollars over the forecast period.

I will have more to say about how we will approach these risks and what decisions we will make about them. I will also have more to say about what amendments may be required to the Public Finance Act. This is in order to ensure that future Governments are more upfront about these choices.

I am also announcing today that legislation will be introduced to the House next week restoring the Reserve Bank's single focus on inflation. New Zealand was the first country in the world to implement an inflation target. It was extremely successful. After years of high and volatile inflation, we managed to turn a corner and bring inflation back down to earth. Today, we face a similar task. Inflation has been out of target for two and a half years, and that is why the Government will be restoring the Reserve Bank's single focus on inflation. History tells us that the best way to deliver strong, consistent growth in employment is by first delivering low and stable inflation. I know the Reserve Bank shares our absolute commitment in bringing inflation back down. Even so, the current dual mandate creates the risk of a future policy mistake.

Further, the Treasury have highlighted that by our Government providing this clear signal of the importance we place on achieving and maintaining price stability, the single mandate could positively influence expectations for future rates of inflation. Reducing inflation expectations is an effective way to dampen inflationary pressure. It's important to note that our inflation targeting regime will continue to have the flexibility needed to avoid instability in economic output and to ensure the bank can have regard to the real economy.

The decision in 2018 to introduce the dual mandate went against 30 years of success. Today, our Government is making clear that on our watch, inflation is enemy number one. Stable inflation is the prerequisite on which maximum sustainable employment rests.

Obviously, this is just one change we are making in our fight to beat inflation. You'll see more from this Government in winning that fight. Limiting growth in Government spending, reducing costs on business, and unwinding regulation will all play their part and will form the subject of future announcements. Thank you.

PM: Thank you, Nicola, for the update. As you know, this week is also the opening of Parliament. Tomorrow, we'll see the election of a new Speaker, and as I've indicated previously, National will be nominating the Hon Gerry Brownlee. On Wednesday, we have the State Opening of Parliament and the first maiden speeches, and on Thursday, we will have our first question time. With that, happy to take any questions.

Media: Can I just be very clear. I mean, Nicola Willis, you're saying that there's billions of dollars' shortfall here. You're talking about fiscal cliffs. We did have a pre-election fiscal and economic update. What exactly are you accusing the previous Government of right now?

Hon Nicola Willis: I'm accusing it of upholding the letter of the law but not necessarily its spirit, because I think what they did was they found clever workarounds to make the books look better than they really are. For example, it is absolutely permissible for a Government to only short-term fund a programme. That is allowed. But when you know that you will have to go back to fund it in future Budgets, then actually you should just be funding it for the long term. Pharmac is one example; school lunches are another. I knew about those before the election. What's surprised me is how many more of those there are, and I think it would have been helpful—I'm still taking advice on how many there are, and that will form the subject of future announcements. But what I can see is it would have been helpful pre-election to have collected in one place a list of all of the programmes the Government had

chosen to short-term fund, with an explanation of why. Because in many cases when I'm asking that question—why haven't they funded that into the future?—there is no good answer.

Media: Is this just a question of the previous Government, or are you calling into question the competency of the Treasury as well?

Hon Nicola Willis: I think that the Treasury have upheld their duties—in everything I've seen so far, that appears to be the case. I think what's happened here is that there has been a clever finance Minister who's found some workarounds.

Media: Can you elaborate what changes you want made under that Public Finance Act? Is that that list—is that what you're going to change to make a requirement?

Hon Nicola Willis: As I say, I will be taking further advice on that, but what I envisage is that I would think it's appropriate in future pre-election fiscal updates that there be collected in one place a list of all of the programmes, all of the policies for which funding falls off a cliff in future years, so that anyone looking at that can scrutinise it and determine whether they think that's responsible and can consider what choices may be required.

PM: Sorry—Tova.

Media: Can you still afford your tax cuts?

Hon Nicola Willis: Yes.

Media: You mentioned that you knew about the school lunches and Pharmac. Can you give us any other example of a fiscal cliff that you've found, and if you could find those two in the Budget pre-election, why couldn't you find any of the others?

Hon Nicola Willis: I think the point here is, actually, someone with a fine-tooth comb could have gone through all of the Estimates and in some cases found examples of time-limited funding. What I think is at issue here is the sheer scale of those, some of which are very deep in the Estimates, and the need for that all to be revealed in one place. For example, I don't think it was public knowledge that there has only been short-term funding provided for cybersecurity in schools.

Media: But isn't it your job as the Opposition finance spokesperson to go through that Budget with a fine-tooth comb, and see where those fiscal cliffs are and expose them?

Hon Nicola Willis: Yes. The fact that the Treasury is still providing the advice on the sheer scale and scope of these would tell you that this is a large task, and it is a task that I think in future we should be very up front about. I think if Governments are going to short-term fund things, they should have an adequate explanation for why.

PM: Sorry—going to Ben. Ben.

Media: Why have you picked December 20 for that date? A cynical view on that might be to drop some bad news and then run away for a fortnight on holidays.

Hon Nicola Willis: No, it's just that we don't have much time to pull together our mini-Budget.

Media: How many Public Service bosses have you met, and how—what's the range of savings that they're estimating they can go to? Are some going up to 10 percent?

Hon Nicola Willis: Look, we are still providing guidance to Public Service chief executives on the scale of the savings programme. Obviously, they've already had the indication in our 100-day plan around the 6.5 percent, but they're being asked to look across their budgets to see where there are areas where they could be delivering better value for money or they could be reprioritising to front-line services.

PM: Sorry—Jessica.

Media: Is this just politics, though?

Hon Nicola Willis: Absolutely not. This is my genuine reaction to the state of the books that I have seen now that I am behind the curtain. Now that I'm behind the curtain, I am seeing things that I didn't expect to see. Some of the fiscal risks that were updated in the pre-election update were referred to, but I didn't know the quantum of how big those risks were. Treasury weren't authorised to share that detail because of commercial sensitivities and the like, but now that I know that information, I think it's really material, and so what I want to do is have a look at the issues we're inheriting and think about how we could provide better transparency to the public for the future. This is about doing the right thing.

PM: Sorry—Jessica, and then Craig.

Media: Can I ask you a question about the so-called app tax? National campaigned to scrap it. Why have you changed your mind on that?

Hon Nicola Willis: Just because our absolute priority is getting more money into the bank accounts of working people. In a time of fiscal restraint, we are focusing on personal income tax reduction.

Media: Is it a tight—like, this is a really complex tax zone, and organisations like Airbnb are saying it's just not the right time for it, and they're disappointed by this stance. Should you have been campaigning on it?

Hon Nicola Willis: Look, obviously we campaigned on a tax package that had other sources of revenue in it. We now have a coalition Government; we need to make adjustments.

Media: If there were those commercial sensitivities around those risks, what would you have expected the Government and Treasury to have done about it?

Hon Nicola Willis: Well, that's why I'm taking more advice—it's to understand how could we perhaps provide more transparency around the quantum of overall risks, even if that's in a collective sense; where could we get more detail out in the future? I also think that there is an element here of communication—publicly and transparently with the public, because while it's true to say that people can comb through individual Estimates, I think having in one place, clarity about the number of time-limited programmes, the extent of those, and their implications would be an important step forward for fiscal responsibility.

Media: You've announced changes to the family tax credit today. When will you be making announcements about your promised changes to the in-work tax credit?

Hon Nicola Willis: Soon.

Media: They're still happening as promised?

Hon Nicola Willis: Well, as I've said, we will be announcing a mini-Budget on 20 December, and I want to focus you on that.

Media: Are there any aspects of your fiscal plan in the coalition agreements that you've had to adjust, given what you've seen?

Hon Nicola Willis: Ah, look, what we share across the three parties is a commitment to income tax reduction, to getting the books back in order, and to funding front-line services as well as a number of coalition commitments that we've made. The process we are now in that will occur between now and the Budget and ongoing is making sure that we prioritise those well and that we're all on the same page about the discipline needed across the board.

Media: Prime Minister, what's one thing that you can point to in your 100-day plan that will help you reach that target of lifting 80,000 kids out of poverty by 2028?

PM: Well, look, a lot of what we are doing is actually getting the economy working right. I mean we've said we've got to rebuild this economy, lower the cost of living, that helps so many families, getting ourselves tax relief so we can actually help lower and

middle income New Zealanders as we've said that we would before the election. This is really important stuff.

Media: And when do you plan to lower the bowel screening age to 50? That's not in that 100-day plan, is it?

PM: No, it's not in the 100-day plan. Obviously, we've talked about expanding breast cancer screening, as you know, from 69 to 74. That will save another 65 lives per year, and we'll continue to look at bowel screening as well.

Media: When's that going to happen?

PM: We're focusing on our 100-day plan and making sure we execute that very well. We're then building out now our one-year plan and ultimately a three-year programme to make sure that we deliver on our programme.

Media: Are you still committed to increasing New Zealand's Defence budget to 2 percent of GDP by the end of this term?

PM: Well, we would like to increase our defence spending, but, again, that's going to be completely contingent upon our fiscal situation, at this point in time.

Media: When are you going to begin work on looking at charities with a business charities tax?

PM: Again, that will happen in due course as we think about revenue and we think about tax further down the road.

Media: Menopause leave?

PM: Again, we'll look on all those issues down the road. Right now, we're fixated on delivering 100-day plans so that we can actually get the economy moving in the right direction.

Media: How is repealing fair-pay agreements addressing the cost of living crisis for workers?

PM: Well, again, you know, we've been very clear about our opposition to fair-pay awards. We don't think it creates labour market flexibility. It's been a hallmark of New Zealand's economy for a number of years now. It's something that we opposed in Opposition—as did the other parties in the coalition as well—and it's something that we want to push on and actually get repealed. We don't think that it actually adds value, adding cost to businesses that ultimately lead to higher prices and more inflation. We think businesses should be trying to build better businesses to actually pay workers more. That's the way we go about it.

Media: And do you believe that repealing FPAs will disproportionately affect young people, Māori, women, and Pacific peoples?

PM: What I can tell you is adding in extra costs around FPAs and putting that up on small businesses and putting them to the wall with a higher cost base is not the way to improve the productivity of firms. We want to focus on improving the productivity of companies in New Zealand and businesses in New Zealand so that they can access and deliver higher paying jobs to their employees.

Media: Which groups in New Zealand will be disproportionately affected by repealing FPAs?

PM: We just don't believe that FPAs are actually good to actually creating a good business environment and, therefore, good long-term certainty for employees.

Media: We've been leaked a Cabinet paper about the repeal of the FPAs. Does that worry you?

PM: Again, I'm not aware of that, so I can't comment on that.

Media: But does that worry you that you've been in power a week and confidential papers are leaking?

PM: Again, I'm not going to get into that, given I don't know anything about it.

Media: Prime Minister, we've had confirmation from Waka Kotahi—now the New Zealand Transport Agency—that they are changing the name back to the English name. Can you speak to the swiftness of that decision? Why is it such a priority for this Government?

PM: Look, um, look, it's one of the things we've put on to our plan. We'll have more to say about it, you know, in another month or so, but, again, what we're really imagining here is we just want to be able to make sure that New Zealanders can navigate their Government departments and agencies. That's what it's about.

Media: Is it a sign that things like bilingual signs are on the chopping block at the moment?

PM: No, not at all. We're big fans of te reo. We want to see more people embracing te reo. We think it's really important. We're a party that actually started that process of actually encouraging people to take on more te reo. We want to see more of it, but also we want to make sure that the vast majority of New Zealanders can navigate their Governments, understand their Government agencies—particularly at a time we've actually had very poor delivery and poor outcomes and poor service from those agencies.

Media: Given the amount of outrage from the health profession on your smoking policy, will you reconsider that?

PM: Ah, no. I mean our view is we are deeply committed to lowering smoking rates across New Zealand. All we are doing is sticking with the status quo. Just remember, none of the Labour Government's legislation has actually been enacted or has actually taken effect at this point in time. We're sticking with the current—with the status quo. And what I'd just say to you is that, you know, if you just take the last decade, smoking daily has gone from 16 percent of Kiwis down to 8 percent of Kiwis, and we're going to continue to do that.

Media: Can I ask you a question around the protests that are planned for tomorrow: what's your response to those that are planning to go out and protest the swearing-in of your Government tomorrow?

PM: Yeah, look, I mean, I understand it's a Te Pāti Māori protest that's being led. Again, I just encourage everyone to be lawful, to be peaceful, to be respectful—everyone's entitled to their right to protest. What I just think is, you know, our Government is deeply committed to improving outcomes for Māori and non-Māori. And if we're really honest, the last six years, actually, the outcomes have not been good for Māori under the Labour Government. We've seen—you know, economically, Māori have been really challenged by a cost of living crisis that's got out of control. We've seen Māori in terms of participation on welfare, on social and State house waitlists, education and healthcare—all of those things have gone backwards. And so we are determined as a Government—as a coalition Government—to improve outcomes for Māori and non-Māori, and that's what we want to be focused on.

Media: The protest are actually being organised by iwi leaders as well, including Tainui-Waikato, Ngai Te Rangī. And in the Far North and here in Te-Whanga-nui-a-Tara—it's not just Te Pāti Māori, but it's iwi-wide—

PM: Some iwi, it's fair to say not all iwi. Yep.

Media: But then, to say it's just a Te Pāti Māori protest—

PM: I didn't mean to say that. But it's been promoted as a Te Pāti Māori initiative, is what I've read, in terms of how it's been presented.

Media: But it is also being supported by iwi Māori, so are you concerned that iwi are also actioning a national day of protest?

PM: Well, what I'd say to you is we've only been in Government just on a week, and I think, you know, what I want iwi and I want Māori across the country to understand is that we are deeply committed to improving outcomes for Māori—period. And as I said to you before, I don't think the last six years have been good for Māori, and I think Māori have done very well, particularly in National-led Governments in the past, and they're going to continue to do so. But the way we deal with that and the way we do that is we actually focus on the things that are important to Māori, and when you do that, you get back to housing, health, education, law and order, and the economy, and that's what we're going to focus on.

Media: There is a question going from Te Arawa, Minister Willis, and it is about lunches in schools. Te Arawa want to know—and some of our schools, previous low decile—if you are supportive of ongoing lunches in schools?

Hon Nicola Willis: Yes, we are. We have a coalition commitment to ensure that we're getting best value for money from that programme, so we are taking advice on how to achieve that.

Media: Prime Minister, a number of MPs from the Māori Party—the Māori Party is committed to not swear allegiance to the Crown at the opening of this Parliament. Have you been briefed on the implications of that for those MPs?

PM: No, ultimately that's an issue for the Clerk of the House and the Speaker.

Media: Just on these protests tomorrow, are you prepared for wave after wave of these protests over the next three years?

PM: Well, no, because I think we're going to demonstrate to Māori and to non-Māori across New Zealand that we are focused on outcomes. Now, I've been trying to be really clear with New Zealanders: this country needs a turn-around. The one word we have to focus on is "delivery" and actually getting things done for Kiwis.

Media: They've heard you say this time and time again, though. They're still organising protests because of the name changes; because of a whole lot of issues. This is going to plague your prime ministership, isn't it?

PM: I disagree completely. We are here to get things done for the New Zealand people—whether Māori or non-Māori, we want to see outcomes improved for everyone.

Media: Is it embarrassing for New Zealand to receive the Fossil of the Day award at COP28 for plans to reverse the offshore oil and gas exploration?

PM: Look, I disagree. I mean, all I have to say to you is we are deeply committed to delivering on our net carbon zero goals for 2050 and beyond. Minister Watts is actually due to go to COP and we are very supportive of the direction of where the consensus statement is going—

Media: Are you embarrassed, was the question.

PM: No, we're not—and in fairness, you know, we've also been working through the course of this week and will continue to work through the course of this week, that when we actually sign up for pledges, we know that we can deliver them and actually can do that. And so all we're doing is just taking a beat of time, as we come in as a new Government, literally with COP right upon us—to make sure that when we do that, we can do that. So you'll watch us through the course of this week: you'll see, for example, this morning we were able to sign up for the pledge around renewable energy, which is fantastic. We're very supportive of where that consensus statement is going over the course of the next week or so at COP as well.

Media: And just on another topic: are you open to increasing the rebate to overseas film productions in New Zealand to match Australia or France?

PM: Again, that hasn't been a topic of conversation for us in our Cabinet.

Media: But are you open to it?

PM: At this stage, it's not a topic of conversation. Luke?

Media: Prime Minister, do you know what the protest tomorrow is about?

PM: To be honest, I don't. I mean, I'm reacting to what I'm hearing and what I'm reading from what people are talking about. As to the scope, the scale, what the issues actually are—you know, we'll find out. But what I'd just say to you is, you know, we are going to be a Government that's going to deliver for Māori—period. You know, that is a big focus of ours. It is unacceptable to me that we've actually got, you know, I think 30 percent more Māori on welfare. You know, we've got 50 percent of Māori kids now not going to school regularly. We've got 50 percent of the State house wait list—social house wait list—are Māori. You know, that means that we've had a Labour Government over six years—despite all the words, despite all the language, despite all the rhetoric—that actually hasn't delivered for Māori. We are determined to do that.

Media: And, Nicola Willis, just back to your fiscal cliffs and potentially expiring spending promises—I mean, how many? Can you give us a sense of the quantum? What are we talking—10, 20, 30, 100?

Hon Nicola Willis: As I said, together they account for billions of dollars over the forecast period. So this goes well beyond school lunches and Pharmac. This is a number of programmes. It's spread across agencies. It's spread across votes. And, as I say, to give you a sense of the scale, I am still working to understand the quantum of it myself. I asked for advice about it very early in my first week, and I'm still to get the full advice on the scale of this practice across Government. And can I just, Luke, highlight for you why it's disingenuous, which is: if the Government presents a set of books where they say, "Look, the debt track's coming down and we're getting back into surplus.", but the reality is that that depends on them stopping funding for things that they're not intending to stop funding for, then actually those commitments aren't worth the paper that they're written on. And so my intention is to very thoroughly explore these items to understand in each instance why the funding is short term, to understand whether Treasury advised against that practice, which I know will be the case in many of these cases, and then together to look at what our choices are in each of these items. Some of them we will have to stop funding. Others of them we will choose to prioritise. Others of them we may need to rescale.

Media: So with that in mind, what do you envisage in broad terms, the scope of your mini-Budget being?

Hon Nicola Willis: So, look, the mini-Budget should deliver three things. First, it will set out the funding implications of some of the immediate time-sensitive decisions the Government has taken, both in terms of our 100-day plan and other issues that we need to implement quickly. Second, it will set out a range of new practices we are going to introduce as a Government to restore fiscal discipline. This will include, for example, the establishment of a Cabinet Expenditure Control Committee. It will also potentially include amendments to the Public Finance Act, as I've suggested today. The third thing that our mini-Budget will do is it will highlight what our fiscal approach is going to be and how we are going to ensure that we both ensure New Zealanders can keep more of what they earn and get our books back in order.

PM: Sorry, guys; we'll just go in order. Can we go to Mark and then Ben and then Richard, and then—yep, up the front.

Media: Just on the offshore oil and gas ban, what's your response to the President of Palau, who says that your Government's move to repeal that ban is "tragic" and "backward"?

PM: Well, what I'd just say to you is that, you know, what we need to do is we need to have access to gas in this country as a transitional energy source as we make that transition to renewable energy. We are determined to actually double the amount of renewable energy in this country. We want to see increased investments around solar, geothermal, and wind. The way we're going to do that is have a one-year mandatory

resource consenting and then a 35-year consent. We're going to say: "If you want to upgrade transmission and lines, you don't need actually a consent for that; just get on and get it done." You know, we've seen some perverse situations under this Government. You know, you can talk about a just transition, you can talk bumper stickers all you like, but at the end of the day it's a Labour Government that didn't deliver in the sense of how on earth does it take you 10 years to build a wind farm—eight years to consent it, two years to build it? So we want to accelerate the transition to renewable energy, but in the process of doing that we need to be able to have a transitory energy source which is, in this case, gas, and that's a hell of a lot better, I'd just say to you, than importing a huge amount of Indonesian coal.

Media: Are you surprised at the international reception of this policy, in particular with that fossil of the day award, President of Palau criticising you, the climate change Minister of Vanuatu criticising you, Germany is climbing on board saying there's no room for new oil and gas when asked about this policy? Is that more backlash than you expected?

PM: Well, what I'd say to you is what's not acceptable is continuing to import Indonesian coal at times when we need it over the next 10 years or 15 years or so as we make the transition to renewables. So we're very, very focused on delivering renewables but what we're also doing is we don't just make bumper stickers and slogans; we actually put the plans together to make sure that we have a pathway to get ourselves to that better future. So, you know, I hear what people are saying but what I'd just say to you is we think gas is infinitely better than coal as a transitory energy source. We know that we're going to need it over the course as we make the transition, and the real opportunity for us is, actually, to double the amount of renewable electricity, and if we can make that transition therefore happening in transport and manufacturing sectors across the economy, which is what we need to make abundant, cheap, available renewable energy, then we can take a third of our emissions off the table. So, again, we are a Government that has common-sense plans to deliver against the goals that we're delivering. The way we're going about delivering those goals—the means by which we do it—will be different from the previous Government, but don't misunderstand that as a lack of commitment to the goals. In essence, we think this is a much better way for us to go than to endlessly open up and keep importing huge amounts of coal at times when our energy system demands it.

Media: A couple of first 100 days—

PM: Sorry?

Media: A couple of first 100 days questions. So, you've hit the ground running with Parliament pledged to sit until Christmas. On *Breakfast* today you said you'd be back at work on 15 January. Does that mean you plan to bring back Parliament that quick—?

PM: We're just working through that now. It might practically mean that certainly, you know, the Cabinet will be back at work and Cabinet committees will be happening that week, I imagine, but we're just working through whether we bring Cabinet back that week or whether it's actually the week afterwards. But we'll work that through.

Media: And during the campaign you weren't sure whether you'd go to the Waitangi Treaty Grounds for Waitangi Day, or around that. Have you made decisions on how you'd like to spend your first Waitangi Day?

PM: I mean, my intention would be still to go to Waitangi. I think that's important. But, again, I haven't thought that far ahead at this point.

Media: How do you think you'll be received when you go to Waitangi?

PM: Well, I think, you know, the reality for me is that we're going to be a Government—as I keep saying—delivering for Māori. And I just think that in six years you can talk about words and, again, bumper stickers, and rhetoric as much as you like, but the hard, cold facts are that Māori have gone backwards under the Labour Government. I want to be determined. I want to lay the case up—as I've been talking with iwi leaders, to be

honest, over the last six months or so, even again on the weekend. I talked to different iwi leaders about, actually, our ambition for our Government to want to work with iwi, and particularly to deliver outcomes for Māori.

Media: Do you think that Māori and non-Māori at Waitangi are going to see it the same way as you?

PM: I don't know. That'll be up for them. All I can do is communicate what our Government's about, to say that this is a country that—actually, we want to be a Government that's going to govern for all New Zealanders. We want everybody flourishing in this country. We're going to be a positive Government that takes the country forward. People may project on to us a whole range of things, and me personally, but the bottom line is, my job is to model out what I want to see in this country, which is more unity—everyone doing well—and, actually, improved outcomes for everybody.

PM: Sorry—Richard. Sorry, Richard, I didn't come back to you.

Media: Can we have some more detail on the amendments to the Public Finance Act? Which part of the Act are you going to amend, and what are you going to put in there?

Hon Nicola Willis: Richard, I take this as your invitation to come on the 20th to the mini-Budget, in which those details will be provided.

PM: Sorry—Ben.

Media: Would you just say—just coming back to the last train of thought—would you say to iwi leaders and some of your critics in Māoridom, just, like, “I've been in the job for a week, a fortnight; give me a chance.”? Do you feel unfairly treated, or, sort of, painted—

PM: Well, I mean, all I can do is what I'm going to do, which is, I'm going to model out unity that I want to see in New Zealand. I want to make sure that everyone understands I want everybody in this country flourishing, whether they are Māori or non-Māori. And what I've got to focus on is what I can control, which is actually making sure this Government delivers and improves outcomes. So, you know, really, it's going to be about making sure every quarter, every six months, every year we're moving the country forward. And if I can demonstrate that to people—I get it; people have a bunch of reactions politically to our side of politics winning the election and forming a Government. I know it's different from what's happened in the last six years. But, you know, I would say to you, Māori have done exceptionally well in previous National-led Governments. We want to work with Māori to deliver improved outcomes, and we're going to continue to do that.

PM: Sorry—Jessica.

Media: Prime Minister, during the election campaign you said that you wanted to bring Parliament back in the middle of January, which is breaking from usual tradition, in saying that it's just not in step with the commercial world. Are you now rethinking that stuff?

PM: No, just making sure that we are sequencing our legislative load that we want to take through the House. So, as we've now formed—taken the three-party policy programmes that we've all signed up for and supported as a coalition Government, because we've now distilled that down to a very clear actionable 49 actions, 100-day plan. As we're very clear about what legislation actually needs to go to the House and help re-sequence that, it's just making sure that we also work through practically and actually give public servants a chance to draft some of that legislation. But, having said that, I'll be back here on the 15th.

Media: All Prime Ministers always come back to work, that's not—that wasn't the question.

PM: Yeah, I hope they do—yeah. My observation is that sometimes things don't start up until after Waitangi Day and we want to start things sooner than that.

Media: But isn't that because of that sequencing and that need for the public service and for things like day care for—

PM: Sure, but we think we can move it forward and start it up a bit earlier than that.

Media: So, not mid-January but perhaps a week later or—

PM: Maybe the 23rd, the week after Wellington anniversary weekend—we can start on that weekend, maybe.

Media: Nicola, it wasn't so long ago that you were saying your mini-Budget would have an emphasis on the "mini". Is it shaping up to be more significant than you had actually intended now?

Hon Nicola Willis: No, it's still mini, mini, mini. I'm just giving you a clearer idea of what will be in it. So it's not going to have all the financial decisions that we intend to take over the coming months. It's going to have a small number of those, which is where the "mini" comes from. What I think it's important I do at the same time is set out our approach to fiscal discipline and they're quite specific about some of the things we're going to change. So that I will do, but people looking to the mini-Budget for an explanation of every single financial decision we're going to take over the next year would be disappointed.

Media: Prime Minister, the PREFU is an incredibly important document. The Public Finance Act sort of underpinned our fiscal integrity, really, for many years. Can I just get you to confirm that this is deadly serious, not political speak—do you actually think that the PREFU in the Public Finance Act was inadequate for understanding the fiscal position of the New Zealand Government?

PM: Yeah, I mean, what we're saying is that while the letter of the law may have been followed, the spirit of the law hasn't been followed, I think. And what we're wanting to be really clear about is knowing exactly what other programmes need to be funded, and that's what we're going to surface as we go into HYEPU.

Media: And you both recognise that's quite a serious allegation because it's not just the Opposition that looks at that document. Investors look at the document. Overseas investors look at the document. You're deadly serious that you think to some degree it misrepresented the fiscal position of the New Zealand Government.

Hon Nicola Willis: I think we would be negligent if we didn't commit to continuously improve that document in response to practices that emerge over time. I would reinforce that I believe our central agencies, the Treasury, Government departments have, as far as I can see, at all times, put their best effort into ensuring that they are being open and transparent, as that Act requires. What we have observed is work-arounds that have developed over time and just with many matters of the law where we then need to respond to those to ensure that the intent of that Act is being upheld.

PM: Sorry—Richard. Richard and then Mark. Oh, sorry Lloyd—go.

Media: With these reforms, Nicola, are you essentially painting the last Labour Government with the same brush as Muldoon in their recklessness around finances?

Hon Nicola Willis: I think I've been saying for quite some time that these were people who were reckless with the taxpayer dollar. They committed economic vandalism. They've left the country in a very bad financial and economic state, and what I'm saying today is that also extends to the way they left the books, and I intend to clean it up.

PM: There is no doubt about it. When New Zealanders are looking at the economic pain that we're going through and what we're going to need to do to fix and repair things fiscally, there's only one bunch of people to blame and that is the Labour Government. I mean, this is a Government that increased Government spending 80 percent. It hired more people, it taxed more people, it spent more, it borrowed more, and delivered worse outcomes. How on earth do you go from \$5 billion worth of debt up to \$100 billion worth of debt and nothing to show for it.

Media: Is the country nearly bankrupt? I mean, Muldoon nearly bankrupted the country when Labour inherited in 1984. Is it similar now?

PM: No. What I'm just saying to you is there's been economic vandalism on a scale that we haven't seen before because we've had economic incompetence from the Labour Government, and it should actually put them out of business of governing New Zealand for a generation, I just say to you. And so I think the reality for us is we understand about fiscal prudence and being fiscally responsible. That's what we're doing. We're doing a repair job. We're being very, very focused on making sure we get our books in order, and that's what we'll have more to say about on 20 December.

Media: The Act requires that the PREFU fairly reflect the fiscal situation and outlook. Now, you appear to be saying that it doesn't fairly reflect the situation and outlook. Are you therefore saying that the Labour Government, or the PREFU, is in breach of the Act?

Hon Nicola Willis: I think that it reflects the situation and outlook based on what were Cabinet decisions at the time. So Cabinet at the time made a decision to stop Pharmac funding in future. That is a true representation. It was provided in PREFU. Does anyone in this room, does anyone in New Zealand, really think that their Labour Government was going to withdraw funding for listed medicines. And so my point is, it did fairly reflect Cabinet decisions that had been made. The reality of the impact of those decisions I don't think was well known by New Zealanders.

PM: Clair—sorry, sorry. Hang on, we'll just go to Clair—

Media: Can I just ask again the same question I asked last week, which is when you reinstate the original Resource Management Act, will it be reinstated with the Treaty principles clause still in it—

PM: Yes, it will be.

Media: Just on the mini-Budget, and just to be really specific about what's expected of that, will it have how you will pay for all of the tax cuts and tax relief that you plan to deliver? Will it have that fully reworked, revenue-neutral scheme in there?

Hon Nicola Willis: It will have more details on that, but for the full scope and scale of the mini-Budget, you'll have to await that on the 20th, and, obviously, there are still Cabinet discussions and decisions to be made.

PM: OK—sorry, Marc.

Media: You can't say that coming out of that briefing on the 20th December, that the country will know exactly how those tax cuts will be paid for?

Hon Nicola Willis: I think on the 20th of December, the country will have a lot more information.

PM: Sorry—Ben.

Media: Five days into your 100-day plan, how many have you ticked off? You've got at least one with Lake Onslow done. How many have you—

PM: Well, we just want to make sure that—

Media: Are you keeping a tally?

PM: Well, we've got a very good tracking methodology that we've built to actually make sure that when we actually say it's done, it's actually really done—that there's not secret teams working on stuff and still spending resources on it, as we've found in a few cases.

Media: So there's no running tally, and a little whiteboard going wherever—

PM: No, we have a weekly tracker that we've got. We've got a 100-day plan committee that I actually chair, and, actually, that's where we monitor progress to make

sure that those actions assigned to each individual Ministers to get done are actually getting marked down.

Media: Minister, are you still committed to delivering your tax cuts without borrowing a cent?

Hon Nicola Willis: Yes.

PM: All right, guys. Thanks so much for your time—appreciate it.

conclusion of press conference