

**POST-CABINET PRESS CONFERENCE: MONDAY, 4 MARCH 2024
HANSARD TRANSCRIPT**

PM: Kia ora. Good afternoon, everybody. I'm pleased to announce that this week, as part of our 100-day plan, we are releasing the draft Government policy statement on land transport. The draft GPS outlines the coalition Government's ambitious agenda to get transport back on track by investing more than \$20 billion over the next three years. Our Government is prioritising economic growth and productivity, maintenance and resilience, safety, and delivering better value for money from our transport agencies and delivery partners. We are reintroducing the successful roads of national significance programme, with 15 projects across New Zealand to enable people and freight to move as quickly and as safely as possible. Investing in these corridors will make it easier for Kiwis to get to work, where they need to go, and create a more productive and resilient transport network, drive economic growth, and unlock land for thousands of new houses.

Delivering reliable public transport is also a priority for our Government. The draft GPS commits up to \$2.3 billion for public transport services and up to \$2.1 billion for public transport infrastructure over the next three years. This includes metro rail investment in our main city centres of Auckland and Wellington, particularly as we work to finish City Rail Link and ensure that the network is prepared for passengers on day one. Alongside this work, planning will also be undertaken for the delivery of the northwest rapid transit corridor and also the airport to Botany busway. Increasing maintenance and improving resilience is also crucial, and we are increasing investment in road maintenance through this draft GPS by \$640 million compared to Labour's draft GPS from 2023. Many Kiwis have experienced the terrible state Labour left our roads in, and this Government is committed to ensuring the network is once again maintained to a safe and reliable standard.

And finally, I do want to address safety, because this is a responsibility that we all share, and the draft GPS outlines the Government's change in approach to reducing deaths and serious injuries on New Zealand's roads. Alcohol and drugs are the leading contributors to fatal crashes, but only 60 percent of drivers think that they are likely to get caught drink driving and only 26 percent likely to get caught drug driving. This is, frankly, unacceptable, and that perception needs to change. We will keep New Zealanders safe on our roads with a stronger focus on road policing and enforcement, investing in new and safe roading infrastructure, and targeting the leading contributors to fatal crashes. The draft GPS will guide development of performance measures for Police set through the road policing investment programme, with enforcement targets relating to speed, alcohol breath testing, and roadside drug testing. These measures are not about revenue gathering; this is about sending a clear message to drivers that reckless behaviour and attitudes on our roads will not be tolerated. And, with that, I'll pass over to transport Minister Simeon Brown.

Hon Simeon Brown: Thank you, Prime Minister. As the Prime Minister mentioned, we will invest in building 15 new roads of national significance across New Zealand. All RONS will be four-laned, grade-separated highways, and all funding and financing and delivery options should be considered to deliver them in stages as quickly as possible. In addition to the roads of national significance, there are also a number of roads of regional significance we are keen to make progress on in this GPS period. This includes projects like the Ashburton Bridge, cyclone and flood recovery efforts for the East Coast and central North Island, and a number of critically important bridges in the South Island. I have made my expectations clear that the New Zealand Transport Agency must consider different ways of funding and financing major transport investments, ensuring they make efficient use of every dollar spent. This will include PPPs—public-private partnerships—increased use of tolling, “Build, Own, Operate, Transfer” equity finance schemes, and value capture to generate additional revenue and deliver infrastructure in a more efficient manner.

Today, I can also confirm that, as part of the draft GPS, we are creating a new \$500 million pothole prevention fund through two new activity classes to ensure that maintenance funding

is ringfenced to resealing, rehabilitating, and drainage maintenance works on our roads. This will ensure the New Zealand Transport Agency and local authorities get New Zealand's State highways and local roads up to safe and reliable standards. These activity classes will be paired with a focus on achieving long-term maintenance outcomes of 2 percent of the State highway network renewed each year and 9 percent of the State highway network resealed each year, and increasing requirements of potholes to be fixed within 24 hours.

As the Prime Minister also mentioned, safety on our roads is a responsibility we all share. We need to give police the tools they need to do their job, but we must also hold them to account for delivering better enforcement outcomes. The draft GPS signals the Government intention to introduce workable legislation to enable roadside drug testing as well as reviewing fines for traffic offences. We also intend to review the vehicle regulatory system to better manage the safety performance of the vehicle fleet. The Government will not continue with the previous Government's blanket approach to reducing speed limits. We will take a balanced approach and a targeted approach to speed limit settings, ensuring economic impacts including travel times and the views of road users in local communities are taken into account alongside safety.

The New Zealand Transport Agency will also have flexibility to invest in a wide range of targeted safety interventions on high-risk parts of our roading network where it provides strong safety outcomes and achieves value for money. We've had to make some tough calls to deliver this critical programme of investment on behalf of taxpayers. To balance the transport budget, we're proposing an increase to the motor vehicle registration fee of \$50. This will be split over two years with a \$25 increase from 1 January 2025 followed by a further \$25 increase on 1 January 2026. The motor vehicle registration fee has not been increased since 1994, and the proposed change reflects that inflation has reduced the real value of that revenue source by half. I can confirm that we will not be increasing FED or RUC in this term. However, the draft GPS signals a proposed 12c-, 6c-, and annual, ongoing 4c-per-litre increases in fuel excise duty and road-user charge equivalent in January 27, 28, and 29, respectively. When it comes to balancing the transport budget fairly, we have chosen to prioritise new roading infrastructure, maintaining services, and targeted investment in public transport while also ensuring our roading network is maintained to a high and safe standard. Thank you, Prime Minister.

PM: Thank you Simeon. Just to close out: this week in the House we end a very long four-week sitting block and I just want to thank the members on all sides for their work in getting through what has been a very heavy legislative programme. We will actually have the first readings of bills that address road-user charges for EVs, give police more powers under the firearm prohibition orders, gangs legislation, get our fast-track consenting under way, and allow more remote access in courts. With the introduction of these bills, we will meet all our 100-day plan commitments as far as business in the House is concerned. We will also pass legislation this week to remove Government funding for section 27 reports and to repeal the Auckland regional fuel tax.

And in terms of my movements this week, I leave for Melbourne where the ASEAN-Australia Special Summit is taking place. At the invitation of Australian Prime Minister Anthony Albanese, I'll be taking the opportunity to have bilateral meetings with several ASEAN leaders. Southeast Asia is our third largest goods export market. Stepping up our focus in this part of the world reflects the impact it has on New Zealand's strategic and economic interests. I return to Wellington on Wednesday and that evening I'll be speaking at the Wellington Homeless Women's Trust gala dinner in Wellington and on Friday I travel to Whangārei with Dr Shane Reti to mark the end of this coalition Government's 100-day plan. And with that, happy to take your questions.

Media: In terms of the vehicle registrations, how can you justify such a steep increase over such a short period of time?

PM: I'll let Simeon take that.

Hon Simeon Brown: Well, that fee hasn't been increased since 1994, and this is about balancing the transport budget. And our assurances to motorists who'll be paying that is that this will benefit them through the increased investment in maintaining and building the roading network.

Media: Prime Minister: your response?

PM: Oh, exactly the same response. I mean, you know, the reality is that we need to make sure that we have got revenue to be able to invest in the roading network. You know, what you're signalling here and what we're signalling is important is that, you know, this is a country that's struggling for economic growth and productivity. We need a strong roading network. We need a very good, modern, reliable infrastructure system in New Zealand. Roothing's a big part of it. And I think the way we're trying to digest it in two \$25 increments is actually a smart way to go about it.

Media: You're essentially switching the ATM though, aren't you? Because instead of increasing fuel taxes, you're putting other costs on drivers. It's all coming out in the wash now.

Hon Simeon Brown: No, the reality is we committed to not increasing FED and RUC; we're not doing that. But the reality is we are raising some revenue through the motor vehicle registration fee to support building and maintaining our roading network, which is a priority under this GPS. And our message to motorists is that they will benefit from this revenue in terms of the priorities under this Government.

Media: It's exactly the same thing though, isn't it? You're increasing the cost of driving. It's perhaps not in petrol taxes, but it is in another way that drivers need to pay—

Hon Simeon Brown: Well it's a one-off fee that people pay when they register their vehicle. It's funding for the National Land Transport Fund, and under this Government we're going to make sure that funding goes back into the roading network, so it's built and maintained to the standard that New Zealanders expect.

Media: In fact, wouldn't it be fairer, then, instead of a one-off fee, of more of a user-pay fees; the more you drive, the more you pay.

Hon Simeon Brown: Well, what we're doing—

PM: That's where we'd like to get to, ultimately, with a road-user charge. That's what we have signalled very strongly, is that's where we'll be heading to in the coming years. It's very much part of where we're going.

Media: On the road-user charge, just to clarify, will there be a discount to the fuel excise tax as you move the petrol vehicles in the fleet over to RUCs?

Hon Simeon Brown: So what we're signalling here in this GPS is that we will be moving all vehicles to a road-user charge. That means that it will be charged based on distance and weight of vehicles. That work needs to be undertaken over the next three months to work out how that's going to be done and in what time frame, and we'll have more to say about that once that work is completed.

Media: But you're not saying that—so, at the moment, petrol car drivers are paying a fuel excise tax and they're exempt from road-user charges. Those drivers could face both of those taxes?

Hon Simeon Brown: No, so diesel vehicles pay a road-user charge, which is, effectively, equivalent to what petrol vehicles pay. Basically, depending on what type of vehicle, you pay a different type of tax. Road-user—

Media: I know what they are, yeah.

Hon Simeon Brown: And so my point is they're equivalent in terms of the amount, on average.

Media: Would you be able to walk us through the PPP side of this equation, maybe, potentially, in those roads of significance? What's the sort of breakdown in funding there in terms of how much taxpayers are going to fork out and how much you're going to get from Sovereign wealth funds, companies, other Governments?

Hon Simeon Brown: Well, that's the work that the New Zealand Transport Agency will be tasked to do as they prepare the National Land Transport Programme. So they will need to look at all of the roads in the projects and the public transport projects as well and actually go out there to the market and look for opportunities for private sector investment. That's the expectation we're setting very clearly in this GPS.

Media: But you as transport Minister, what sort of breakdown would you like to see?

Hon Simeon Brown: Well, I'd like to see as many of these funded through public-private partnerships or "Build, Own, Operate, Transfer" models as possible. And I know there'll be significant interest in making that investment here in New Zealand.

Media: Where was the foreshadowing of this enormous hike in rego costs? You foreshadowed during the election campaign all the cuts and the benefits to taxpayers; you did not foreshadow this enormous hike—why not?

Hon Simeon Brown: Well, we're foreshadowing it here as part of the draft GPS document, in order to ensure that we can invest in building and maintaining our roading network. That motor vehicle registration's been proposed as part of the draft GPS we're releasing today.

Media: You swore black and blue during the election campaign that your transport plan was fully funded and that you didn't need to do anything like this. You lied.

Hon Simeon Brown: No, what we're doing here is we're ensuring that we can build and maintain our roading network, and we're ensuring we've got the funding so that we can reduce the number of potholes on our road and build the roading infrastructure that New Zealanders expect this Government to deliver, as well as look at a range of funding and financing opportunities which have been off the cards under the last Government. We need to look at a wide range of funding and financing opportunities so we can get the infrastructure New Zealanders need to grow our economy so we can have economic growth, productivity, and more jobs in New Zealand.

Media: When did you decide to do this, though? Did you know you were going to do it before the election?

Hon Simeon Brown: We decided this as part of the Cabinet process.

PM: Yes.

Media: One of your Government's stated objectives is to help ease the cost of living. How, by increasing this fee by \$25 in 2025 and 2026, and another \$25 in 2026—how's that helping with the cost of living? That's another thing you're not—

PM: Well, we're just being really clear. I mean, the GPS statement is actually the foundation of our actual transport strategy going forward. What—

Media: But aren't you making the cost of living steeper for people—

PM: Well, we're doing a lot of other things. We're getting rid of the Auckland regional fuel tax; we're making sure that there's no actual increase in excise tax through the course of our term. Those are good things that actually help people in terms of through the cost of living crisis. We obviously want to get inflation down. We're trying to grow our economy. We're doing a whole bunch of things to try and get the cost of living down for people, but the reality is, as we look at the choices and the trade-offs we have to make for a very foundational piece of work around our transport strategy so that we can have modern, reliable infrastructure in this country, this is the choice and the trade-off that we've made. We've tried to digest it by

actually making it in \$25 increments over a two-year period, and I think we're trying to find the balance of our way through that.

Media: Minister, does this plan have consideration or room for consideration of two major projects which are problems for this country, the Cook Strait link, and the transport across Cook Strait, and a second harbour crossing in Auckland?

Hon Simeon Brown: Well, on the first point, in regards to that, Minister Nicola Willis has made it very clear that KiwiRail needs to look at the range of different options around that, and they're working through what's required in terms of the Interislander connection. And in terms of the Waitematā Harbour crossing, this GPS does include continuing to plan for an additional crossing on the Waitematā.

Media: But not funding of the actual building of the actual crossing?

Hon Simeon Brown: Well, look, what our expectation to NZTA is look at all the funding and financing opportunities that are—whether that's "Build, Own, Operate, Transfer", whether it's a PPP, tolling, all of those options need to be on the table to deliver the infrastructure New Zealand needs sooner.

PM: And all we're saying is—as you heard us say before the election, what we're trying to do is open up to private sector money so that we can actually get the infrastructure built quicker and pull it forward so that, actually, people can get the benefit of that, we actually improve people's productivity, we improve the quality of their lives, it actually helps the country big time. So it's what other small, advanced economies do all round the world, and it's important we do the same.

Media: When you axed the Interislander replacement project you said it might be an idea to put more freight on ships going around the coast, but in this document, you've cut coastal shipping by \$60 million over the course of the next three years. How are they meant to do more of that whilst you're also—

PM: Well, look, again as you know, we've actually asked KiwiRail to come back to us with an alternative plan. That's what they'll be working on, and we'll see their ideas in due course on that.

Media: Is the alternative plan they'll have \$60 million less money.

PM: Sorry, Clare.

Media: So KiwiRail, the metro rebuild in Auckland—has KiwiRail run out of money for that?

Hon Simeon Brown: No, this GPS prioritises rail funding towards the metropolitan networks at Auckland and Wellington, and also those parts of the freight network where there is high demand for freight to be moving. So that's the priority under this GPS.

Media: Did you say it was a one-off cost before, the MVR?

Hon Simeon Brown: Ah, I said its an increase of \$50 but spread over two years.

Media: But you said a one-off cost; isn't it an annual cost?

Hon Simeon Brown: Yeah, you pay it every time you register your vehicle. But in terms of the increase, we're increasing it on 1 January 2025 and 1 January 2026.

Media: So its not a one-off cost, its an annual cost to taxpayers.

Hon Simeon Brown: But you pay that as part of your registration of your vehicle when you register your vehicle.

Media: You've basically snuck in a \$660 million tax that you didn't campaign on.

Hon Simeon Brown: Well, what we've said is that this is about ensuring that we have the funding to build and maintain the roading network that New Zealanders need so we can have fewer potholes and we can build the infrastructure that unlocks economic growth and productivity for New Zealand.

Media: Have you spoken to Auckland Mayor Wayne Brown about this yet, and if you have, what was his reaction?

Hon Simeon Brown: Oh, look, I've spoken to Auckland Mayor Wayne Brown on a number of occasions in recent weeks. We're working on an integrated transport plan for Auckland which we're working on—

Media: Specifically about this GPS, and specifically the Auckland roads—

Hon Simeon Brown: Well look, I have outlined to him what our priorities are for Auckland—

Media: But the roads themselves; have you told Wayne Brown?

Hon Simeon Brown: Well, I've said, "Look, ultimately those projects were mentioned in the Speech from the Throne"—

PM: They've been fairly well signalled throughout our campaign promises and subsequent conversations we've had with him.

Media: Yeah, well we've all read the Speech from the Throne, every citizen has. I think the Mayor of Auckland deserves a little bit more.

Hon Simeon Brown: Yeah, look, I've had multiple conversations with him—

PM: We meet with him regularly to discuss this stuff.

Jo Moir. Sorry, Jo you haven't had a question, you deserve—hang on, hang on, sorry, excuse me. *[Interruption]* Sorry excuse me. Stop. Sorry, can we go to Jo, We're going to follow some order here, team, because we're not doing the rabble. Thank you.

Media: Thank you. National strongly opposed when Labour had this proposed 12c a litre staggered over three years from 2023 to July 2026 fuel exercise tax increase. You're now proposing, six months later, to do the full 12c hike. For low-income households, do you think it is worse to suffer 12c a litre six months later in one go, or to have a staggered approach over three years?

PM: Well, what we committed to was to make sure that we would actually say during the course of this term where our focus has to be on the cost of living and getting inflation down. We didn't think that was the appropriate way to deal with it, so that's why we've said we're going to rule out, FED, over the course of this term, and obviously, then, we move back to a more normal regime once we've got inflation back below 3 percent, which is our intention.

Media: Do you accept, though, that with the difference of six months you are, effectively, doing the exact same thing that you vehemently opposed and strongly slagged Labour off for doing?

PM: No, not necessarily, no.

Media: Sorry, how can you rationalise that? That's the facts, I mean it's January 2027, you're going to do 12c; it was mid-2026—

Hon Simeon Brown: Well, they were going to increase it by 4c this year, then it would be 8c next year, and then it would be 12c by 2026. What we're saying here is, look, there hasn't been an increase because we're stopping those increases. The increase won't happen until 2027, but there hasn't been an increase in fuel excise and road-user charges now, by the end of this GPS period, by six years. We need to fund the infrastructure New Zealanders expect to maintain our network and build the roads and rail infrastructure required to unlock growth and economic growth and productivity. That's what this GPS is doing. It's signalling that in advance.

Media: I appreciate that, but the original question was: do you accept that for low-income households, actually, a staggered gradual increase is far easier to account into your very small income than whacking 12c on in January 2027? Do you accept that that will make a difficult struggle for some people?

PM: Well, what I accept is that the New Zealand economy will be in better shape by that time than it will have been under a Labor Government, who had no interest in lowering inflation, no interest in lowering interest rates, no interest in actually getting the economy growing, and actually getting unemployment down.

Media: Will benefits and the minimum wage have significantly increased by January 2027?

PM: What will have improved is actually inflation will back in the target range. That'll bring interest rates down; that'll get our economy growing again. We are fixated on fixing the cost of living; we are fixated on lowering inflation. If we do that job right, that helps low and middle income New Zealanders up and down this country. We've talked, also, about the fact that we're going to deliver tax relief to low and middle income New Zealanders this year.

PM: We talked about that. That'll come through in the Budget really clearly. And so, for us, we are doing everything we can to lower the cost of living for New Zealanders, and the pain. But, more importantly, we're taking the long-term actions that actually deal with the fundamental root cause of the problem, which is high levels of inflation.

Media: So in terms of the significant roads, then—State highway 35 not on this list here—considering the amount of export timber through that highway and considering that it's washed out—inaccessibility—why no mention of that?

Hon Simeon Brown: Well, what I'd say is all roads—all State highways—in New Zealand will benefit from the Pothole Prevention Fund, which will be focused on resealing, rehabilitating, and drainage works on those roads so that they are able to be better maintained and more resilient. That is a critical focus—

Media: But why not State Highway 35 specifically—

Hon Simeon Brown: Well, State Highway 35 will benefit from that—

PM: It will be a beneficiary of that.

Hon Simeon Brown: And New Zealand Transport Agency will be required to meet the standards that we are expecting in this Government for all State highways.

Media: How long will it take for our whānau that live along State Highway 35 to be able to benefit from what you are talking about?

Hon Simeon Brown: Well, this GPS comes into effect in the middle of this year, 1 July. We are setting the expectations now to the agency to be focused on delivery, focused on better outcomes, and focused on making sure every single dollar that we're investing in transport maintenance and resilience is improving the lives of family and whānau across New Zealand immediately.

Media: But every time it rains, though, slashings wash that highway out. Why are we not focusing on State Highway 35?

PM: Look, we are focusing, but we have a major challenge across our whole roading network, across the whole of this country, you know. You can talk to people in the north, you can talk to people throughout Auckland in congestion, talk to people trying to deal with public transport issues in the lower North Island—across the whole country. And so we are working hard to make sure there is good renewal, maintenance, regular maintenance, funds available, to make sure all of our roads are improved in their condition, but we're also identifying 15 roads of national significance, four major public transport projects, that we want to fixate and focus on as well.

Media: Are you basically having to bring in that \$660 million driving tax because you had a \$24 billion fiscal hole in your transport plan?

Hon Simeon Brown: No, not at all. This is about making sure there's funding so we can build and maintain the roading network that we have as a country. But also what we're saying very clearly is we are opening New Zealand up to a range of funding and financing tools to build

the infrastructure—whether it's roads, whether it's public transport, we need to have all the funding options on the table so we can build that infrastructure sooner.

Media: Do you accept, though, that you undercooked your campaign costings by \$24 billion.

Hon Simeon Brown: No, there's a range of estimates in terms of what the costings will be, but what I can say is this is focused on having the funding and financing tools available to build that infrastructure sooner. And, later this week, Hon Chris Bishop's going to have more to say around fast track so we can drive down the cost of actually building and getting things done in New Zealand, which is getting harder and harder.

Media: Sorry, those Waka Kotahi officials were incorrect when they questioned your funding?

Hon Simeon Brown: There's a range of estimates in terms of what has been provided, but what we're focused on is: (1) the funding and financing tools to deliver the infrastructure; (2) driving down the cost of building in New Zealand, which is taking far too long and costing too much.

Media: Were any of these provided in the \$2 billion of what you had costed?

Hon Simeon Brown: Sorry.

Media: Were any of the estimates that you've provided on those roads within \$2 billion of what you had costed them at the election?

Hon Simeon Brown: Oh, look, there's a range of funding or costings that have been provided—

Media: But they were all higher than what you put to voters, right?

Hon Simeon Brown: Well, there was a range that was provided in terms of advice I've received, but the point I'd make here is that this provides the funding and financing tools in place so we can get on and build the infrastructure New Zealand needs to unlock housing growth, to unlock economic growth and productivity, and means that people can get around New Zealand quicker and safer.

PM: And all I'd just say to you is I think it's really important to understand is that, you know, we cannot keep doing things the way that we've been doing it. If we want to be a fundamentally wealthier and more prosperous country, one of the five things we have to do is deliver modern, reliable infrastructure. So I make no apologies. We will make a tough decision to actually make sure that we can use sovereign wealth money, pension fund money—whether it's here in New Zealand or overseas—to make sure we get projects built quicker and faster so we can get more development happening. So that approach is very different, because, actually, other small advanced economies, other countries all around the world, use much more innovative funding and financing tools. And the second thing I'd say to you is we are ruthlessly determined to actually deal with the consenting process here in New Zealand. It is insane. It is has caused huge obstruction in our economy. And so you'll see more of that later on in the week with respect to if we get clarity on our transport network and particularly about what that does on infrastructure. And then we actually really go to town big time on the consenting process and actually fast track big projects that make a big difference.

Media: You told New Zealanders one thing during the campaign, and you are now telling them something else—

PM: I disagree.

Media: They've now got a new cost that they were not expecting. Is this something that New Zealand can expect as part of your—

PM: Well, I think New Zealanders wouldn't have expected school lunches not to be funded, Pharmac not to be funded, big cost overruns on ferry projects, non-delivery on

projects like Auckland light rail, Let's Get Wellington Moving—all of that stuff. So the reality is we're facing up to those challenges and we're working through, but the general thesis of what we're proposing here in the GPS, when I look at the roads of national significance, the big investments in the four big public transport projects—all of that has been signalled incredibly well, and we've also signalled that we want to use third-party money to be able to get the projects and the jobs done.

Media: Prime Minister, is your broadcasting Minister schooled up on the sector yet, and has she got to present to Cabinet today, and what's Cabinet now considering?

PM: Well, she cares deeply about the issues within the media sector.

Media: And does she understand it?

PM: Yes, she does. Yes, she does, and we had a ranging conversation around some of the challenges that are faced in the media sector in general here in New Zealand and also around the world. I know she's working pretty hard on some of those big issues that are coming down the pipe.

Media: Is the Government considering any urgent action when it comes to the Kordia fees or the fair digital trading bill?

PM: With respect to the fair digital trading bill, obviously that's before the select committee at this point in time. We've said before we want to see all the submissions play out. We want to be able to digest all of that before we actually make any decisions as a Cabinet around that issue, but that was one of the topics that we discussed that's coming at us, and wanting to make sure we run through that process, and then let's see where we get to.

Media: [*Inaudible*] Kordia fees?

PM: Well, again, there have been different conversations, certainly with, as it was, Warner Bros. Discovery, around Kordia fees. At the end of the day there are some pretty big fundamental challenges in their business model.

Media: Just on the same topic, given Meta pulled out of the Aussie deal on Friday, what concerns or what does that add to, I guess, the conversation—

PM: Well, look, I mean, I've observed what's happened in Canada. I've seen what's happened in Australia last week. Obviously there's a whole lot range of responses that are happening in different parts of the world around bills that are similar to that. Again, in fairness, we want to be able to take all those submissions, weigh that all up, and then work out what we do after that.

Media: In terms of Cabinet today, did Minister Lee bring anything to Cabinet today in terms of any help or any update on the bill that you're able to share with us?

PM: I asked her to come and just talk about the challenges that are existing in the media environment, how has it been changing, and therefore some of the thinking that we will need around future policy conversations that will take place in the coming months and/or years. And so a lot of that was around, yes, we know we've got the digital media bill coming and we really want to let that play out and see the submissions and the feedback around that. We're conscious of what's been happening in other countries, but let's see what the feedback is here in New Zealand.

Media: No immediate fixes at this stage.

PM: Well, no; these are long-term systemic challenges in the sector, as there are, equally, challenges in many other sectors across New Zealand as well. But, you know, there's been changing consumer habits and consumption of media. There's been, obviously, a degeneration in the traditional advertising model, and many media companies are having to struggle with retooling their business model and their innovation model, frankly, to be able to deal with that changing consumer demand.

Media: Just back to the PPPs really quick, in terms of the funding for that, is there anything that's off limits in terms of any countries around the world that are a no-go in terms of that funding?

PM: Well, clearly, we'll have some national security tests and some other criteria as we go through that overseas investment process. It'll be important that, actually, as funding is assessed from overseas that there'll be a process that we work through, as we do today, around making sure that it's meeting our strategic and our security interests.

Media: In the past, have there been concerns about money from the Chinese Government? Is that going to be a concern for your Government going forward when it comes to these roads and the PPPs?

PM: Well, again, we'll have a separate agency, a national infrastructure agency, that we'll set up and be the interface by which they'll assess the funders that are coming in. I just put to you, there's a huge amount of pension money sitting around the world. There's also a huge amount of money now in pools of capital sitting within domestic New Zealand that would like to be invested in infrastructure, I suspect, too. So there'll be a range of—

Media: So the super fund.

PML Sure, the super fund could be one, ACC could be another. They'll make those decisions, but whoever it is that actually wants to invest in infrastructure, we'll have a good process to make sure our national interests are upheld and good checks and balances that they're the right fit for the right project. But it's important that we now start to experiment—not just experiment but actually use these tools, because the choice is what? We wait until 2060 to get a new highway built and New Zealand taxpayers pay for it all when in fact there's a completely different way of building and doing infrastructure.

Media: On your cost-saving targets, can you guarantee that the front line of the Public Service won't be touched.

PM: That's right. We've said that we want to protect the front line, but we think there is massive inefficiency across the Public Service. We think there is huge wastage. We think there is also big back-office functions where there is huge use of contractors and consultants, huge duplication of effort, and we're asking now those public sector CEOs to work really hard to make sure they get that cost and that waste and that inefficiency out.

Media: If those plans came to Cabinet and you saw that it was encroaching on the front line, that would not be OK with you.

PM: Well, we want to make sure that the Government departments are ruthlessly focused on the things that we are asking them to focus on, and so when we think about things like education, we're ruthlessly focused on attendance—let's get our kids to school. We're ruthlessly focused on making sure that when kids arrive at high school they're ready to go, and we can't have 50 percent of our kids going to high school not at the standard they need to be. Those are outcomes that we are very focused on. Say, in education: I expect the whole of the Ministry of Education to be very, very focused on those outcomes, and they can stop a bunch of other stuff, but focus on those things.

Media: And just, I do want to—Oranga Tamariki, they were explicitly exempt under National's tax plan from delivering an efficiency dividend, but now it doesn't seem like that will be reinvested in Oranga Tamariki. Are you comfortable with that?

PM: Again, we're working that through, and those conversations are live with all CEs of all Government departments. All we're saying for is that is, look, we expect there are efficiencies across the whole of the Public Service and we're working our way through each individual CE and that'll be appearing in the Budget in May.

Media: Prime Minister, you didn't have a broadcasting policy in the lead-up to the election, and Melissa Lee is now apparently declining to do interviews around the area. Is that good enough?

PM: No, I mean, she has been available for interviews—she did some interviews at the end of last week on the news of *Newshub*'s demise.

Media: She did one stand-up on the bridge run.

PM: Well, but she's been available and she'll be available, I'm sure, the course of this week. I know a lot of the questions have been around the digital bargaining bill, and I'll just say to you, we have said very clearly, we want to make sure that that runs through its public, you know, submissions through the select committee process, and then we'll move it forward from there.

Media: Why didn't you have a broadcasting policy?

PM: Well, I mean, our policy is that, you know, we've got to make sure we support the sector where we can, but also the sector also has to innovate and it also has to adapt to changing consumer demand and changing way consumers are actually consuming their media.

Media: Have you looked at New Zealand First's policy?

PM: What's that?

Media: Have you looked at New Zealand First's broadcasting policy?

PM: No, I haven't—no, I haven't.

Media: Do you have confidence in Melissa Lee?

PM: Yes, I do. Yes, I think she's taking the issues very seriously. Don't get me wrong, I mean, the first thing I'd say is, look, it is incredibly shocking for the folk that are impacted by the change that we saw last week. There are real structural challenges within the sector; they are driven by consumer demand. You would have seen it, actually, in Warner Bros. Discovery global results—the same thing's happening all round the world. And so the media outlets—it's challenging because the traditional advertising models, traditional business models are being challenged, and, as a result, they need to have high levels of innovation to try and find new ways to make their businesses work.

Media: [*Inaudible*] news is important. Presumably Warner Bros. Discovery gets, like, if they're making films here or other productions, they might be able to tap into film rebates and things. Would you consider holding off those things to try and protect—

PM: Yeah, I'll just say to you, they are one of the largest media companies, period, in the world.

Media: I know, and so are all those—

PM: They're worth billions and billions of dollars, and they couldn't make that model work for them here with *Newshub*, obviously, so I know it's worrying and it's concerning, but actually the reality is what's fundamentally happening is there's a massive change in way consumers are consuming their news, and it's on their channel—it's not in the traditional model that it once was. And we've got to make sure there's a plurality of media voices across the country—that's really important to us. I think that's represented by the people who are in this room and who aren't in this room, frankly, and so, you know, we'll continue to do that.

Media: Prime Minister, next week marks the fifth anniversary of the Christchurch mosques attack. How are you personally going to commemorate this, and what are the Government's plans to commemorate it?

PM: Look, I'll be in Christchurch on the day, and we've got a programme that we'll announce later on in the week—it'll be early next week.

Media: Do you think that New Zealand is safer than it was five years ago for Islamic people?

PM: Well, I think New Zealand, in general—people do not feel as safe as they once did in their homes, their businesses, their communities. Part of it is because the previous

Government let crime get out of control, and so it doesn't matter which ethnicity, which religious faith you have, that's a common feeling across all New Zealanders. That's why we're working really hard to restore law and order.

Media: Last week, when you U-turned on the accommodation allowance for Premier House, you said it was a distraction. What did you mean by distraction? Did you just mean it was unpopular?

PM: No, no, just it was a distraction. I want to focus on getting things done for the New Zealand people; that's why we're here. And so it might well be within the rules, but the reality was it was becoming a distraction—

Media: Who to?

PM: Well, in terms of, you know, what we want to talk about. We want to be able to talk about actually what we're doing around roads, we want to talk about what we're doing around infrastructure fast tracking, we want to talk about what we're doing around mobile phones and what's been happening with schools—all our agenda. So I'm not interested in that becoming a distraction, so that's why I made the decision I did.

Media: Do you understand why the public was so outraged by it?

PM: Well, look, I mean, the reality is it's well within the rules—I get all of that—but for me, personally, on Friday, as I saw the media reaction and I saw the public reaction: it's a distraction, stop, move on.

Media: Prime Minister, why won't you let the media in to film that apartment to see, so that the public can judge for themselves whether or not—

PM: Well, there's been a longstanding convention around security issues. At the moment, there are repairs and maintenance that are going on in that apartment—I couldn't live there if I wanted to over the last few months. So—

Media: Is there still security issues if you're not living there?

PM: In what way, sorry?

Media: Like, what security threat is there of filming it if no one's living—

PM: Oh, just in terms of it hasn't been—it's been a longstanding tradition not to share interior photos of Premier House, where a Prime Minister lives.

Media: What does it say about your character that you—

PM: Sorry, sorry, Jenna, I'm going to Thomas.

Media: Specific question about Rolleston College in Christchurch: the Ministry of Education has decided to strip back the upgrade of it; it's possibly the fastest-growing school in the country. Is your Government really making the right decisions here around education and, you know, school buildings?

PM: Well, as you heard Erica Stanford talk about I think last week, we've got 350 school buildings where the previous administration promised a lot and actually failed to deliver and actually back it up with a budget and money to actually support that investment in that development. Pretty unfair—raise expectations amongst a school and a community and then fail to deliver, but typical. And, so, what I'd just say to you is we are very conscious that there are 350 schools that are in that situation. Some were in a position where they were about to start works in early February; only finding out in December the money wasn't there to actually support the project. So what we're doing is we've got a short, sharp tactical team, as you know, that will come back with an answer in May about how to manage infrastructure going forward, but, importantly, to say what can we do to rescope those projects quickly. In between now and then, the Ministry of Education is also working with those individual schools to see what else they can do to pare back the scope. A lot of it, as you heard from the Ministry of Education, was actually not using standardised approaches, some mission creep around what those projects were, and, frankly, a lot of poor governance and management.

Media: Between your press stand-up on Friday where you said you were entitled to the subsidy and then your interview on ZB at 5.07, how much advice did you receive over that time and who was it from, about what you'd said and—

PM: No, look, how it happened was, look, I was on the road all of Friday in Queenstown and I did that media stand-up after the iFLY visit, which is a fantastic tourism event if you want to go do something fun, and I came out of that and actually said, "Gee, this is quite a full-on sort of reaction to it." And I realised it's becoming a distraction. It's very simple—it might well be within the rules; it might be well within allowances that are paid out to MPs and Ministers, but, frankly, I'm not interested in that distraction, right? I want us back—

Media: Prime Minister, are you surprised by the media's lack of interest in the eight Labour MPs in the last Government, including a Minister of the Crown, Willie Jackson, who also took the allowance for homes they owned in Wellington, and would you perhaps want to call upon them to do the decent thing and pay that money back as well?

PM: Look, all I can say is I talked to myself and just said, look, it was becoming a distraction; that was evident to me when I did my media stand-up on Friday. And, frankly, I don't want any distractions; I want everyone focused on what we're here to do, which is to fix the country, turn it around, and get it moving forward.

Media: [*Inaudible*] construction work that's currently going on in that apartment—

PM: Some renovations, yeah.

Media: Does that mean you'll be moving in once the current lot is done or are you still going to wait for the longer term to—

PM: Well, look, I mean, here's the situation, which I've tried to explain. We're in a place where the former Prime Minister got a report from an independent group to say, look, there is millions of dollars needed in rehabilitation and renovation of Premier House, and, as a result, there's some real challenges around that. I got that report. There's no way that I think, in a cost of living crisis, where we're trying to ask people to have fiscal discipline, that I can actually go to the New Zealand people and say, "I think we need to spend tens of millions of dollars on upgrading Premier House, as per the report." And the upshot is I've got to find a way through, because I would like to live there; I'd like Premier House to be used on a daily basis with lots of community organisations through. That's what I was trying to do with the cricket; that's what I've been trying to do with an agricultural sector group that came together and used it for a day as well recently. I want it to be used, and at the moment it's not being able to be used. So we've got to digest that report, because there's no way that we can afford to spend the money that that independent report highlighted needed to be spent, ideally, on that building. So that's the challenge. So at the moment, I want to get that fixed and I want to get clarity around, well, what can we do to make it work, but I'm not prepared to go spend all that extra money on upgrading Premier House. So, as a result, I decided to stay in my current flat.

Media: The question is whether whatever is happening there at the moment is enough for it to be comfortable enough for you to move into, pending—

PM: Well, there's some basic maintenance going on there at the moment, which means that I haven't been able to live there in the beginning part of this year. We're working our way through to find out is there's anything else that we can do to try and get it to a place where we can actually move into it, which is what I'd like to do while I'm here in Wellington. And that's what we're wrestling with. The report that says "Hey, listen, there's millions of dollars that needs to be spent on this place because there's been deferred maintenance and it hasn't been spent."—and I get it, because it's pretty hard for a Prime Minister to advocate to spend money on Premier House, so over successive premierships that actually doesn't get invested in. And I'm trying to find a pathway through all of that, which is to say, look, is there an alternative where we can actually get some of it away? How do we fund it if we do do it—so that we can actually get it into a place where you can get there?

Media: You mentioned earlier school lunches: you seem quite committed to funding them. However, David Seymour has been less committed and has said that that's under review. So who's right there?

PM: Our coalition agreement's really clear: we are supporters of the school lunch programme, but like every programme across this country, in Government, we are very determined to make sure that we can make it more efficient, more effective, and make sure there's less waste, in food and/or money, and that's what that programme of work he's leading is about.

Media: Does that, potentially, mean a lot fewer schools or kids receiving it, or is it the same number?

PM: Not necessarily. What it means is, look, the school lunch programme has been in place. We had a Labour Government that was going to stop funding it in January 2025—end of the story; that's no money going into school lunches beyond January 2025. We believe in the programme, we are now funding the programme, but we want to make sure that it's been effective. That's quite a good question to ask a few years down the road as the programme's got bigger and as we have made a big commitment to fund it to make sure we're getting a return on it.

Media: And just one last question for you: are you aware—I know that you've said that you're going to spend three months working on moving all vehicles over to RUCs, and, presumably, there'll then be a legislative process—working out how to do it, transition, etc.—so it could be a while. In the meantime, there's quite a number of people with plug-in hybrids who are obviously feeling like they're getting charged more than they should because of the double-up who are actually trying to sell those vehicles and are being told by car yards that they can't be bought for any price, while others have said, "We'll buy it but for a third of the value."

Hon Simeon Brown: Yeah, so that bill will be going to a select committee for a couple of weeks before it gets legislated. That issue wasn't dealt with by the prior Government, so we're having to deal with it now. That's why we proposed the lower plug-in hybrid rate, which compensates for the fact they use less fuel with an electric car. The alternative would be they'd have to pay both excise and a full RUC rate. So we're trying to find a way through this, and that's why we're sending it to select committee, which will look at that particular issue.

Media: OK, so what's the time frame on that, because for some—and I know, we've had this conversation. You accept some are paying a lot more as a result.

Hon Simeon Brown: Yeah, look, there's a first reading tomorrow. It'll be going to select committee; we'll be looking at that particular issue. But I'd put it to you this way: the vast majority of plug-in hybrids have been bought in the last few years. They will be paying—the lower plug-in hybrid rate will mean that they're paying the equivalent as an electric vehicle.

Media: So what's the time frame for all vehicles—

Hon Simeon Brown: Oh, in terms of the time frame for all vehicles, well, we're going to get this advice in the next few months around that, and then there'll be further announcements in terms of the time frame for that.

Media: Just some kind of time frame?

Hon Simeon Brown: Well, I mean, it's in the coalition agreement with ACT, so it's something we want to try and do this term, but I need to get advice on that particular issue before I make definitive statements.

Media: Just back on the school lunches, can you guarantee that every child who is getting a free school lunch at the moment will continue to—

PM: Well, as I said before, we want to make sure that the school lunch programme is effective, that there isn't actually wastage of food, there's not wastage of funds, that it's being deployed in the best possible way.

Media: For every child who's getting them at the moment? Would they—

PM: Well, what I'm interested in is making sure that kids who need school lunches get school lunches, but also that we deliver it in the most efficient and effective way that we possibly can, and that's what we're going to look at.

Media: Prime Minister, as part of your wholesale review of Government spending, will you commit to a review of MP perks?

PM: What we've said to Parliamentary Service is all Government agencies—we're expecting everybody to generate savings and efficiencies and look at what they need to do. With respect—

Media: But particularly MPs' perks for travel and accommodation?

PM: Well, I just say to you, with respect to MP remuneration, that, as you well know, is handled by an independent Remuneration Authority. They've already kicked off a process around that. I don't want comment on that so that I don't have any undue influence over that process.

Media: What does it say about your character that while you're looking at cutting back food in schools for hungry kids, you were comfortable clipping the ticket for your own accommodation?

PM: Look, I disagree. You know, I disagree. You know, I've explained the situation about Premier House. I want to go live in Premier House; that's where I've wanted to go since I became Prime Minister. The reality is I received a report from Chris Hipkins which he had received that said there's a lot of investment needed in there because there's a lot of repairs and long-term repairs and maintenance issues, right, and so I'm trying to find a way to fix those up. In the intervening period, all I've said is, look, I'll stay on in my flat. Within the rules, all MPs and Ministers get an allowance, and all I've said is—

Media: No one else has claimed it. No one has claimed it for 30 years.

PM: I would just—sorry, what do you mean? All MPs and Ministers have an allowance. All I'm saying—

Media: You were the first one; no Prime Minister has claimed it.

PM: Because Premier House has been available for them to go live in. And so if you live outside of the Greater Wellington area, that's where that allowance kicks in. But what I'll just say to you, is, look, it may well be within the rules—I'm saying it's a distraction; not happening.

Media: How was it good enough for Jacinda Ardern to bring up a toddler in that house, but it's not good enough for you to live in?

PM: Again, a lot's happened since that former Prime Minister was actually in that house, and, as you know, there was a new report that came out from an independent group that's not political, that actually is designed so that, actually, these issues are apolitical and to make sure that, actually, it can be invested in. We're working our way through that report, and we'll see what we can do to try and make sure that we can maintain Premier House so that it actually is there for future Prime Ministers as well, which I would love it to be there. I would love it to be more available to the community to be used as well. And in the intervening period, as I said to you, not taking the allowance—we'll repay it; don't want it to be a distraction. OK, last question—Ben?

Media: Journalists have been asking your office for weeks whether you were claiming that accommodation allowance, and you refused to respond. Do you have a transparency problem?

PM: No, not at all. We've got a great team, we've got a great office, and we're focused on what New Zealanders are delivering. All right, thanks, team—appreciate your time. Right, see ya.

conclusion of press conference