

**POST-CABINET PRESS CONFERENCE: MONDAY, 27 MAY
HANSARD TRANSCRIPT**

PM: Kia ora koutou and good afternoon, everyone. Here we are in the final week, heading into our Government's first Budget, and by now, I hope, you've got some sense of what to expect on Budget day. As we have said, it will be a Budget for the squeezed middle—the lower- and middle-income working New Zealanders who work hard but are struggling to get ahead. These are Kiwis who have been at the very forefront of our minds as we've put this Budget together over recent months. And they have suffered the consequences of Labour's economic mismanagement, resulting in record levels of Government spending, driving up domestic inflation and interest rates, which in turn has put the economy into recession and created rising unemployment.

Well, under our Government, that stops. We made big promises to Kiwi families through the election last year. We said we would lower inflation, and we are. It is now down from 7 percent to 4 percent and heading lower. We said we would rebuild the economy, which is why we're slashing red tape and investing in the infrastructure that businesses need to grow. And we promised Kiwis we would deliver tax relief so that they could keep more of what they earned, and this Budget will deliver on that promise. For the first time in 14 years, working New Zealanders will get tax relief, and they deserve that. They also deserve to see the best possible results for every dollar that they pay in tax, which is why this Budget has a big focus on redirecting investment from the back-office bureaucracy to the front-line services that Kiwis most care about, like health and education, and law and order.

You've already seen the number of investments in front-line services that will really make a difference to New Zealanders. A \$1.9 billion investment to enhance public safety and rehabilitate offenders, funded with \$442 million in savings from the Corrections portfolio. A \$571 million boost to our defence force for pay and projects. Almost \$64 million for Surf Life Saving New Zealand and Coastguard New Zealand; \$67 million to deliver structured literacy; \$153 million in funding for charter schools; and \$53 million to support the training and recruitment of 1,500 teachers into the workforce, announced just yesterday; \$478 million of funding for the interim school lunches programme, to ensure that children and families aren't left in the lurch—and our programme will be extended to 10,000 kids in early childhood education and save taxpayers approximately \$107 million in the process as well.

Pharmac's largest ever budget of almost \$6.3 billion, fixing a major fiscal cliff left by the previous Government, with a Budget allocation of almost \$1.8 billion over four years; and then \$24 million for I Am Hope, to provide young people with free mental health counselling services through Gumboot Friday.

Now, we can't just correct six years of mismanagement and do everything in our first Budget, and we have had to make some tough choices. But after years of profligate spending, that is exactly what is required. Kiwis and businesses have tightened their belts, and now Government will tighten ours. This will be a responsible, this will be a careful Budget, and it will be a Budget for every New Zealander who knew that our Government could, it should, and it would do much, much more with much less.

Now I'll pass on to Nicola, who will share more about what to expect in three days' time.

Hon Nicola Willis: Thank you Prime Minister. When we came into office, we knew we needed an ambitious plan to not only give Kiwis cost of living relief but also to refocus Government investment on front-line services and bring back responsible economic management. Budget 2024 is our plan to do just that.

Over the past three years, many households up and down New Zealand have had to make some really hard decisions. Reducing their shopping list to the essentials, turning off the heater to save on the power bill, saying no to their kids because of financial constraints—the list goes on. In the same way households have adjusted their budgets and their spending, as a Government we have had to do the same.

Over the past six months, our Ministers have gone line by line through hundreds of Government spending initiatives and evaluated whether or not they represent the best use of precious taxpayer dollars. This line-by-line process has uncovered more than 240 individual savings initiatives for inclusion in the 2024 Budget. Some savings reduce the amount of funding available for a particular activity, while other savings involve stopping an activity altogether. The savings initiatives vary considerably in size. Some amount to just a couple of hundred thousand dollars a year, while others save tens of millions. It all adds up. Each of these individual savings will be included in the Budget documents we release later this week.

This means our Budget will read differently from Budgets in recent years. Instead of being a confetti of new spending ideas, you'll also see examples of careful reprioritisation in almost every area of Government. Together, our savings exercise has freed up considerable cash, and, as promised, some of this will go to support tax relief while other savings will be used to boost funding for front-line services like the training of additional teachers, announced by the Minister of Education yesterday; the Gumboot Friday youth mental health services, announced last week; and the additional funding for surf lifesavers, announced the week before that.

The savings exercise has also freed up funds to help repair the Budget holes left by the previous Government. Our Budget addresses previously unfunded fiscal cliffs in a number of priority areas, including the Pharmac budget and the school lunch programme. Delivering much-needed additional funding support for essential front-line services has required us to make some tough decisions. This has included changes which reduce the number of departmental roles in several Government agencies. And while we did not embark on our savings exercise with a head-count reduction target, we knew that the recent increase in the number of back-office public service roles was unaffordable and needed to be reined back.

Many of you have asked me about the number of roles being removed as a result of our savings exercise. This number is still subject to change and will remain so after Budget day. This is because changes to departmental workforce structures are under consultation in many cases and are yet to be consulted on in others. It's important these consultations go ahead in good faith. However, I do understand the interest in these figures, so today I am sharing our latest estimate of their overall impact. According to the most recent advice I have received, the Government's baseline savings exercise will remove around 2,250 roles from Government departments, as well as closing around 1,150 vacancies. Further savings initiatives, additional to the baseline exercise, will remove just over 500 roles.

Our hearts go out to anyone losing their job, but Budget 2024 has required us to carefully prioritise taxpayer dollars, and Budget 2024 is unashamedly a Budget for the front line. We have reprioritised funding to support more workers on the front line of public service delivery, including additional nurses, doctors, and care workers for our health system; recruiting and training more teachers for our secondary schools; training and retaining more police for our police force; hiring more officers for our corrections service; and funding, for example, the additional road maintenance crews needed to fill potholes in our roads.

Budget 2024 is about creating the foundations for growth. It's about delivering for hard-working Kiwis and allowing them to keep more of what they earn. I look forward to sharing our first Budget with you all on Thursday. Prime Minister, back to you.

PM: Nicola, can I just say, on behalf of myself and the Government, thank you for the hard work you've been putting in with your team to make sure we've got a Budget that delivers for the times that we find ourselves in.

Before we get to questions, can I just give you a quick update on the situation in New Caledonia. Our NZDF C-130s have now brought more than 300 passengers out of Nouméa in the past week. Many of those are New Zealanders, but we're also helping our friends from 14 other nations depart as well. There are now only less than 20 New Zealanders left in New Caledonia wanting to return home, and there'll be one further flight tomorrow to bring those people out, plus further foreign nationals as well.

I generally just want to say a big thank you to our air force, to our consular officials on this mission, and to MFAT in particular. They have my great gratitude, and the gratitude of those New Zealanders caught up in the situation, for getting our people home so well and so effectively.

Now, I'll just run through the movements for the week. Obviously, we're spending the bulk of the week here in Wellington—a big day, Thursday; Budget day—and on Friday I'll head to Auckland where I'll be making a couple of post-Budget speeches. And, with that, Nicola and I are happy take your questions.

Media: Prime Minister, you spoke about how a number of agencies had to make some tough decisions; we're talking about the 6.5 or 7.5 percentage points depending where that ministry sat. The Ministry of Foreign Affairs has only had to do 1 percent. Could you walk us through why that is the one ministry that is exempt from these large cuts?

PM: Well, look, they've made a contribution, which is that they've gone through their back office and they've gone through their own operations and, I think, generated \$60 million worth of savings, which is, you know, which is a useful contribution. And, obviously, in all these cases we're balancing up what our goals and ambitions are by each of the areas and making sure that those front-line services in MFAT, for example, are doing the work that we need to, to get trade and investment in and out of New Zealand, is being fulfilled. So, you know, we're quite comfortable with that.

Media: But Corrections is \$400 million, the Ministry of Foreign Affairs is \$60 million. Can you understand that some people would be looking at this and saying, "Winston Peters is pulling the strings here, and he's, basically, said, 'Hands off my ministry.'"?

PM: I disagree. We've talked very strongly about a big reset in our foreign affairs policy and agenda. MFAT have gone through their own exercise, generated savings. We're comfortable with that. There are other agencies that have generated and added a lot more head count over recent years, and we've expected more savings from them as a result. So, look, in the aggregate, we're very, very comfortable with what we've delivered here.

Media: Nicola, your nip and tuck of 240 various initiatives—can you say how much it's saved?

Hon Nicola Willis: That's just three sleeps away, Claire.

Media: Minister, can you rule out any more surprise cuts or surprise costs to households that you didn't campaign on?

Hon Nicola Willis: Sometimes I'm surprised by what surprises you. We—

Media: You didn't campaign on nixing the First Home Grant, for example. You didn't campaign on lifting regos, for example.

Hon Nicola Willis: We campaigned on making sure that precious taxpayer dollars are going to their best use, and what we've done in preparing for this Budget is look across Government spending to see where there is money that's not going to its best purpose—with our eyes firmly on the prize, which is more funding for our health system, for our education system, for our police, for our defence force. And we've delivered on that commitment.

Media: So you're not ruling out any further surprise cuts or costs to households?

Hon Nicola Willis: As I say, sometimes I'm surprised by what surprises you.

Media: Is your advice still that the Budget priorities will create more jobs than have been lost?

Hon Nicola Willis: Well, look, that advice has changed due to the complexity of the numbers over time. What we have found is that the number of jobs that are being removed through the savings exercise is still changing. However, the advice that I received was that the jobs we would be creating would be greater than the number that would be removed through the baseline exercise. What I'm telegraphing to you today is that there is complexity.

I expect numbers to change. So, in order to address that, we have encouraged Ministers wherever possible to be very upfront about how many jobs are being created through initiatives, and we intend to keep you updated about the impact of policy changes.

Media: You've got the number that will likely be removed. What is that number that will be created?

Hon Nicola Willis: Well, as I say, we will have more to say about that across specific announcements. There are some complexities. So take the health system, for example. Health New Zealand are yet to finalise their workforce plan for the next three years. What we do know is that due to the Budget decisions we are making, they will be able to have many, many more hundreds of nurses and healthcare professionals employed.

Media: Minister, in the coalition agreement there was an undertaking that for the average household income per fortnight they would get a tax cut saving of \$100. Will you commit to still funding that \$100 a fortnight for the average household income?

Hon Nicola Willis: I'll commit to sharing our tax policy with you on Budget day; it's just three sleeps away. And, what's more, we will have a tax calculator available on the Treasury website so every household can look at the tax relief that's owed to them.

Media: Your tax calculator that you launched at the election campaign—that's no longer on the website. Does that indicate that you can't deliver the tax cuts that you promised?

Hon Nicola Willis: I wouldn't read that into it. It's just simply that there's going to be an official tax calculator from Thursday.

Media: So you can give an undertaking that households can still get up to \$100 a fortnight if they earn the average income?

Hon Nicola Willis: If I tell you our tax policy today, Maiki, there won't be much news on Thursday.

Media: In terms of the education announcement, the 1,500 teachers, how many of them are kaiako Māori and will be going into kura Māori, specifically?

PM: Oh, look, I don't have those numbers with me, but I can find them for you and get them to you. What's—

Media: Why was there no announcement around that?

PM: Sorry?

Media: Why do you not have those figures?

PM: Oh, I just don't have them with me right here right now, but what we're saying there is we want to be able to make sure that we actually can do the 1,500 extra teachers, and actually put the support behind that. You've seen a big focus from what we've been doing in Government around education. You know, we've got some big goals there—(a), to get our kids back into school, make sure that they're being taught very well with a knowledge-rich curriculum, and a big part of that is making sure we get the teachers in place to support that. But I'm sure we can come back to the split for you if that's helpful.

Media: Do you, though, expect that there will be a proportion of those teachers kaiako Māori?

PM: I'd presume so, yes.

Media: And in terms of Te Arawhiti, how is it that Te Arawhiti had got itself into such a huge financial dealing?

PM: Well, we've seen this across the previous Labour administration. You know, we've seen then - Government agencies and departments being given budgets to work towards and then not doing so. And so all we're doing here is acknowledging there's been an overspend and we want that tightened up. When we do a Budget, we expect Government agencies to manage their resources to deliver in that frame, and that hasn't happened here.

Media: Minister, can I come back just to Anna's question quickly. You made a lot about the increase to the size of the public sector workforce under Labour. So can you put—you've talked about 4,000-odd jobs that are going, roles that are going—can you put that in context as what you see the size of the public sector workforce being in total after this whole exercise?

Hon Nicola Willis: Well, we've always said that it's about what the dollars are being used for rather than the overall headcount, and that will remain the case. So we see that the new normal for our Government will be constantly evaluating our dollars going to their best purpose. So that means I won't rule out any further changes to public service workforce structures; they could change. Our focus will remain on the frontline, and that could mean in future there will be further changes to the back office.

Media: You've made the commitment to the tax cuts as part of this Budget, but can you make the commitment that everything else would fit as funded within year one of National's fiscal plan or will be funded in this Budget?

Hon Nicola Willis: Look, as I've said previously, we have a number of commitments across the three parties in the coalition, and we will not deliver on all of those commitments in our first Budget.

Media: Can I ask you specifically, then, about the commitment to fund 13 cancer drugs. Will that be funded in this year's Budget? Because there are people right now that are relying on those drugs, that are looking to you for help.

Hon Nicola Willis: I'm not making an announcement about that today. What you have seen is that we had to find a billion dollars more than anticipated simply to keep the Pharmac budget going. The outgoing Government left a massive hole for essential medicines and we have had to fill it. That was unanticipated.

Media: Cancer patients have heard that messaging and they think you're not going to fund the cancer drugs in this Budget. Is that correct?

Hon Nicola Willis: I'm not making an announcement about that today.

Media: Prime Minister, what do you make of the fact that there is a nationwide activation day being organised by Māori, similar to the one that greeted you when you were sworn in as Government last year, being organised for Thursday? What message are they sending you?

PM: Well, look, I mean, Te Pāti Māori, their supporters, are completely within their rights to protest. So long as it's done peacefully, legally, appropriately, respectfully, all of that, that's fine. What I'm focused on is delivering a very responsible Budget and, in particular, making sure that we deliver better outcomes for Māori and non-Māori, as I've been talking about. So, yeah, that's what our Government is focused on. We are serious about making sure—as I keep saying—we rebuild the economy, restore law and order, deliver better health and education—for Māori and for non-Māori.

Media: The money that you found to top up the Pharmac budget, that billion dollars, did any of that come from the policy to target the free prescriptions? Was that money used for the Pharmac top up?

Hon Nicola Willis: As I've said today, we have found more than 240 individual savings initiatives. The funding that has freed up has allowed us to both deliver tax relief for working people and also to ensure more funding for a range of front-line services, including essential Pharmac medicines.

Media: The reason I'm asking you about that one is that was the policy that was supposed to fund the cancer drugs. So was that money in particular—the targeting of free prescriptions—was that consumed into the Pharmac budget?

Hon Nicola Willis: As I said, I'm not making an announcement about that today.

Media: Nicola, can you confirm that you're keeping the extension to the independent earner tax credit, as promised?

Hon Nicola Willis: As I've said, I'll be announcing our tax policy on Thursday. I'm really looking forward to it and I'm glad that you all are too.

Media: On that one you can just say yes, though, can't you, because without that anyone on kind of below or minimum wage isn't going to get anything [*Inaudible*] tax cuts?

Hon Nicola Willis: You just have to wait till Thursday, and we're really looking forward to announcing our tax policy then.

Media: Prime Minister, can I just clarify: you're saying more jobs created than are being scrapped, yes?

Hon Nicola Willis: That statement that I've made previously was based on the advice I had received at that time. I remain confident that we will be hiring hundreds of nurses, of teachers, of police officers, of corrections officers, and together the advice I continue to receive is that on balance that means that job creation will likely outweigh role reduction. What I'm caveating for is that those numbers are moving around and have changed, and so I want to be careful in the statements that I make.

Media: Can I just clarify on that? So, a couple of things. Obviously, noting that things can change and things are still evolving—but does that relate to your figure on actual jobs or is it jobs and vacancies, and does it include the 500 roles over and above the baseline cuts?

Hon Nicola Willis: I'm referring to roles specifically removed through the baseline savings exercise. As I say, throughout the Budget and through subsequent announcements, we will keep you updated on role creation across front-line services, and we expect that hundreds of roles will be created.

Media: So that analysis, that estimation that job growth or job creation can outweigh the jobs being scrapped, doesn't include the jobs that you are scrapping over and above the baseline?

Hon Nicola Willis: The statements I've made were based on Treasury advice about the outcomes of our baseline savings exercise.

Media: But how does the fact that the workforce is staying about the same size marry with your criticisms of Labour that they had a blowout, basically, in workforce numbers?

Hon Nicola Willis: We've done exactly what we said we'd do. We're reducing the amount of money caught up in the back office so that we've got more resources for the front line. If you ask a typical New Zealander "What do you want to see more of, nurses or policy analysts?", I'll tell you what they'll say every time: "Nurses."

Media: They'll also say cancer drugs. There are people all over the country that are having to go on Givealittle and beg for money to pay for their own cancer treatment. You promised to fund those cancer drugs for them, and now you're not sticking with your commitment.

Hon Nicola Willis: Look, I'm not making an announcement about that today. I appreciate there are many New Zealanders with significant health needs that are not being met, and we have made a commitment as a Government that we are working really hard to free up more resources for medicines, for our hospitals, for our GP clinics. That's where our priority lies, and we know that that's a priority for New Zealanders too.

Media: You've also made it a priority to deliver tax cuts when people can't pay for their medicines.

Hon Nicola Willis: We have made a commitment to let New Zealanders keep more of their own money, and we are sticking to that commitment.

Media: So just for clarification for Te Ao Māori then, will there be targeted funding for Māori in housing, education, law and order, employment? Will there be targeted funding or will we have to dig around and find out where the pūtea is for Māori?

Hon Nicola Willis: Our Budget will continue to fund kura kaupapa Māori, kohanga reo, Māori health services, Māori housing—all of those things that you'd expect, where they are delivering good results for New Zealanders. Overall, our Budget is about delivering for all New Zealanders, whether they're Māori or non-Māori, because we know that Māori New Zealanders stand to benefit from an economy with stable inflation, with lower interest rates, an economy where they get to keep more of what they earn, where the economy is growing and where we're investing in the front-line public services Māori and non-Māori rely on.

Media: What's the latest that you've heard about Papua New Guinea, and are we offering support?

PM: Look, I mean, obviously, I saw the same events over the weekend, and it's a pretty fluid situation. I know some of the Australian C-130s that were involved in the Nouméa process have actually been diverted into Papua New Guinea at this point in time. We stand ready to help if we're asked to do so and are very happy to do so.

Media: You haven't been asked though?

PM: Not at this stage that I'm aware of, no.

Media: Prime Minister, in recent years, there's been a bit of a tradition between the Prime Minister and finance Minister—I think they would give a tie, or something like that. Have you guys established any sort of traditions ahead of the Budget day for the pair of you?

PM: Well, I just know that Nicola wouldn't appreciate a tie, but you'll have to wait for Budget day for that.

Media: Hello. Gregor Thompson here from BusinessDesk. Following on from Jason's first question, not his second one, to do with MFAT—

PM: Did you not think his second one was a good one?

Media: I do think his second one was good. PwC released a report on 7 May into the MFAT's cloud acceleration project. The report found that nearly—

PM: Into the what, sorry?

Media: The cloud acceleration project. The report found that nearly \$17 million will be spent on it by June, and they are yet to ascertain what has been delivered. At the same time, like Jason said, only 1 percent cuts for MFAT. My question is: looking ahead, how can the Government be confident that this doesn't happen again?

PM: Well, look, you would need to talk to Winston Peters about the detail of the actual specific IT project you're referencing there, but what I can just say to you is that, you know, we asked Government agencies to generate savings. We were very clear about that. We're focused on the dollars. How they choose to deliver that was up to them, and then, within the context of all of the Government agencies, we have all the other priorities that we have. We made calls as we went through that, to say, "Yep, we're comfortable with that level of savings.", or not, and in this case we are, because, you know, we've got a big agenda, as you've already started to see with our foreign policy reset. We've got a major amount of refocusing to do within the South-east Asia, within North-east Asia, within India, for trade and investment opportunities. And, as I said, MFAT generated, I think, \$60 million worth of savings and we're comfortable with that. So, from our point of view, in the round, we've got to where we need to get to, as we said we would. And so, you know, I'm very comfortable with where we are.

Media: Prime Minister, do you have any response or reaction to the Israeli air strike in Rafah this morning that seems to have killed a large number of civilians—

PM: Well, you know that we have been calling for some time that, you know, we think it'd be catastrophic for Israel to launch operations into Rafah. You've got a huge number of people in a very small area at huge risk, and, you know, civilians are at huge risk there. Again, our message remains exactly the same, which is that, you know, we want Hamas to release

hostages; we want Israelis to make sure there's humanitarian aid and access into the region; we also want them acting within their obligations under international law. But, most importantly, we need these two parties to come together to actually negotiate a peace and start putting into place the two-State solution. So, you know, we've been consistent, I would say, over many months now in our position, which is we want to see a ceasefire and hostilities ceased in the region. But for that to happen, you know, we know we need to see the hostages released, we need to see Israel meet its obligations, and we need the peace process to kick start.

Media: Given that Israel has gone into Rafah and is looking to continue to do so, is there any sort of diplomatic or economic sanction that you would be looking to—?

PM: Well, we've consistently raised our concerns with all the parties involved and will continue to do so. But, you know, as we've said months ago, we came out very strongly to say it would be absolutely catastrophic for Israel to commence operations in Rafah. We hold by that view.

Media: Further on New Caledonia, do you know how many people not from New Zealand Defence Force is transported out of New Caledonia?

PM: It's varied, and I'll give you a proper split—I can make sure and get that to you. I've got a rough idea, but I don't want to say that and get misrepresented.

Media: Further to that, how have you balanced transporting people from other nations while we still have Kiwis on the ground there? How is that judgment called?

PM: Well, it's totally—our priority has been New Zealanders first and foremost, and we've assessed them based off their needs and in contact with them. And so, as I said, we're now in a place where I think we've got less than 20 Kiwis that are signalling they want to come out. There's another flight in tomorrow. But, as we've flown in to Nouméa, it's a chance to take foreign nationals that want to return home to Nouméa or New Caledonia in. And, likewise, we've brought some out just recently—last night, for example.

Media: Is it fair to say, then, that the needs of those foreign nationals who have been transported have been higher than that of the Kiwis—

PM: No. Our priority has always been New Zealanders first and foremost.

Media: But their needs can't have been as high—

PM: Some of those on the ground may have had difficulty getting from one hotel into a place where we could pick them up to take them on to that point. You know, there are some logistical details that are individual as to when people have decided, or when we've been able to take people and get them out. But what I'd say to you is we've gone very clearly through a lens of making sure those with the highest needs have been removed and brought back home as quickly as possible. And I'm really proud of the effort, because I think, you know, in a very short period of time we've operationalised and done a very good job.

Media: Minister, can I just try one more time? Can you rule out any more cuts or increased costs to households that you didn't campaign on?

Hon Nicola Willis: We have, as I've said, found more than 250 individual savings initiatives, and we will make each of those initiatives completely transparent on Budget day so New Zealanders can judge for themselves whether they think we are delivering on our commitment. My judgement is we are absolutely delivering on our commitment to remove resources from places where they're not delivering maximum value, to ensure that we can support front-line services and tax reduction.

Media: So you're confirming that that includes some initiatives that you didn't campaign on?

Hon Nicola Willis: Well, yes, because, as we announced last week, we are making a change around the First Home Grant.

Media: Beyond that, I mean—beyond the things we've already talked about.

Hon Nicola Willis: I think that what you'll see on Thursday is consistent with the campaigns of our three parties.

Media: Do you think New Zealanders will be happy with their tax cut when they see the initiatives that you've cut in order to pay for it?

Hon Nicola Willis: Yes. I think New Zealanders will be surprised at exactly where so much of their money has been going. We have uncovered a layer cake of Government initiatives, many of which we had never heard of before, which were absorbing tens of millions, if not hundreds of millions, of dollars. And so I think New Zealanders will be relieved to see that there's now a Government in place who's going to ensure that their money goes to its best purpose.

Media: In terms of businesses, what do businesses expect from the Budget on Thursday, and do you expect business confidence to pick up post-Budget?

Hon Nicola Willis: Well, businesses can expect a Government that's bringing back responsible economic management, a Government that's doing our bit to take pressure off inflation and interest rates, that's being more careful with how we use the tax dollars that businesses contribute—a Government that's building infrastructure needed for growth and a Government that's going to ensure that there's less red tape getting in the way of all those businesses who want to hire people to innovate, to grow. We're on their side. They are our economic recovery and we're going to back them.

Media: Just on PNG, Prime Minister, the Government has issued an open request for international partners for help. ABC Australia is reporting that several countries are discussing the best way for that response. Is New Zealand part of those discussions?

PM: Yeah, the Foreign Minister, Winston Peters, will be in contact with the PNG Government and also with the Australians, in particular.

Media: Just on the business confidence element of that, Minister Willis: half of the Budget—and it hasn't been talked about as much—is just those economic forecasts going forward. I think it was either ASB or Kiwibank said that they were forecasting sobering reading for those set of figures. How would you characterise them without repeating that it's X amount of sleeps till the Budget—just looking at those numbers and just kind of a bit of a telltale sign before the Budget as to what we should be expecting on the economic side?

Hon Nicola Willis: Well, look, as I've said in my pre-Budget speeches, the economic forecasts have continued to be downgraded since we came into office, and so you can expect to see that on Budget day. Being finance Minister is very humbling, because there are things that we can control with Government policy decisions and then there are other things that remain outside our control. What we're doing is focusing on the things that we can control—our spending, our borrowing, our investing—and I'm confident that the choices we've made are absolutely the best we can in the context we have been given.

Media: So would you consider it a bit of a failure if business confidence didn't rebound after your first Budget?

Hon Nicola Willis: As I say, I'm humble about the fact that many things affect those sorts of measurements. Adrian Orr has a lot to do with it.

PM: OK, last question—Jenna.

Media: Just further to Tova's question before, is there anything in the Budget that you categorically said that you wouldn't do, like the First Home Grant?

Hon Nicola Willis: I don't think so.

Media: And looking at some of the stuff in the ACT Party's—for instance—alternative Budget, are you going to touch KiwiSaver?

PM: Jenna, what I'll just say to you is you know we have a coalition agreement between the parties. We're very clear about what our work plan looks like now for the full term.

Media: What about the winter energy payment—is that still on the table?

PM: We are dealing with a dynamic set of economic circumstances here in New Zealand, and just trust us—we're going to get New Zealand out of the hole that it's in. All right. Thanks so much, team.

Media: It does feel like you're quite close to answering that, though, Minister. So when you say that all of those savings that you're going to outline line by line in the Budget were covered off by all the coalition partners, are you saying that there won't be anything in those savings that you didn't campaign on—that someone didn't campaign?

Hon Nicola Willis: Look, I'm saying you're going to see all 240 savings on Thursday, and they will reflect what our three parties have broadly committed to, which is getting Government spending under control, ensuring resources are being put to their best use, and ensuring New Zealanders can keep a bit more of what they earn. That's what you'll see on Thursday and I'm not going to go into any more detail.

PM: Thank you. Catch up with you on Thursday—we're going back to the office. Thank you.

Media: Are you having to make any unsignalled cuts and increase costs because you miscalculated some of the savings?

Hon Nicola Willis: I think what you'll see on Thursday is completely consistent with the commitments we've made.

PM: Thanks, guys.

conclusion of press conference