

POST-CABINET PRESS CONFERENCE: MONDAY, 24 JUNE 2024
HANSARD TRANSCRIPT

PM: Well, kia ora and good afternoon, everyone. Today, I have with me Minister of Health Shane Reti and Associate Minister of Health David Seymour. As you know, our Government has three key priorities: to rebuild the economy, to restore law and order, and to deliver better public services, especially in the areas of health and education. The quality of a person's life is driven by the quality of their health, and nothing is more important. So today we are very proud to be making a health announcement that will truly transform and change the lives of more than 175,000 people for the better.

Last year, National promised more cancer treatments when we reached Government, and seven months later our coalition Government is making that happen. We are delivering on our promise to support Kiwis fighting cancer. Through an unprecedented boost for Pharmac's medicine budget of \$604 million over four years, 26 cancer treatments will be made available for Kiwis who need them as part of an overall package of up to 54 new medicines, benefiting 175,000 people. Of the 13 cancer treatments listed in 2023, up to seven are being funded, and the remaining six treatments will be replaced by alternatives which are as good, if not better. This is a sign of our coalition Government working well together. And I do want to thank David Seymour for his advocacy for Pharmac in general and also New Zealand First, whose coalition agreement included increasing Pharmac's budget each and every year. All parties in this Government are committed to more support going into lifesaving medicines.

Now, cancer causes heartbreak to thousands of Kiwis every year, and it is responsible for around 31 percent of all deaths in New Zealand. And that's why one of our five key health targets is for 90 percent of patients to receive cancer management within 31 days of a decision to treat. And that's why we're making an unprecedented and transformative investment in 26 cancer and other critical medicines that Kiwis need. But this lifesaving package is only part of other cancer initiatives we have already announced, including extending free breast cancer screening to 70- to 74-year-olds, resulting in an additional 60,000 women being screened each year; as well as launching a new mobile screening unit, supporting 6,000 women per year; and increasing the availability and the accessibility of vital diagnostic and treatment equipment such as more PET scanning and radiotherapy machines, helping men, for example, in the South Island with prostate cancer or 520 Northlanders who no longer need to travel to Auckland for treatment. We're also expanding cancer infusion services in Whanganui and more support for people travelling for cancer treatment. And our record \$16.7 billion investment into health in Budget 2024 will support the front-line services that Kiwis depend upon, such as emergency departments, primary care, and public health.

I now want to pass on to Dr Reti, who will discuss the package in more detail, and then on to David Seymour for further comments. Dr Shane.

Hon Dr Shane Reti: Thank you, Prime Minister. Today, as a coalition Government, we are delivering on the treatments National promised and more. This is an unprecedented and transformative investment in treatments. We will be making a difference in the lives of tens of thousands of New Zealanders each year. Current Pharmac estimates are that around 26 cancer treatments and 28 other treatments will be funded as a result of the bold new package that we're announcing today. This will be a mix of new medicines and widened access to medicines that are already available. Of the 13 cancer treatments listed in 2023, up to seven will now be included, and remaining treatments will be replaced by alternatives just as good or better. This means treatments for all the cancer types in the pre-election manifesto list are covered.

Very importantly, today's package will also fund other cancer treatments, including for blood cancers. We are also providing more new medicines for a range of other conditions to improve Kiwis' health and life outcomes. Altogether, Pharmac estimates that around 175,000 people will benefit from the additional medicines in the first 12 months. Our reason for this expansion is simple: increasing access to vital medicines Kiwis deserve is the right thing to

do. Around funding, Pharmac will receive a \$604 million funding boost for medicines, which is a pre-commitment against next year's budget. Further funding to deliver and administer the new treatments will be available for Pharmac and Health New Zealand. Some of the newly funded cancer treatments will be available from October-November this year, with more phased in over the next year. I'm also pleased that Health New Zealand will work hard to ensure Kiwis can readily access the new and widened medicines. We have been working through how to deliver this, and today we have settled on a pathway which does much more. We thank each and every New Zealander who has shared their health journey, cancer related or otherwise, with our Government.

As a Government, I am very pleased to be able to provide certainty today, following a process which we absolutely needed to get right. Again, I acknowledge that Government communications around this could've been clearer, and I apologise for the uncertainty this has caused patients and their families. Our Government continues to focus on delivering better outcomes for those with cancer through better access to more medicines, better cancer management driven by our faster cancer treatment health target, and increased access to diagnostics through spending programmes.

I'll now hand through to Minister David Seymour to outline the vitally important role of Pharmac in this package.

Hon David Seymour: Thanks, Shane; thanks, Chris. This is a wonderful day for patients up and down New Zealand because, finally, we start to bridge the gap between New Zealand and the countries we like to compare ourselves with in terms of medicines funding. This uplift is enormous, and it also is done in such a way that respects the integrity of Pharmac as our drug-buying agency. It also brings some challenges. We now, as a Government, are going to have to save some cash—actually, a task that we relish, as businesses and households have been having to do the same thing for some time now. It also brings some challenges for Pharmac, and I've spoken with the management of Pharmac and they recognise that receiving a large amount of extra money in short order is going to require them to be on their game, getting good deals for the New Zealand patients. Thankfully, many of the pharmaceuticals that they intend to fund have already been assessed and are on that long options for investment list that so many patients have waited for such a long time to finally see the money arrive and quench that need, which has been so acutely felt by so many New Zealanders. However, even in the last few weeks, as they anticipated that something like this might happen, they've been reaching out to their contacts, drawing people in to carry out what will be a significant task for Pharmac in making sure that the money that is coming their way will be used to maximum effect for the benefit of New Zealand patients. Thanks, guys.

PM: Thank you, David. With that, happy to take your questions that you may have around—let's deal with the announcement questions, and then we'll deal with general business at the end.

Media: There are six cancer drugs that are not going to be funded in that immediate group—the ones that you promised. How quickly can you find alternatives for those, because the promise was to fund them from 1 July, and there's a lot of people waiting on them.

Hon Shane Reti: So that will depend on their mechanism of action—so some of the medicines named are oral, which, obviously, can be deployed quicker, and some of them are intravenous, which will take more time. What we know is that the first tranche will start to deploy in October and November across all of the 13. My expectation is the per orals will go out first, as we build up the implementation capacity through Health New Zealand.

Media: And those ones in October-November are likely the seven that are already on the options for investment list?

Hon Shane Reti: Oh, I would have to look back at that to determine which of those will come out first, but Pharmac has a phased schedule for how we'll deploy those 13.

Media: Sorry, just to be really clear: any of the six that aren't part of that seven that were on the options for investment list—will any of those six that aren't included there be funded by October-November?

Hon Shane Reti: Oh, that will be part of the discussion with Pharmac and their procurement. That would clearly be dependent on procurement time frames. So I can't give a commitment as to when those six might be able to come forward, but we do know that we'll start deploying the whole package October-November.

Media: So one of the major cancers that's not mentioned in the announcement today is breast cancer. Will any breast cancer drugs be funded as part of the additional 13?

Hon Shane Reti: Of the 13—so what we've said is that other cancers will be included in those 13, and, yes, breast is part of those other cancers.

Media: Minister Reti, you said that the communications could've been better. Could you speak a bit more on that and what exactly you would've done differently? Was it about just making it clear when the announcement was coming, or—

Hon Shane Reti: Yes, I think that is part of it. I think, as we come out of Budget, there was a vacuum. We didn't give a pathway or an explanation as to why we weren't ready to make more formative announcements at Budget—that we wanted to get this right, we wanted to make sure that we had implementation capacity, we wanted to make sure we could bring together a package that lands today that benefits 175,000 New Zealanders. That's what we'd do different if we could.

Media: Prime Minister, are you also sorry?

PM: Look, I mean, as I said at the time, I think we could've communicated it better. But what's exciting is that, you know, we talked about 13 cancer treatments; we now have 26 cancer treatments, we have 28 other medicines that will help a whole heap of New Zealanders, and 175,000 Kiwis are going to be supported through this investment. You know, this is unprecedented. This is transformative. I do want to genuinely say thanks to David and also thanks to Winston and New Zealand First as well, because this has been a coalition Government determination to say we are committed to this policy. Actually, the detail and the technical detail of how we get it implemented, as I said at the time, to make sure that it's enduring and sustainable—there was a number of different pathways to do it and we managed to work our way through it, and in the process we've delivered infinitely a much deeper, much richer, much better package that will support more New Zealanders. And that's pretty exciting.

Media: But would you apologise to people, you know, that were put under stress and strain, as the health Minister has outlined?

PM: Well, look, again, yeah, exactly—I'd just say, you know, that we could've explained it better. But the bottom line is, and the most important thing is, 23 days after a Budget we have come to a process that actually gives us real certainty for the future. And, importantly, when you think about it, you know, we've actually been able to expand significantly the reach of people that will be impacted and supported through what is a significant, massive uplift in drugs.

Media: Doesn't the fact that you've announced this 23 days after the Budget and the fact that you've booked it against next year's Budget actually tell us that this wasn't just a communication error—that you weren't working on the policy and you've had to rush it together because of the public backlash?

PM: No, no, I disagree. As I've said, you know, we have been wrestling with how best to deliver this, and there was a number of different tracks and ways that we could go about it. We've settled on a really, I think, a very important way, which is delivering through Pharmac, but I also want to acknowledge that, yes, you know, we know that there's a lot of work for us to do with respect to the fiscal situation in New Zealand. You are going to see us continuing to drive and push daily for more savings to make sure that every taxpayer dollar

across the whole of Government is spent very effectively so that we can actually afford initiatives like this, and this is really important—you know, we want to make sure that we're getting every dollar working incredibly hard for us. Where there is more savings and more reprioritisations to make, we're going to continue to do that; that's just exactly how we're going to roll each and every day in Government.

Media: Why did you select this track instead of one of the other options, and where is the funding coming from? Is it from within the funding already allocated for health, or is it additional to that?

PM: This is additional to that, and what it is is it's about a pre-commitment out of Budget 2025, and some contingencies through the course of this year. But what we wanted to do is, as David identified, lock it in to a Pharmac purchase model, because we think that is very effective and it's the best way to be able to do it, rather than doing it outside of the Pharmac model, which was how it had been originally, I think, proposed. And so as we worked our way through that, we also recognised there was an opportunity for us to go a lot further, and that's what we've done. So, again, I just say to you: when you've got 54 new medicines, 26 new cancer drugs in that mix, and you've got 175,000 people benefiting—pretty special day.

Media: But when you've got, you know, people that are desperate and have had to wait more than three weeks now to find out what is going on and what the plan is, do you apologise to those people?

PM: I think many New Zealanders listening to this announcement today—and you think about the scope of who would've been impacted and now who is going to be impacted, and when you think about the fact that we're able to get these drugs starting to roll out in October–November, I think that's a pretty special day. So I appreciate, as I said to you, you know, we could've done things and communicated things a little bit better. But I just say to you: this is a substantive, significant, over-the-top investment that we're making here that I think will absolutely transform many Kiwis' lives.

Media: The 54 new drugs cuts down quite decently on the options for investment list. Do you ever think you'll get to a stage—maybe Minister Seymour could have an answer to this—where the list is fully funded, where Pharmac, you know, takes an application, puts it on the options for investment list, and gets the funding from the Government, doesn't have to have this wait-list going on?

Hon David Seymour: It's difficult to overstate how much progress down the option for investment list this money's going to make. But, equally, the world is awash with new inventions of new drugs, particularly for cancer. We're actually in the middle of a revolution of molecular biology, and it is literally an exponential chart of new inventions. The wealthiest country in the world will never afford everything that pharmaceutical companies can invent, but, today, New Zealanders are moving so much further up that exponential curve that we're in a much better place. I think in the long term, part of the answer is the work that we're separately doing with Pharmac to start saying, "Look, if Pharmac can fund a treatment that saves the healthcare system or the taxpayer money elsewhere, then maybe we should book that against extra money for Pharmac."—something I frequently remind Nicola Willis at every opportunity and, every opportunity, Chris Luxon too.

Media: Can I ask, Mr Seymour: you've been talking in the last few weeks about how devastated a lot of people have been—people have been writing to you about this. Having the 54 new medicines, can you tell me how beneficial that will be to them, but, as an aside, the need for about \$300 million more than what was costed in National's plan over the next four years—you said people have to save some cash. Where do you anticipate that cash to come from?

Hon David Seymour: Well, first of all, yes, being the Minister responsible for Pharmac, I get letters every day from people who are choosing between maybe selling something to pay for a drug or maybe have no choices at all, and those people my heart goes out to every day. But today I'm proud to say that there's also a Government committing a lot

of money going out to help them, too. And, yes, I hope that for many New Zealanders battling with cancer, this will be a game-changer—no question.

So in terms of the money that needs to be saved, I think it's fair to say that in the economic circumstances and some of the negative economic momentum this Government inherited, we're going to have to be relentless on finding ways to do it smarter, cheaper, faster right across the board so we can afford things like more medicines for sick people.

Media: If you were serious about combating cancer, wouldn't you have gone ahead with the tobacco law reforms proposed by the last Government?

PM: Oh, look, as I've said before, you know, we are of the view that the previous legislation, you know, actually was delivering great progress. I mean, it'd gone from 8.7 percent down to 6.8 percent—well on our way to a target of this—2025 of 5 percent. We think it's great legislation; it's been world leading, and we'll continue to support it.

So, yeah, you already know that we've got a very big focus on delivering on Smokefree 2025. We'll continue to do that, but we just believe there's a different way of dealing with that. But what's exciting here is that, you know, there is 26 new cancer drugs that are going to be made available to Kiwis that previously weren't. There's 28 other medicines that previously weren't available to New Zealanders, and 175,000 people are going to be positively impacted by that.

If you're watching this today and you're a New Zealander struggling with that situation—and all three of us have spent time with cancer victims in particular over the last number of years since we've been in politics—this is pretty exciting stuff.

Media: Can I just clarify: you said in your opening remarks that there may have to be funding allocated to the implementation costs. Is that correct, and where's that coming from?

PM: Yeah, so there's money associated with both Pharmac and with Health New Zealand for implementation of the programme. It's a generous contingency that we've put aside. We'll obviously want to work the precise details so that every dollar's sweated pretty hard with Health New Zealand.

Media: That's extra to the \$600 mil?

PM: Correct.

Media: Can I just ask: Minister Seymour spoke about respecting the integrity of the Pharmac process. Would you agree, then, that your promise during the campaign was not respecting the integrity of the Pharmac process?

PM: Well, it was an attempt to try and get 13 cancer drugs that weren't available to New Zealanders, you know, by, you know, essentially working outside the Pharmac system. As we came to Government, it became pretty obvious we've got a good model; why we want to create a second model, and it's important that we could actually embed it into the Pharmac model. And that's a lot of what our conversation has been over recent months. But, you know, that's the exciting part. Now we've got it locked in Pharmac. We've actually got Pharmac able to purchase 54 drugs that they previously couldn't do that are going to be very helpful.

Media: Do you acknowledge that there could've been a better way of doing that?

PM: Well, as I said, the great news is that we've delivered it today— isn't it? This is the exciting part. This is a great day for many New Zealanders. You know, the fact that we have found a way through, despite how difficult our financial situation is, to be able to deliver 54 new drugs that are going to benefit 175,000 Kiwis. That is a scale that we had not imagined, but as a coalition Government, we've worked our way through it and we've got to a great place.

Media: So where is where is the money coming from, or are you just sort of—

PM: Sorry?

Media: You'll find savings for it next year, will you?

PM: No, no, no. This is about a pre-commitment out of Budget 2025. But as—

Media: But you haven't found savings for that yet, have you?

PM: Sorry?

Media: You haven't found savings for that, have you?

PM: Oh, no, but we will—we will. We're going to continue the practice that you saw in the last six months around making sure that we generate savings out of Government spending, and we have a massive drive and a massive focus to continue the savings. That was never a one-off of Budget 2024, just so we're crystal clear. That is exactly how we plan to roll in Government, each and every day.

Media: Do you have a plan for that, though? Are you specific about what is going to fund the \$604 million, or are you just hoping that you're going to find those savings?

PM: No, no. We've got a pre-commitment against Budget 2025 for this programme of work around the cancer drugs. What I was just saying to you, and what David's also saying to you, is that, you know, we are very, very committed as a Government to make sure that we continue to drive through the public spending that's happening across this Government—of which there is \$100 billion plus—to make sure that every dollar is getting a return. So that behaviour of generating what we saw was huge amounts of savings in the last Budget, right, we've ended up saving something like \$24 billion over four years of savings and reprioritising money and redirecting it to the front-line services.

And that's what's enabling us to do the \$16.7 billion more of investment in healthcare. That's what's enabling us to do a record level of investment in education. That's what's enabling us to do a lot more front-line service investment that's been taking place. But that behaviour, just so that we're really clear about it, is going to continue, because each and every dollar needs to be accounted. And if it's not delivering outcomes and results in the way that it should, we'll stop that, we'll stop those programmes, and we'll redeploy that money to places where we can get better results. And we are of the view there is still a lot more savings to be generated.

Media: And just on that election promise, have you—is there anything that you have learnt from that in terms of public trust? I mean, you made a very specific promise; you are not delivering that exact promise. Do you think that the public can trust what you say and what you promise?

PM: Oh, absolutely. I think if you're the public and you're sitting there and saying, "This Government just delivered 54 treatments that didn't previously exist; 26 new cancer treatments, 28 other new medicines that didn't exist; and, rather than just a couple of thousand people benefiting, we now have 175,000 people benefiting."—I think this is a really fantastic day for New Zealanders who desperately need those drugs, and we are all very, very proud of this programme of work that we're actually delivering. And we said we were working on it. We told you we were working on it; we now have delivered it. Yes, we would like the timing to have been a bit sooner, but the reality is we've juggled a lot. We've put \$16.7 billion into the healthcare system; we've funded the \$1.8 billion Pharmac cliff; and, in addition, we've been able to find \$600 million to put into this cancer drug programme.

Media: How did you handle that number, \$600 million, and choose to go to 54 drugs down the list? Why not do the whole list, or why have you got that exact number, I guess?

PM: Well, we're trying to find the balance, right? We acknowledge we're in tight financial and fiscal times, but, as I said, we are working hard to make sure we get efficiencies and savings so that we can actually deploy that money and put it out to the front line to get better quality services in place. And I think arriving where we've arrived at with 54 new drugs, 26 new cancer drugs—pretty good.

Media: Is it not just the case that the last of the 13 was at number 54 on the list?

PM: I'm not sure. Maybe, Shane, you want to talk about how we did work it out? But, I mean, the point is, what we've done is the \$604 million actually will enable and allow Pharmac to purchase the drugs that we want to see in cancer as well as many others.

Hon Dr Shane Reti: Thank you. We did need to look to make sure that we had met that commitment for the 13 treatments, so they needed to be covered. And then when we were there we looked around and said, "Look, is there any other incremental gains we could get for small increases in the funding—for example, some of the other non-cancer medicines—that would make sense while we're here?" So that was the starting point—to make sure we covered those 13 treatments.

Media: Just on the commitment, you made that comment about Pharmac being a good model and understanding that when you came into Government. Why didn't you understand that before September?

PM: Oh, look, I mean, we were trying to find a way to get 13 cancer treatments that we thought—that existed in Australia into New Zealanders here, and we wanted to be able to find a way to deliver that.

Media: Yeah, but why didn't you understand that Pharmac was the route to do that before September? I mean, it's not a model that's unknown to you.

PM: No, sure. But, equally, we could've created a whole new model in order to target and deliver those drugs, but we actually decided that we wanted to deliver through the Pharmac model, and that's what we've done today.

Media: So was the actual intention to set up a cancer drug agency? Is that what you actually went to the election with?

PM: Well, I just say to you, we went to the election with actually saying we're going to deliver Kiwis 13 cancer drugs they didn't have access to. In Government, we've gone through a process to make sure that we can now deliver 26 cancer drugs to New Zealanders, as well as 28 other medicines that are very important. I think we should be pretty proud about that. It's a big step up of an investment, it's a big step up in the number of people impacted, and it's a big step up in the physical number of drugs that are available, and I think that's a good thing for New Zealand.

Media: And no one's denying that it's not a good announcement. Like, a lot of people are going to be really excited about this. But I just do want to—

PM: Yeah, and I want us to think about those people, because, you know, many of us have sat down with folk that've been impacted by cancer and have had to, you know, go on Givealittle pages and travel off overseas and mortgage houses to get access to drugs. And what we've done here is we've found a way to say this is a big commitment from this Government. It's a big commitment, but it's one that matters, because either we're serious about delivering better public services—and particularly in the area of health. Cancer is one of our big five healthcare targets; we've got to do a much better job with it. And it starts, fundamentally, with being able to give Kiwis access to drugs that we know will help them and support them.

Media: But, equally, we've spoken to a woman today who was expecting the drug that she was promised on 1 July. She's now going to have to pay \$5,000 a month until whenever over the next year is funded, minimum 20 grand. She's also had to deal with a really stressful three weeks of you guys not really knowing what you're doing. So I just want to give you one last opportunity here to say sorry.

PM: Well, we have. We've acknowledged the fact that—we've apologised for the fact that we didn't communicate this as effectively as we could have. We were genuinely wrestling with the way in which we could deliver cancer drugs and other drugs to New Zealanders in a consistent, sustainable, proper, enduring, long-term way. That's what we've done here. I'd also just say to you, there's a lot of New Zealanders that are going to be very surprised, on the upside, the fact that their drugs are being funded when that wasn't the expectation as

well. And that's why we feel incredibly proud about what we're actually delivering here for New Zealanders who we know are doing it tough. And we know there's a lot more we'd love to do and there's a lot more people that need help and a lot more situations individually and otherwise that we could try and help and support, but this is unprecedented in terms of quite a transformative investment that we're making in drugs in order to actually support New Zealanders with life-changing implications.

Media: In terms of the blood cancers, do they include—and forgive my pronunciation—daratumumab?

PM: I'll let Shane talk to that, but, ultimately, it's a Pharmac call.

Hon Dr Shane Reti: Thank you. Look, I won't go into those details; they're part of the other 13 that are being identified. The extra 13 include the blood cancers.

Media: And do you have a sort of end date or a deadline as to when you want these to be all available?

Hon Dr Shane Reti: Our hope would be—and some of the phasing would be—that if we've started in October-November this year, that certainly within 12 months that we've rolled out most of these other medicines.

Media: Most but not all?

Hon Dr Shane Reti: Well, that's our hope. We'd like to have them all done as fast—in the first year. Of course, that'll be dependent on procurement and, potentially, implementation. But that's the sort of roll-out that we're looking at.

Media: And just one last on that implementation: is there a ballpark figure of how much that will cost? Is it going to be a really significant amount as well as the \$600 mil?

Hon Dr Shane Reti: What I can tell you is that in year one Health New Zealand is being funded \$38 million of start-up funding to contribute to the start-up phase for implementation, and then the remainder of the funding is in contingency.

Media: How robust are the numbers around the 175,000? [*Inaudible*] works out at about \$3,500 a patient, on average, and when you know that some of these cancer drugs cost tens of thousands of dollars, I mean, is that figure—?

Hon David Seymour: Yeah, well, I think one thing that's important to recognise about these numbers is that the money that the Government is giving to Pharmac enables them to achieve those results. How exactly they achieve them remains a matter for Pharmac, because pharmaceuticals are always getting better. Pharmac are always negotiating better prices. So exactly how they do it or when, that remains something that is independent. What we have is indications from them of what they believe they'll be enabled to do with the money that they've received.

Media: Prime Minister, but will you personally apologise, you know, for that delay, for the three-week wait that some—

PM: Look, Bridie, I don't know how to express it any other way. I know you might be fixated on that. I'd just say to you—

Media: Just say sorry.

PM: I'd just say to you we have apologised. We know that that caused disruption—

Media: You personally?

PM: —it caused anxiety for people, and I do as well. But the key thing is that we've actually delivered what is a transformational programme. I'd just ask you to take a step back and actually look at what's been delivered here today. When you think about \$604 million, 58 drugs, 26 new cancer treatments, and 175,000 people, that's a pretty good outcome. So I appreciate the fact that, yes, we've acknowledged upfront that we could have communicated it better. Yes, we apologise for that. But the point is we've actually now very quickly delivered

a solution that's more enduring, more comprehensive, and going to benefit a lot more people, and I think that's where the focus needs to be today. That's what New Zealanders actually— if you meet people, and all of us have gone to the homes, we've met, we've sat down with people who are battling cancer and wrestling with it; I'm thinking about the three or four people that I've spoken to in the last couple of weeks alone. You know, they're in a really difficult place, and this news gives them some hope. I appreciate it doesn't deliver for everybody, but it's the best that we can do, and I think it's a pretty damn good effort from a Government that's dealing with a pretty horrific set of fiscals to actually be able to deliver this level of investment and this level of programme to help support people when they need it.

Media: Can we get an update on the ferries? Was that discussed today?

PM: Oh, yes. Well, shall we just wrap up the—? Thank you very much; if there's no more questions, I'll let these guys get back to work. Can we all wish David Seymour a happy birthday, by the way. I'm embarrassing him terribly, but happy birthday, mate. Thank you. Right-o, sorry, Benedict—what was the question?

Media: Yes, just the ferries—was that discussed today? Is there any more information you've got for the [*Inaudible*]—

PM: Oh, look, obviously incredibly concerning what we saw on Friday. Good to see that the ferry was refloated, in anchor at Picton. Obviously, there'll be investigations from Maritime New Zealand and also TAIC, as there would be with any transport organisation. As you well know, we are very much committed to new ships on the Cook Strait. We think it's a critical piece of infrastructure. Having said that, the iReX project is not the answer for that and was never going to be the answer for that. And so we've had a ministerial advisory group, as you'd be aware of, that has delivered a report to the shareholding Ministers at the end of last week—that needs to be digested, discussed further with colleagues, and then we'll come forward with a solution after that.

Media: When do you think we might see new ferries out on the Cook Strait?

PM: Well, I mean, in theory, I'd just say to you it was very difficult to work out when the new ferries under the old regime were due to come, because there was an awful lot of port infrastructure needed for very, very large ferries, that there was lots of question marks whether they were actually fit for purpose for the Cook Strait. But, look, our intention is to make sure that we get it before the useful life of the current assets in ferries actually expires.

Media: In terms of the work being done on the ferry replacements that you would do, is the Government also working [*Inaudible*] that there still needs to be changes to the port infrastructure, that it needs to be upgraded?

PM: Yeah, there may well need to be. Again, I'm not going to go into the specifics of what the ferry solution is, because there will be a number of avenues that we'll want to explore off the back of the ministerial advisory group recommendations and approach. In fairness, that report only came through at the end of last week. The Ministers need time to digest it. They got a bit distracted, as you would've seen this weekend, on another ferry problem.

Media: When's that going to be made public, Prime Minister?

PM: Oh, look, at the moment it's just a question of the shareholding Ministers need to digest the report, they need to discuss it with their Cabinet colleagues. I'm not sure, but, you know, the next few months.

Media: When will these ferries reach the end of their useful life, or whatever the phrase was you said?

PM: Different analysis and reports I've seen suggest 2029, but, having said that, we'd like to push as fast as we can to get a good, viable solution in place.

Media: So it could be half a decade until new ferries.

PM: Sorry?

Media: It could be half a decade until we have new ferries on the Cook Strait?

PM: Well, I'm not going to commit to timings, but I'm saying we're going to move as quickly as we possibly can. But just be clear, we're working pretty hard in terms of—we had an iReX solution that didn't work—

Media: When were those ferries due?

PM: In theory, they were due by the end of 2026, but, of course, there was lots of doubt about whether they would actually be arriving on time, and there certainly was lots of doubt about whether the ports infrastructure on both sides of the Strait that would have to receive those ferries would in fact be ready by 2026 or not.

Media: Do you think you'll come to regret killing off the iReX project?

PM: No, no. You don't start a project at \$750 million that then blows out to \$3.2 billion with no end in sight and say that's the right solution. I think there's enough—no, we've got no regrets about that whatsoever.

Media: [*Inaudible*] has Cabinet discussed options going forward for the Defence Force plane?

PM: Again, our view there is that we have new leadership in the Defence Force on all three forces, plus the new CDF. We have a new Secretary of Defence, obviously a new Minister as well. Those six leaders are going to work up a new defence capability review; that's going on—the aircraft will form a piece of that. I just remind you that that aircraft 80 percent of the time is used for troop movements and carrying, and 20 percent of the time for international missions like us. So it's making sure that we get the assessment right of what is the right plane and, actually, how we support that—will come as part of that capability review.

Media: When would you expect to have some options?

PM: Hopefully shortly, but the capability review will be—it's a component of that piece of work, and that's a longer-term piece of work as well.

Media: Are you able to just give an update on the status of the contract with Hyundai for those iReX ferries? I mean, as I understand it, the contracts haven't been cancelled, but have you told them to stop—

PM: Yeah, look, I'm not going to get into that level of detail. They're obviously commercially sensitive, and there's an ongoing programme of work there. All I'm saying to you is, look, we've put a ministerial advisory group in, we've had a report come back to us at the end of last week; we need to digest that and work out an approach. Rest assured we are committed to getting new ferries on the Cook Strait and making sure that we've got a vital piece of infrastructure protected, but we're going to do it right.

Media: I understand, but as of now they are still building those ferries. Is that correct?

PM: No, they're not building them.

Media: When you get news that the ferry's run aground or that Northland's without power or the Coromandel's without power, do you just sort of feel like New Zealand's breaking?

PM: No, I don't. You know, this is a great country, but we need to do infrastructure differently and better. A lot of what we've been seeing is what we call deferrals. And you can defer decisions, but you've actually got to get yourself and get your system to a place where you can actually make those investments so you don't end up in this place. And whether it's been Premier House, the 757s, the ferries—I get it, but the point is we're working our way through the issues. This is what we've inherited, and we're going to fix it.

Media: Can I ask a question, and it probably will get laughed at, but I do want it to be taken seriously: has anyone considered building a tunnel between the North and South Islands?

PM: That has not been a focus of conversation.

Media: Would you consider just costing it?

PM: No, I'm focused on making sure I get some really good ferries that are going to be fit for purpose and long term.

Media: But wouldn't it solve so many problems?

PM: It hasn't been a conversation.

Media: Prime Minister, can I ask you: have Mr Peters and Mr Bishop resolved their apparent disagreement over the current policy settings for Sport New Zealand on transgender involvement in community-level sport? Mr Peters told me last week the current setting is in breach of the coalition agreement, and Mr Bishop said publicly he was taking a watching brief. Is this going to be sorted out?

PM: Yeah, look, I don't think that's a fair representation of even Mr Peters' remarks on your show. But I'd just say to you that we certainly agree that sports organisations need to balance inclusiveness and fairness and safety. Sport New Zealand is obviously working with a range of community sports organisations, and they continue to work through that issue.

Media: Are they going to rewrite the policy?

PM: What I'd say to you is the Minister of sport, Chris Bishop, is continuing to monitor it.

Media: OK. Is that policy going to be rewritten? Because Mr Peters is clearly saying if it isn't, it's in breach of the coalition agreement.

PM: I just would—I think that's a bit disingenuous.

Media: No, it's exactly what he said, Mr Luxon.

PM: No, no, disagree—disagree.

Media: I'm happy to quote him.

PM: Fine, but I just disagree with you.

Media: Sorry, are you having a discussion about that? Are the coalition partners discussing this?

PM: No, we haven't been discussing it. I haven't been discussing it with Winston Peters at all, because we actually have good understanding of what our coalition agreement is, and we're meeting those obligations. And, importantly, Chris Bishop, the Minister of sport, is actually continuing to monitor the situation.

Media: Is the policy going to stand, then?

PM: As I said, Sport New Zealand—Chris Bishop has dealt with them; he's continuing to monitor the situation and will continue to do so.

Media: I have a different Chris Bishop question: while you were in Japan he said that he would like to see the average house price come down in New Zealand to support affordability. Would you also like to see—

PM: Well, I'd certainly like to see downward pressure on house prices, rental prices. I'd like to see more availability of social housing. What we're doing is understanding, as we've said many times before, you know, if you can't own a house, you rent one; if you can't rent one, you get on a social house wait-list to get a social house; if you can't get one, you get on emergency housing. So all four components of housing are very much linked together. That's why you're seeing everything we're doing is actually increasing the supply of all of those four components of the housing market. And so we're working incredibly hard on that. We've got a number of things you've already seen: build-to-rent product being available for the first time in Auckland in large scale. That's been great. You've seen our review of KO, and particularly funding an extra 1,500 more houses through community housing providers. We've got a big focus on emergency housing in particular, in Rotorua and across the country, and, importantly, we'll have more to say shortly about how we're

going to expand the supply of houses to own. We'd love to see downward pressure on housing, yep.

Media: Just to clarify on that issue, Prime Minister, because you've said in the past downward pressure on rents doesn't mean rents fall; it just means they might rise more slowly than they—

PM: Well, there's a lot of variables at play. All I can tell you is the bit I can control is really about making sure that we are maximising and creating as much supply of new houses, increasing the supply of rental houses, increasing the supply of rental properties, increasing the supply of social houses. And if we can do that job, more supply to deal with that demand suggests that there'll be downward pressure on price.

Media: But the specific question is: would it be good, in your view, if house prices—the average house price was lower tomorrow or the week after or the month after than it is now?

PM: I would love a combination where New Zealanders were able to access cheaper housing, more affordable housing, and have higher incomes so that we could increase the number of Kiwis having homeownership in this country. It'd be fantastic.

Media: So you won't say that house pricing should come down.

PM: Again, I say downward pressure on the housing market.

Media: The Government made that announcement about more cops on the beat recently.

PM: Yes.

Media: A jewellery store owner has been left with a fractured skull after a robbery in South Auckland last night. Is enough being done to support small businesses against crime, and is it being done fast enough?

PM: Well, I think—I've got to say it's disgusting behaviour. I'm sick of it; the public's sick of it. I happen to visit that store. I know Gurdeep and his family who own that store. It wasn't that long ago I was shaking his hand and in his store for quite a while, and then to see him being hit by a hammer in the way that he has with a fractured skull and now in hospital. Mark Mitchell, fortunately, went and visited with the family this morning, in hospital, which was great. I plan to reach out to them as well. But that doesn't make it any better. You know, we have a major problem, as we've talking about, about violent crime, about retail crime, and that has to stop. And so what we are doing is doing everything we can, as you saw yesterday with our law and order announcement, to make sure we get more police on the beat, we get the police with the community beat teams in the hotspots across the country where we have major challenges, so they're more visible. We are cracking down on gangs. We are cracking down on young serious offenders. We're going to launch, as we announced yesterday, our trial pilot for our young serious offender military academies. We are going to do things differently, because we cannot carry on this way. We have to try different things.

And I appreciate amongst the media and I appreciate across the commentariat there may be a range of views whether we're doing the right or wrong thing, but, I'm sorry, we are going to build a country based off rights and responsibilities, where you take the rights of being a Kiwi but you also have the duties and responsibilities to live up to your citizenship as well. And that means we're going go do different things like military academies, YSO designations at courts, you know, tough gang laws that'll all be passed by the time we get through August and impacting and starting to operationalise in November. We are going to do whatever it takes to make sure that we're doing everything we can to fight back against this crime.

Media: Just on those military academies as well, the Chief Children's Commissioner is questioning whether that approach is necessary. She says she's concerned about anything that is military-style is not a children's rights approach. What's your response?

PM: I disagree completely, and I'm sorry, but I am not making—I'm not sorry, actually, because I am going to do things differently to get a different result, because just look at the last six years—do you think that worked out great for us? Do you think the approach of just carrying on doing more of what we've been doing has been working for New Zealand? Absolutely not.

So, you know, go understand what we're doing with those young serious offender military academies. They are three-month placements; they are nine months out in the community, and one of the things that we understand is that we know we have to make the transition. We can get great results with kids in residential programmes, but when you put them back into the community, back into their environments, that's when they actually then return back to the life that they were in. So we are putting the community organisations, as I said in the campaign—I know many of you didn't want to hear it or listen to it, but we put them in there with the military, with the police, with the LSV components from the programmes, with the community organisations in there for day one, so we can work with those young people on their trauma, on their addictions, on their issues. But we're taking them out of the community so they don't cause harm in the community, and we're making powerful, targeted interventions in those young people's lives and giving them the very best shot to turn their lives around. And I don't care what you say about whether it does or doesn't work—we could have that intellectual conversation all day long—but we are, damnit, going to try something different, because we cannot carry on getting the results that we've been getting.

Media: Just back on the cancer drugs, briefly. With your party leader hat on, do you think it's likely that National will in the future, under your leadership, campaign in terms of health policy for the provision of specific drugs in the future, given what you've learnt in the execution of this policy?

PM: Look, I think we've got to a good place—you know, if you look at the policy that we were trying to campaign on, it's certainly cost a lot less than what this is costing us. But, actually, when we took a step back and, as a whole coalition Government and with the benefit of being in Government, and actually said, "Well, what else could we do?", we've actually been able to come forward, I think, with a pretty fantastic set of policies. So you can do a whole bunch of looking in the rear-view mirror and saying, "Would I do things differently?"—yeah, maybe. But the bottom line is: have we delivered, fundamentally, for New Zealanders and have we actually surpassed their expectations—absolutely—and are we proud of this programme? Definitely.

Media: I'm sure no one will disagree with the benefit that it will provide, but just in terms of a policy development on that perspective—you know, you've run into issues in terms of Pharmac's model and the provision of specific drugs. So do you think it's probably less hassle in the future—

PM: Yeah, look, I'm not too hung up on it, to be honest—you know, because the bottom line is we made a commitment to deliver more cancer drugs to New Zealanders, and what we've ended up doing is we're delivering more cancer drugs to New Zealanders, in a bigger quantum and in a more sustainable and enduring way. So maybe the means by which we've delivered the outcome is different, but, man, I'm pleased that we've proposed something, you know, because as a result we've now got to this point today. What was the alternative? Not to do—you know, we know we want to deliver more cancer drugs to more New Zealanders, and that's fantastic we're doing that.

Media: Certainly, but the point is more around clarity—right? And both yourself and Minister Reti have said that the communication wasn't clear and that people have had to wait for a period of time because of issues with this policy.

PM: Yeah—a few weeks, yep.

Media: So health policy in terms of drug provision as well will be clearer under your leadership, presumably—

PM: Well, I think our desire would be—you know, we've got a good model in Pharmac. It's got to balance a lot of tension, as you know, about drug efficacy with respect to purchasing, but we do think it's a good model. But, you know, when we set off, we were trying to find a way to say did we ever contemplate that we could afford or would be in a position where we could actually spend \$604 million? That wasn't what we could commit to before the election, and so we were trying to find a way to deliver that. And we would've looked at alternative tracks if we had to, but we decided we wanted to lock in on the Pharmac delivery model, and I think that's been the right decision.

So, look, I get it—you can go back and play sort of Monday morning football, if you want. But, I mean, the bottom line is that at the end of the day, we've delivered, I think, a fantastic commitment. We've worked incredibly hard in a really difficult set of financial constraints to actually generate that cash to be able to back that programme and to do it in a comprehensive way that I think surpasses expectations of many New Zealanders.

Media: But it's not just Monday morning football, though, is it? I mean, it's a promise you took to the voters at the election—right—

PM: And I've delivered on that promise.

Media: —and it's pretty remarkable, is it not, that as one of the two major parties, you know, you came into Government and suddenly realised the Pharmac model was the way—you know?

PM: Yeah, I'd just say to you, look, isn't it great that we've delivered on that promise and we've surpassed people's expectations, and I'd just say if you're someone in their shoes, outside the bubble of Wellington and outside of this place, wrestling with cancer—as we've got many friends; all of us have friends, all of us have people who have been impacted by it—this is pretty good news today.

Awesome. All right, guys—thanks so much. Have a good day, take care.

conclusion of press conference