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POST-CABINET PRESS CONFERENCE: MONDAY, 16 MARCH 2015

PM: Right, good afternoon. I'd like to start by saying our thoughts are with our Pacific neighbours following the devastation caused by Cyclone Pam. Information is still coming, but it appears that Cyclone Pam has caused extensive damage and also, sadly, loss of life. The Government has now pledged \$2.5 million to help with immediate relief. The two Defence Force relief flights departed for Vanuatu today are carrying vital relief supplies. This follows on from a Royal New Zealand Air Force C-130 aircraft that left yesterday carrying 8 tonnes of relief supplies and personnel to Vanuatu. On Saturday, with communications largely down, we immediately sent a P-3 Orion to conduct damage assessment flights over Tuvalu—the first nation in Cyclone Pam's path. Clearly, it remains a very difficult situation in the affected countries, and we will continue to do all we can to help our Pacific neighbours. The Ministry of Foreign Affairs and Trade consulate offices are contacting New Zealanders in Vanuatu to confirm their well-being. At this stage, the ministry has not received reports of any New Zealand casualties.

We will be making space on the departing C-130s for New Zealanders who have an urgent need to return before commercial flights are back and up and running. Priority will be given to those with medical conditions, the elderly, and to families with very young children. At this stage, New Zealand's effort and energy is focused on providing emergency relief. When we can better assess the situation, we will look at the long-term needs of the people of Vanuatu. I have no doubt that New Zealand—alongside other international partners—will ensure appropriate ongoing support is made available; and I made this point to the Prime Minister last night when I spoke to him. People will make their own judgment and should continue to check the SafeTravel website, but MFAT advises against all tourist and other non-essential travel to Vanuatu.

Here in New Zealand the East Coast has been the most affected by the cyclone, with heavy seas and storm surges along the coastline. In preparation for this, Civil Defence and some military defence personnel were dispatched to the area in advance. A number of people have been evacuated from areas close to the sea, and roads have been closed due to slips. The cyclone is moving away from the North Island, but Civil Defence is advising people still need to take care until the weather improves. It's essential—it's especially important to stay away from East Coast beaches, where there are currently very large waves. The cyclone is now heading towards the Chatham Islands, so people there should make sure that they are prepared. Once again, I'm advised that three Civil Defence personnel were dispatched to the Chathams to provide assistance this morning.

In regards to the threat to contaminate infant and other milk formula products with 1080, the police investigation is ongoing. Around 70 people have contacted police with information to help inform this investigation, and police are following up on each one of those calls. MPI is continuing to work with New Zealand manufacturers and retailers in relation to further strengthening the supply chain security and to encourage consumer vigilance in checking for tampering of any product. Over 52,000 tests for 1080—all negative—have been completed to date. MFAT officials remain in ongoing contact with our trading partners, and, so far, reaction to the threat has been measured. I would, once again, like to reassure parents that every precaution has been taken to ensure our infant and other formulas are safe—this includes extra testing and increased security measures as further safeguards.

You will have seen the announcement from transport Minister Simon Bridges regarding a future second Waitematā Harbour crossing. This futureproofing allows for the expected rapid population growth in Auckland over the next 20 years. The Government is focused on ensuring good transport links in Auckland and around New Zealand, because of the benefit to business and the economy, as well as making it easier for Kiwis to get from A to B.

According to advice, this additional crossing to the east of Auckland Harbour is likely to cost between \$4 and \$6 billion and will be needed between 2025 and 2030.

Today I can announce that I'll be welcoming the Vietnam Prime Minister Dung at Government House in Auckland this Thursday. This is the first official visit by Prime Minister Dung to New Zealand, and he is bringing with him a delegation of more than 100 senior Ministers and business leaders. This year marks 40 years of diplomatic relations between our two countries, and that relationship continues to strengthen. This visit will allow us to celebrate that, as well as discuss ways that we can work more closely together in areas including education, agriculture, and UN peacekeeping cooperation.

Just in terms of my upcoming international travel, I'll be departing for Korea and Japan on Sunday. In Korea, I will join President Park and other trade Ministers for the signing of the New Zealand - Korea Free Trade Agreement. This is a significant milestone in the relationship between New Zealand and Korea, and one that will bring benefits for both countries. Korea is New Zealand's sixth largest export destination, with total two-way trading goods of \$4 billion last year. I'll continue on from Korea to Japan to meet Prime Minister Shinzō Abe to discuss trade and foreign affairs. I will be accompanied by trade Minister Tim Groser for the trip to both Korea and Japan. Melissa Lee will also accompany us to Korea.

Just in terms of the House this week, we intend to continue with the committee stage of the Construction Contracts Amendment Bill and progress the Harmful Digital Communications Bill. Wednesday is a members' day. And, finally, in terms of my own activities this week, I'll be here in Wellington today, tomorrow, and Wednesday. On Thursday I'll travel to Auckland to meet the Vietnamese Prime Minister, as I mentioned. Then later in the day, I'll be heading to New Plymouth to meet with local iwi. I'm starting in New Plymouth overnight and will be in Taranaki with Te Ururoa Flavell on Friday. Finally, on Sunday, I'll take off for Korea and Japan. And, finally, I probably should have advised in terms of the House, the advice I have from the Ministers—my expectations for the MPs' remuneration bill will be introduced to the House this week. Questions?

Media: Prime Minister, is it time for a full-scale independent review of all MPs' perks and all MPs' pay?

PM: Look, I don't think so. You know, there are a number of benefits that MPs have either enjoyed or are just a function of what they do. They're pretty well established largely. If you—you can see that the authority has been moving benefits away from non-cash to cash items. That's the trend that we also see in the private sector. In terms of you're asking the question in relation, for instance, to former MPs' perks, I think it's really worth remembering that, essentially, we've come in New Zealand—and not just in terms of MPs' salaries but actually in the private sector, as well—away from a situation where people used to receive less cash and more benefits. I myself remember starting in my first job and getting a suit allowance and a booze allowance and various other things. Nowadays, people pretty much get cash. So we, of course, could just take those benefits off former and old MPs, but we'd be doing that retrospectively. They would argue very strongly, and do, that we'd be taking away some of their entitled income because they were paid less as a result of it, and I think it's just bad practice generally to go back retrospectively.

Media: I suppose given the fact you, you know, MPs and—you know you're talking a lot about the private sector, the relationship that MPs' pay should have. I mean, very few private sector people enjoy benefits beyond their time in the job. I mean, isn't it about time to just get rid of this altogether?

PM: Well, as I say, you know, you really would have to go back and say to those former MPs, and these are MPs that left, I think, prior to 1999 or were in the House prior to 1999. I mean, really, you've got to say to those people: "Well, even though we paid you a lower salary with all of these entitlements, which you were aware of, we're now not going to pay you the salary then, and we're not going to give you the entitlements." Now, in reality,

there's a finite limit to how long those benefits will be paid, and on that basis, you know, we could take it off them, but generally, retrospective legislation's not a good thing.

Media: In terms of the way the Government's gone about it with the MP remuneration bill and also the change to the travel arrangements, both were mechanisms where public input wouldn't have been able to happen. Is that the right course of action? Should the public be able to have a say on these changes?

PM: I'm not sure that's strictly right. I might be wrong, but I think in terms of the particular one you're talking about in relation to former MPs, that was in relation to the Statutes Amendment Bill, and I thought my understanding of that was that that did go to a select committee in 2013. So I think the public would have been able to have input.

Media: The SOP, though, was only made public last week and would have been considered at the committee stage debate tomorrow night had it proceeded. So the public—

PM: Well, I mean—anyone's free to sit in to the select committee, and it wouldn't have been in private session, I would have thought. I mean, you know, the history of all this stuff, as I understand it, was that the select committee actually added the words "lowest cost" in error. The point was raised to the Government by Parliamentary Service and by the Labour Party. The Government could understand the argument that was there, and it looked to correct the technical error. My understanding was that the Labour Party agreed to consult with its partners on its side of the House, which include the Greens. We consulted with those on our side, and now the Greens are withdrawing their support. Fair enough, but, you know, it wasn't our responsibility to consult them when we were doing what—while we were following the course of action that we believed had unanimous support and were advised that.

Media: But my question is these subsequent changes that the Government have been considered had been of such a nature that the public would have got no input into them whatsoever—why have you chosen that course of action?

PM: Well, in the case of MPs' remuneration, they're going to get paid next week, and, you know, I think, in the end, we have actually listened to the public. I think the public's, you know, general view is they want to see more modest pay rises for MPs, and we're delivering that.

Media: Why should former MPs get to fly business class on the taxpayer?

PM: Well, they—I'm not the one to negotiate their package of benefits and entitlements that happened when they were a member of Parliament. That was—well and truly pre-dates my time. I mean, I only came into Parliament in 2002, and these entitlements stopped effectively for anyone after 1999. All I can tell you is that was what was agreed back then, and their argument is that it was part of their overall package. They took less cash for more benefits. That was consistent with what happened in the private sector. So, yep, as I said to you, you could go and withdraw that from them. At the end of the day, though, it's retrospective, and it's a little bit like retrospectively changing tax law. It's generally seen as, you know, not good faith. It's a relatively small amount, and there's only a finite number of people in that category, and eventually those entitlements will cease.

Media: Do you think it's acceptable, though, for them to fly business class?

PM: Well, I think my—I'm not the expert in it, you really need to go and ask Parliamentary Service, but my understanding is that's the formulation for the financial allowance they get. I don't think they have to fly business class. I think they can use it for more trips—I could be wrong on that fact.

Media: So this change that Minister Bridges tried to put into the statutes amendment bill, this was something that was initiated by Labour, was it?

PM: Yeah. Well, my understanding—the advice I've had was the original reference point was always these Air New Zealand business class fares. Then, for whatever reason,

when it went to the select committee, the select committee added the words “lowest cost”. The trouble was that they went away and said, well, lowest cost actually—this is what the, I guess, these 1999 or pre-1999 members said—that’s actually not fair because we can’t actually book that fare, because, like a lot of things on the internet, you can’t always necessarily get it, and so it was brought to our attention by Parliamentary Service and by Annette King. And that was why we made the change. And Annette King and the Labour Party agreed they’d consult with all of their members, we consulted with all of ours, and—so they spoke to the Greens. That’s what I’m advised.

Media: On *The X Factor*, because this is the silly story of the day, is there any truth in the rumour that you were going to put yourself forward as one of the judges?

PM: Ha, ha! No. Plenty of people judge me. It’s the other way around. I don’t judge other people.

Media: And what do you think of this—is this saying something about bullying in our culture and how we should be attacking it?

PM: Oh, I honestly haven’t followed it, I’m sorry.

Media: You don’t watch *The X Factor* at all?

PM: I don’t have time. I’m too busy doing other things.

Media: It is a show that has attracted \$2.4 million from New Zealand On Air over two seasons. Is this really what New Zealanders want to be seeing on their screens?

PM: Well, I guess people, you know, kind of vote with their eyeballs, don’t they? So, you know, they’re only going to fund things and the TV channels will only, basically, play things that get popular support, for the most part. And all of these sort of shows—you know, *X Factor* and others—do attract a lot of support. People like them and they watch them. They’re very expensive to make, in my understanding. They always, if you look at the nature of them—have always had that element of being, you know, pretty robust, and I think that’s part of what attracts people watching them. I mean, Simon Cowell hasn’t made his fortune out of anything other than, you know, being pretty robust, shall we say, with people that watch the show or people that are on the show.

Media: Can you expand on Simon Bridges’ announcement about the Waitemātā crossing today? What is it, exactly, that he’s announced? Because a quick google would suggest that you announced pretty much this back in 2013, of the six-lane crossing with a railway attached. So what—

PM: Yeah. That was our preference, yep. I think they’re futureproofing, so I think it’s literally around the designation of actually where it will go, and buying some of the land to futureproof that.

Media: Prime Minister, just on the 1080 threat—is there any concern around potential, you know, threats to MPI itself?

PM: I haven’t seen any, no.

Media: On Iraq, have you had any advice—I mean, you’ve talked before about the previous Iraqi Government and the role it’s played by shutting the Sunnis out of—have you had any advice on going back to the American-led invasion of 2003 and decisions then to remove Sunnis from the army and other positions of influence as to how much impact that’s had?

PM: I wouldn’t say I’ve had written advice, but every Tuesday I have my national security meeting, and as part of that national security meeting in recent times we’ve had real specialists in this particular area in the Middle East, and particularly what’s happening in Iraq. So there’s a course of, sort of, wider questioning and conversations that—you know, there are a variety of different issues are raised, and then there are a variety of different reports that are given to me by the National Assessments Bureau and others, some of

which are obviously highly classified. I can't tell you of any specific advice about either the things that America might have got right or wrong in terms of that, but just generally there's been a lot of advice and discussion on the wider issue of Iraq and military involvement.

Media: But given, you know, the commentary by a number of, you know, academics and others about that, have you been given a reassurance in that analysis that the proposal now in terms of helping train—because, obviously, a lot of it's American-led—that there aren't going to be the repeat of the sorts of, perhaps, mistakes that were made earlier?

PM: Yes. I mean, that broader issue—I mean, the broader question of “If the Americans spent so much money and so much time and didn't deliver a strong Iraqi forces ...” argument. If you accept that argument, then there's a valid question that says “Why would now be any different?”, and I've raised that point with my officials on numerous occasions, including the defence personnel and MFAT personnel, and the reassurance I've been given is that there are a variety of different circumstances now. But they start with the head of the Government, the corruption that they believe was in place before and how they believe that's different now, the more inclusive approach that's being taken. So there's a variety of different factors of why they believe it was unsuccessful in the past and more likely to be successful now.

Media: Just on the 1080 threat, have you received any advice about any copycat threats since you went public last Tuesday?

PM: No one's come to me and said, look, they've picked up or detected that that's the case. Obviously that is a risk, and the risk that people are worried about. I will say this, though: obviously 1080 is very tightly controlled, so the capacity for copycats is significantly lower, but nevertheless that's always the risk that people worry about.

Media: Have there been any other threats that you haven't disclosed?

PM: No.

Media: Just on Vanuatu, how long do you think New Zealand will need to be involved in the clean-up?

PM: I don't have any strong advice on that one. I spoke to the Vanuatu Prime Minister last night. I mean, he sort of had very limited information. He said in the outer islands they had no communication and they weren't sure. While they were restoring water and electricity, still a lot of it was off, and, as we know, in Port Vila a huge number of the homes have been destroyed. So it's going to be a long, slow process, I think. If you take, sort of, some guidance, I guess, out of what happened, for instance, in Samoa after the tsunami there, it was a good year or two that it took to really work through, you know, a lot of the bigger issues. Now, a couple of years on, the situation was restored largely back to how it'd been, with stronger infrastructure, but it's not something that can happen overnight. So we're very much in the emergency phase at the moment. That'll carry on for weeks, maybe even months, and then beyond that will be a more permanent solution of rebuilding.

Media: How much more aid do you think you may have to provide?

PM: I think in Samoa, you're slightly testing my memory, but I've got a feeling we put in around about \$17 million in the end. So I think over a course of time, along with a number of other agencies and international Governments, it will be quite a bit more money. I spoke to British Prime Minister, David Cameron, on Sunday morning. He pledged £2 million at that point, but indicated they're likely to make further contributions.

Media: Are you likely to put the reversal to the travel perk thing through by means of a separate bill as an amendment rather than in the Statutes Amendment Bill?

PM: That's a complicated question. Isn't it just going to lapse? I think the story is if we don't—well, I suppose you're saying you could put it through without having an SOP.

Media: Well, you can put it through as a separate bill.

PM: Yeah. I doubt it, no.

Media: So that means you'll keep it as it is now—

PM: Yeah.

Media: That it's based on the lower-cost there, rather than—

PM: Yep, and the former MPs, who are represented by Graham Kelly and others, will have to take that up with the Greens.

Media: Back to the issue of Tuvalu and Vanuatu, have you heard any reports on Tuvalu and the damage there—

PM: Yeah, well, the P-3 Orion did those—I think I said in my remarks, did the flyover. I think we've given some small amounts of support there, and we're likely to assess that over time and have a good look. I mean, my understanding is there's another cyclone brewing, maybe potentially another quite significant one that we're likely to see maybe by Friday, so we'll have to keep an assessment of that as well.

Media: Also, a lot of the damage has been blamed not just on the strength of the winds but on the poor construction of some of the houses there. Does New Zealand have any role in ensuring that they're being replaced with accommodation there that is actually fit for purpose, given, you know, how prone it is to cyclones?

PM: Well, look, I think that's part of the assistance we can play, in making sure that some of the infrastructure is stronger. I mean, you can't rebuild, and I don't think New Zealanders would expect us to rebuild, every home in Vanuatu. I think what they would expect us to do is play a role in strengthening the core infrastructure, maybe some sort of buildings that can be used as shelters in the past. But the winds must have been very strong, because I think it was the Minister of Foreign Affairs said to me some of the properties that had been constructed with cyclone-proof roofs had their roofs lifted, so they weren't quite that cyclone-proof.

Media: Was there damage to the high commission building too?

PM: Not sure. You'd have to ask the Minister of Foreign Affairs. He didn't say which roofs, but he said some of them ones we'd built apparently had their roofs ripped off.

Media: Over the weekend America criticised Britain for joining the Asia Infrastructure Investment Bank, which New Zealand has agreed to join. Have we ever been pressured or challenged by America about joining up to this Chinese—

PM: No. The Americans haven't raised the issue with me.

Media: On Northland, are you satisfied with the progress economically that region's made under the National-led Government.

PM: Yes, but, of course, you can always do more and I think over the last 7 years that we've been in Government we've made significant investments in Northland and a fair bit of progress has been made. But it's really obvious to see some areas where greater, you know, economic growth could occur. I mean, for instance, we have been pro-the concept of some mining exploration in Northland. We're actively trying to get the Treaty settlement with Ngāpuhi completed in Northland. We've already completed quite a number of settlements up there as you'll be aware. So there are always more things that can occur and we can do, I mean certainly the economic growth in the last 12 months has been strong in Northland, but we need a lot more of that. I mean at the core of all of it sits, I think, with poorer education outcomes for a lot of young people in Northland, so there's—I think, some of the steps that we've taken there which are very long term, like national standards, nevertheless will be effective over time.

Media: Because since 2009 its growth has lagged behind every other region apart from Taranaki, so I mean, do you put that down to those sorts of issues?

PM: There's a variety of very long-term issues there, and they're not easy ones to resolve overnight. There's been some great investment there—I mean, Marsden Point was upgraded under our watch. You've seen some pretty good things happening in Northland, but, you know, I accept that more can be done, and we need to do more and my very strong argument would be that if Northland has a representative that has a voice in Government then I think they're more likely to make progress, but that in the end is the matter for the people in Northland.

Media: Are you going to roll out the pork barrel again? Is there any more spending announcements to be made by the Government?

PM: Um, well there are always more announcements that can be made, but look, at the end of the day—I mean I think it's worth reflecting on the fact that we are investing a lot of money right around New Zealand. I mean the announcement of the bridges—you can make your own assessment of that—but it's in the context of us spending a huge amount of money and going to spend a lot of money there so—

Media: But—sorry to interrupt—when you announced the bridges last were you were quite bullish about saying to us “expect more of the same but don't be surprised if you hear some more.” Are you down playing that now? Is there any more—

PM: We announced, we made an announcement about broadband. There might be other things coming—

Media: Yeah, but that was just the policy you'd already announced. Is there any more specific spending in Northland that you're going to announce?

PM: Aww, could be.

Media: You didn't take issue when he suggested that you rolled out the pork barrel. Is it [*inaudible*]

PM: Ha, ha! Oh well, I've got broad shoulders.

Media: Are you coming back from Korea and Japan earlier than you anticipated because of the by-election?

PM: Yes, I'm coming back on the Friday—Thursday, and I'll be in Northland on the Friday.

Media: How close do you think it'll be in the end?

PM: It's going to be pretty close, I think is the reality. What you've got is a situation where—by-elections are often really close. They're close for a number of reasons. Firstly, you quite often get a situation where it becomes a two-horse race. We have that. So the other political parties have all capitulated pretty much around Winston Peters, so that makes life a bit more difficult. Turn-out could be very low. I mean, it's hard to tell, but could be very low. So you've got a number of different factors there. But in the end we'll have to give it our best and if we can get turn-out out and if we can get our voters to turn out, then we'll hold the seat. If we can't, well it could be an interesting outcome.

Media: Would you expect a re-count from either side if it's close?

PM: Well, it would be the history of Winston Peters, isn't it? You know, challenges and petitions on spending and stuff so let's wait and see.

Media: But surely for you guys if you lost by 50 votes or so you might—

PM: Let's not think negatively, Katie.

Media: What about a legal challenge? David Seymour's hinted that he could challenge if Winston won—

PM: Yeah, I asked him about that the other night. He said there's some QC in Auckland that's running around with the view that it's illegal, but I, for life of me, can't see why.

Media: So if you're coming back early for the Northland by-election, what were you planning on doing instead? Were you going to stay in Japan earlier—longer?

PM: I think so. I mean, they've slightly altered my programme but, look, in the end, you can obviously see it both ways. On the one hand, obviously I can always change my schedule a little bit, and I do. If I didn't come back people would say I didn't care about the people of Northland and if I do come back people will say I'm worrying too much about Northland. So it is what it is. In the end it's an important by-election for us. We'd like to hold the seat if we can. We've got a good candidate and we're putting in a good effort, but it's going to be a tough fight there.

Media: How much time are your MPs and Ministers spending on this campaign?

PM: A reasonable amount. I mean, you know, it's a seat we want to hold, and, you know, you do have every other political party with it going—obviously the exception of ACT—you know, working behind Winston Peters. So that makes life a lot more difficult for us. And if we don't get out the vote, it's going to be very tight. I mean, you can look at it whatever way you like, but if you go back to the 1992—sorry the 1994 Selwyn by-election, you know, it's a seat we hold by 22,000 today. We only just won it against an Alliance candidate when David Carter came in. If you look at the 1997 by-election for Taranaki-King Country, you know, Jim Bolger had just gone off to Washington, we only just won it by about 1,400 votes, I think, against an ACT candidate then. If you look at 1992, when Muldoon went—very, very safe National seat, with Tāmaki probably the safest we've got in urban Auckland, we only just won it against, again, an Alliance candidate with Clem Simich. So even in our safer seats by-elections are very fickle and difficult matters—there's no getting away from that. And so, there are challenges there; we accept that. But we do believe we've got a good story.

Media: You said that you accept [*inaudible*] that they were all ganging up on you, but surely United Future and the Māori Party aren't actively campaigning for Winston Peters, are they?

PM: No, I don't think they're campaigning at all much. I mean, the Māori Party might be, but I don't think ACT—I don't think United Future is.

Media: But do you think they're throwing their weight behind a Winston Peters win?

PM: No. Look, all the others on the other side of the House.

Media: Both Winston Peters and Andrew Little are campaigning on sending the Government a message. Do you reckon you've got the message?

PM: Well, I think it's very easy to come up with rhetoric, and as I said to you, it's easy to sort of make promises and say you'll do things. So at the end of the day Winston Peters hasn't cared about Northland for 40 years. I mean, it's been a pretty long career and a lot of opportunities to get up there and represent the people of Northland; he's never chosen to do it. He didn't run a candidate—not even his weakest candidate—in any of the last three elections. He's not going to live anywhere near his electorate; he's going to be 4 miles—4 hours' drive away. I mean, if they select Winston Peters, a new MP's going to come in on the New Zealand First list that lives in Invercargill. So, really, is that going to deliver, you know, strong representation for Northland? I don't personally think so. But in the end, it's for the people of Northland—and, you know, they will decide who their next representative is going to be.

Media: Are you saying his house in Auckland is 4 hours' drive away from actually the electorate?

PM: Oh, the very edge is Wellsford, but the bulk of the population is actually up in Kerikeri, and yeah, it's 4 hours.

Media: He does have a house there though—in Whananaki

PM: Let's see.

Media: You've got lots of MPs not only on the phone and talking to people up there but also spending their time up there during parliamentary sitting time. Is that an appropriate use of MPs' time, given that that's campaigning for a National candidate, when they're paid by the taxpayer to be in Wellington?

PM: No, the rules are really clear about an MP or a Minister—about when they can either use transportation, ground transportation or flights. And also, you know, when our people go—I mean, I go to electorates all of the time; our people go to electorates all the time. Yes, there's, you know, probably a few more trips happening in Northland at the moment, but that's just the nature of the fact that, you know, we've got a good story to tell and we want to tell that story up there. And there's lots of things that we do there, but it's quite legitimate. I mean, Winston Peters wasn't even in Parliament last week.

Media: Yes, but that's—I mean, just as general, do you think it's OK for MPs, who are supposed to be here during Parliament sitting time, aside from the use of resources, the use of their time, they are up in Northland rather than being in Parliament?

PM: Well, what the Government needs to focus on is ensuring it's got the numbers to maintain its majority, and the whips do that very effectively. Outside that, MPs travel and move all the time. You can make that case for everything—whether they should go overseas for a conference, whether they should go to a particular event that's on, whether they should go to their electorate. Yep, there's a Northland by-election on and there's plenty of them up there—just, as I say, like Winston Peters wasn't in Parliament to question me last week, and probably won't be this week.

Media: Have you had any discussions with members of the Sikh community about their ceremonial daggers and how they're not being allowed into Cricket World Cup matches?

PM: Not specifically about the ICC event, because that only happened, I think, yesterday. But yes, last Sunday I went to the Gurudwara at Takanini, and that particular issue was raised because the Sikh community's being looking for an exemption to the civil aviation rules—so for The Five Ks of the Kirpan that they carry. I mean, I actually have a great deal of sympathy for their argument. I mean, The Five Ks are a reflection of their faith. At the end of it, it's a matter for the ICC. It's their tournament; not ours. So we can't dictate that to them. And I understand why some people might make the argument they should be concerned, but my understanding of the Kirpan is it's, you know, for most part very small. It's a blunt instrument, and, actually, if you want to make the case that someone could cause harm with that, they're probably much more likely to be able to cause harm with anything else you could get at the grounds, including a wine bottle or something else.

Media: Do you think the ICC were overreacting by—

PM: Well, it's their tournament, and they make those rules, and at the moment we don't even have the exemption for civil aviation on our flights, but some countries have legislated for that—I think the UK and Australia might have.

Media: Would you look at it?

PM: Well, yes, we might look at it—yes. I mean, I'm sympathetic to the view.

Media: So will you get the transport Minister to pick up on that?

PM: I'm not unsympathetic to looking at that issue, and other countries have legislated towards that, because I think, in reality, as I said, you know the Kirpan's, you know, it's very small, it's blunt and it's the symbol of their faith. Yes, of course, you could make the argument that someone could use it as, I suppose, as a form of a weapon, but it's blunt and it would be no more effective than, you know, picking up a bottle of wine off the Koru hour on your Air New Zealand plane. In fact, you'd probably arguably be far less effective.

Media: When will that happen? When do you think the CAA could start looking at that?

PM: Well, there's a process that they would have to go through, but I said to the Sikh community that, you know, we're not unsympathetic to the issue, and we should look at it.

Media: On the issue of dairy conversions in the Waikato, Federated Farmers [inaudible] reckons there should be a debate about no more conversions, a moratorium on conversions there. What's your view on dairy conversions?

PM: I think, you know, what should drive that debate is, you know, the capacity for maintaining and improving the environment, and so I can't tell you whether there's too many conversions taking place or not enough. I don't have enough information on that, but the driving force isn't whether there's a certain number of farms. It's the capacity for the environment to cope with that. And we've seen in certain circumstances like, you know, around the lakes in the Taupō-Rotorua area, land has been retired because it's deemed to be the most effective way of controlling, obviously, run-off and nutrients into the lakes. That's the sensible solution there. So whether there's enough or too many in the Waikato, I just don't have advice on that.

Media: Is that a risk therefore of peak dairy? That we don't have the capacity to grow that dairy?

PM: No. But I think it speaks volumes about why the sorts of environmental measures that Federated Farmers, Fonterra, and others are taking are the right ones, including the Government, when we announce the retirement of waterways, land adjacent to waterways during the campaign.

Media: In what capacity is Steven Joyce in Northland?

PM: Well, you'll have to ask Mr Joyce, but he can be there in many capacities if he wants.

Media: From your point of view.

PM: Well, he's certainly a Minister of the Government.

Media: And he's up there on ministerial business?

PM: I didn't say that. I said you'd have to ask him, but I said he's free to be there in any capacity. The rules are really clear. A Minister is free to use both air travel and ground travel any time they want, and in the middle of an election campaign, you know, I'd use my ministerial limousine. MPs are free to fly any time they want because there are no restrictions, no parliamentary purposes required, but for accommodation and for ground travel in the electorate an MP needs to have a parliamentary purpose. My understanding is all of our MPs are either being billeted, not staying overnight, and using their own resources for ground travel.

Media: Including your Ministers?

PM: No, Ministers are free for—to abide by the rules, and their rules are different.

Media: Are they allowed accommodation?

PM: I don't know. I'd need to check that, but I think they are, but I'd need to check that fine point on accommodation.

Media: I see Fonterra's purchased \$750 million of Beingmate, the Chinese infant formula company.

PM: Have they?

Media: Does that highlight potentially some of the risks of being too dependent on China, in particular, that dairy industry in light of the 1080 scare last week?

PM: Well, I don't know if that's a further purchase, because they'd already made an announcement.

Media: They'd announced about it 10—

PM: About Beingmate, yeah, some time ago. Look, I think it's a good thing in so much that what it's showing you is that investment goes both ways—both investment from China

into New Zealand and New Zealand into China. It's still a massive market and presents huge opportunities for us, but the Government is working hard to make sure that we do diversify our risks. I was at the India and New Zealand business summit last week, and that was one of the points I made on Friday morning, that, you know, India's also got very similar demographics to China, presents great opportunities for us, and we should continue to investigate that, as we do with trying to get a FTA, for instance, with Europe or with other parts of the world—the Gulf states.

Media: Just back on the Northland by-election and MPs. Is campaigning for the National Party appropriate parliamentary business?

PM: You have to go and check the exact rules, but my understanding is, yes, you can campaign.

Media: And same for ministerial business, campaigning for the National Party?

PM: Well, people do a variety of different things. It's very different to quarantine off, but my understanding is there's no rules. Everything they're doing is quite within the rules, and it's consistent with exactly what we do in a General Election. It happens to be a by-election, but when a General Election comes around, we don't all sit around and say, you know, that can't be part of our job. We're paid as MPs, and, as Prime Minister during the election, the middle of an election campaign, I carry on dealing with a whole variety of issues including running the country, but I also go out and campaign every day.

Media: Except in a General Election, Parliament isn't sitting, so MPs aren't expected to be here, sitting in select committees or sitting here late at night, passing bills etc.

PM: But there's a variety of reasons why people here are not. In the end, the Government would have to make sure that it has the numbers to pass its legislation and its programme withstanding the confidence motion—that's the responsibility of the whips. However else they use their time is good. I mean, if anything, you can make the case that if that means more MPs are in Northland, and Northland's arguing that they want to have their voice more loudly heard in Wellington, well, that's one way of achieving it. OK.

conclusion of press conference