

**Patrick Gower interview with Prime Minister John Key**

***THIS WEEK'S POLITICS HAS BEEN ABOUT STANDARDS... ABOUT TRUST...AND ONE OF THE MAIN STORIES WAS JUDITH COLLINS' TRIP TO SHANGHAI... HER VISIT TO MILK COMPANY ORAVIDA. SO WHEN I SPOKE TO THE PRIME MINISTER EARLIER THIS MORNING, I BEGAN BY ASKING WHETHER THIS MIX OF PUBLIC JOB AND PRIVATE INTERESTS WAS A MISTAKE...***

**John:** Well I don't think she'd quite see it like that, in so much that ministers are always encouraged when they go overseas to promote New Zealand companies and New Zealand businesses, and she did that for other companies on that trip, and on other occasions- I mean she is a senior minister after all. So... I don't think she'd see it like that, ah but you know it's always...

**Patrick:** *But do you see it as a mistake then?*

No I think it's always important that ministers manage conflicts of interest, they have to manage those themselves, and um, and also to manage the perception of conflict of interest, because if you actually look at what people have been saying this week in terms of other parliamentarians that are attacking her for it, they're really just talking about the perception...now, yeah, I did what you would expect me to do as Prime Minister, I went and checked with the cabinet office. Cabinet office advice is, crystal clear, there's no breach there.

***Let's look at that word you used there- perception, perception of conflict of interest. We know that Oravida and export over to China is a big donor to the National Party, you've played golf with the owner, Judith Collins opened its Auckland offices even though her husband is a director there. Then comes this visit, there is a perception of a conflict- what's okay about this?***

Well it's a small world and a small country, I mean when I played gold for them, it was because I was bought in a charity event, and he bought that charity event and I've offered myself up on a number of occasions to do that, rather than dinners, because I'd, frankly rather have the exercise and enjoy playing golf. So there's no great conspiracy there, and people see those photos and they see all that, and as long as there's transparency as there was in terms of the donations, I mean interestingly enough, Labour Party attacking us for that. But actually the issue this week, really... The major issue has been about transparency of donations to David Cunliffe and the Labour Party.

***Yeah and we'll come to that, but what about Richard Worth, because you gave him, in your words, a bollocking when he mixed his private interest with his public work, why no bollocking for Judith Collins?***

Well in the case of Richard Worth, and I'd have to test my memory all the way back to 2009, there was a potential there for Gain I think was the argument, in this case, yes her husband's a director, but there's no gain from what happened, in fact the supplier..

***But there is gain, because his company gains from it. You and I know, that when a minister goes through the doors of a Chinese business, it is a big help for anyone who's over there. There's***

***hundreds of Kiwi businesses that would have liked Judith Collins to go in there while she was over there. Why did she go to the one that her husband works for?***

Well I think, the way it's explained to me is she popped in on the way to the airport, um, there was a number of other businesses that she saw at the time, so you know..

***So did you know, when you signed off her trip, did you know that she was going to Oravida?***

No I didn't know...

***So I want to read for you the translation, of what was on the Oravida website. During her visit, Ms Judith Collins tasted the milk and scampi provided by Oravida, and was full of praise. Now under your definition, because it's your standards, is that an endorsement?***

No...

***Why not? How is that not an endorsement?***

Because companies all of the time, write things like that. If you, were to troll through the Internet and websites of many, many businesses I've been to...

***Yeah but we're not talking about the businesses, we're talking about when Judith Collins went to the business her husband worked for, and she tasted the milk on official Government visit, funded by the taxpayer, and this, in the eyes of the layman, you would agree is an endorsement?***

But she didn't go to china for that particular purpose, I mean that was one thing she did

***But that makes it worse***

No it doesn't, because in the end, look, you know...companies write all sorts of things that are out there. You only have to go back to what the cabinet office perceives to be an endorsement, and an endorsement would be, you know, kind of like, I don't know...pretty clear what that would be. That would be the person themselves saying, this is a great thing.

***That's what you said, so to sum up here. Your message to taxpayers is; it is okay now for my ministers to travel overseas, on taxpayers money, on official business- duck off to one side, help out there husband wife, friend, relative, whatever... that's all good by me?***

Well that's your assessment and spin of it, it's not the way I see it. My message to ministers is, promoting as many New Zealand businesses as you can, if there are potential conflicts of interest or perceptions of conflicts of interest, you need to manage those.

***Judith Collins gets off scot-free...***

Only because that's what the cabinet office says...

***Yeah, so she gets off scot free with you, by your standards, but I want to move now to the standards...***

Well no, that's because if you, it's just simply important to say that, you know we have a set of rules from the cabinet office, and I take advice and guidance from them. And if they came to me and said, there was a problem, then I would take action, as I think I have in all of my time as Prime Minister. I try and be reasonable, um I try and recognize the people who operate in the real world. Um I don't change things as I go along, I try and be transparent about that. But I think people can take confidence from the fact that if there is a problem then I deal with it.

***I want to move now to your opponent David Cunliffe who we saw this week, some of his standards around that trust. He did name three of those donors, two of them remain anonymous. You believe he should be transparent about those?***

Yeah, I mean, I think there's a really good reason for that, I mean, in the end, we've just had a discussion about something that is in the public domain and people can assess whether there's a conflict or not, or whether there was gain or not. Um, they can make their own call on that. What we've got here is a situation where, firstly the Labour Party actually campaigned for a long period of time when David Cunliffe was in Government, and one assumes he was engaged in all of those debates and listening to them about, the merits or otherwise of secret trusts. So the judgment angle of using one of those is quite mind-blowing. Putting that to one side, you know, people have given him money to become the leader. That's what this is about, so aren't we entitled to know who those people are because they breach the pecuniary interest rules of five hundred dollars.

***Now on that, I want to look at some of your own fundraising. Okay, back in 2010 there was a dinner at Antoine's restaurant, you remember you attended?***

Aw, I've been there on numerous occasions, but if you tell me I did, I did.

***Sure, a hundred and five thousand dollars was raised by the National Party, do you remember this one?***

Yeah, I remember that one

***So, the owner of Antoine's, Tony Astle is on the record as saying people paid five thousand dollars each for that night. Do you agree with that? Is that your understanding of what happened?***

Probably, I don't engage in the fundraising other than I go as obviously a person that's there, as any leader does but the president of the Party, Peter Goodfellow actually runs the fundraiser.

***But shouldn't we now know, who those 21 people were, by your own standards, you've asked for transparency from David Cunliffe, but here we have you getting 21 effectively secret donors paying just as much as David Cunliffe got. Shouldn't you, by your standards, tell us now, or go away and find out. Who those donors were and let the public know, So that we know we know that you don't have a secret agenda?***

Well, they're different rules, so again you'd expect the National Party to sit and fit within the rules and rules of people buying tables at a dinner is absolutely standard, well in my understanding its within the rules. But again, you'd have to check with Peter Goodfellow, he does all that sort of stuff.

***But I'm not asking about the rules, I'm saying, here's another way of funneling secret donations, just like what David Cunliffe tried to do through his secret trust. You've asked him to be up front, the same standards apply to you because these are effectively secret donations funneled through a dinner...***

Well I don't know whether you'd actually put it in those terms but, there's certainly been rules that allow people to buy dinners and my understanding is, you know, most of the major political parties have done that. That's a standard way of doing things and...

***Will you be transparent with those donors though?***

Well I myself don't get involved in all that

***Will the National Party be transparent with those donors, under your standards?***

The National Party will fit within the rules that everybody else fits within. And you know, in the end, the issue

***Regardless of rules, you asked Cunliffe to name names, will you name names of these donors?***

Well in the end that is a matter for the National Party president, but the point here is, not, the rules in relation to donation, have to be met. David Cunliffe hasn't breached those, what he's breached is effectively either the rules around essentially the pecuniary interests, or the hypocrisy of that...

***Look at the Antoine's dinner, and there was another raising 60,000 dollars a year later. And you say there has been more as well?***

Well, I can tell you the exact number, but I've been to Antoine's, or dinners on numerous occasions...

***Where fundraising type dinners where people pay...***

I don't get involved with them, but yeah, I assume that...

***Well surely, by the standard you're exacting on David Cunliffe, you need to be transparent with these?***

No, I need to obey by the rules, and the National Party does, but I don't get involved in that...

***Yeah, I know about the rules, but you know what? It looks tricky***

Yeah, but in the end...

***It looks tricky doesn't it?***

No, what's tricky is because David Cunliffe used a secret trust when the Labour Party...

***Yeah but the National Party used a dinner to hide donors, it's tricky***

No, that's not right

***That's tricky***

No, that's not right.

***You just agreed it was right?***

No what I said is we abide by the rules, that the president of the Party is involved in how the Party can raise funds, and that is the standard practice for people who buy a table at dinner.

***Okay, we'll move on, but will you go away and ask about those names or not?***

***Looking at interest rises, they're likely to go up this week; that will hurt a lot of households, the average household for example could be paying 4 to 5 hundred bucks more a month. Add onto that, petrol prices, rent rises- things are getting harder under your government, and this interest rise will hit households even more***

Well, firstly I don't agree with that. So if you look at the general economic position. Firstly you've got very, very high business confidence- on twenty year highs. And that high business confidence leads to people getting jobs. If you look at consumer confidence, that's also very high. It reflects the fact that consumers are generally feeling better and more confident about what is going on. You've also had interest rates that have halved, in the course of the time that we have been in the Government, and we've been very careful about our economic management and we'll be careful going forward. Yep, you're right, I expect the governor, if he doesn't raise rates in march, that he will raise the rates at some point, how aggressively- I don't know, that's a matter for him.

***Okay, Coalitions- Collin Craig's coming in here straight after you, this week, Murray McCully said he's not moving out of East Coast Bays, is that your understanding? That Murray McCully will stand at East Coast Bays at the election?***

Well in the end, what I said at the start of the year was there's about five political parties that we can work with, and they're in varying degrees um

***Is Murray McCully going to be in East Coast Bays come election time?***

None of those decisions have been made yet, but in all probability he will. He's stood there before, but ah, I made it quite clear that at the start of the year. Here are the parties that we might be able to work with, and in the end, we are going to be more transparent if there are accommodations that are made. Now we haven't made any decisions on what some of those accommodations those might look like, whether it's in Epsom or **(mumbles)** or anywhere else for any other political party.

***So in terms of that, you called it in 2008, I was there, we were in Greymouth, you said Helen Clark was putting together a five headed monster- you've got a six headed monster.***

No that's not right, we've got six potential partners who could work together, but I'd be very surprised if we need the other five, to form a Government, I think there'll be other combinations that work in there, I mean, who again who really knows? So you know, my view would be lets wait and see. What I do know is elections are really hard to win. They are notoriously difficult, this is MMP, It'll be very tight. What I also know, is the probability of a being an outright National victory in 2014 is very, very low. So we are doing, what I think the public would want us to do, which is, be up front with them, tell them who we might be able to work with, be up front with them, tell them how we might be able to work with them and in the end leave it up to them to decide the make up of that parliament.

***And being up front about electoral deals, electorate deals or you call them arrangements, you've said that wont happen until two to three weeks, before election day, is that right? So what's up front about that because you're leaving it to the last minute, your leaving yourself all the possible options, what's up front about that?***

You've got to think, we've been way more transparent than any other Government that's been around, I mean we're the people who opened up disclosure in parliament in a major way, you know I've announced election dates much earlier than what has typically been the case. There's all of those different things

***So just quickly...***

No, no , no let me finish, contrast that- say with Winston Peters, you go and get him on your show and Paddy you and I know that he will talk in all sorts of language that will be very difficult to decipher. But in the end you wont know whether he will sit on the cross benches, come with National if he's a kingmaker, come with Labour. There is no transparency at all from the voters of New Zealand first, and actually the rest of the country about what he will do, and we're the opposite to that aren't we, we're talking about weeks and weeks before an election, making sure that New Zealanders have a sense of where we are going- so there's quite a big contrast there.

***So when will we know about that election date, why wont you tell us now, is it a tactical reasons?***

Well it's not tactical, Um I'm not a great believer actually that there is A) a huge gain about holding out the date and secondly, in the end we all know that we're having an election this year

***So tell us today, what's the hold up?***

Well, I'm not going to tell you today, but I am going to tell you quite soon...

***Are you waiting on something, or what's the hold up?***

No, I've had a lot of things to work through, and I think you'd agree we've actually had a pretty good start to 2014 because we've been doing a lot of different policy work and getting out there with initiatives like education, and in the end we're managing the economy but we're not going to wait for 6 weeks, and again, if you go and have a look at the history of New Zealand, um, I certainly can't remember another Prime Minister naming the election date a long way out in front. I did it in 2011, I'm going to do it in 2014. And it's just a sign of the maturity and the respect that we treat the public with

***So Jonathon Coleman last year told the Pentagon that a White House visit was on the cards this year, is that still the case?***

I can't say yes or no, because I don't know, I mean dates haven't been agreed with the president, but we'd like to go, and the reason we'd like to go is A) it's a hugely significant relationship B) I...

***Is that Whitehouse visit, is that date you're trying to set, is that something that you're waiting for in terms of the election?***

No

Prime Minister, this is a good place to leave it, thank you very much.

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