

**POST-CABINET PRESS CONFERENCE: MONDAY, 31 JANUARY 2023
HANSARD TRANSCRIPT**

PM: Good afternoon, everybody. The number one topic of discussion at Cabinet today was the Auckland floods. The Government's committed to playing its part to get our biggest city back on its feet as quickly as possible. As at 1 o'clock today, Northland also declared a state of emergency, with significant rainfall expected. *Kaitiāia is expected to be significantly affected, and *NEMA is going to be monitoring that situation closely.

Today, Cabinet agreed to make a further \$1 million contribution to the Auckland Mayoral Relief Fund to assist in the initial emergency response. That's the most significant contribution to a mayoral relief fund ever, and it allows the council to ensure funding gets to the various community providers that have emerged to assist Aucklanders affected by the floods.

That funding is just one part of the Government's overall contribution to getting Auckland back on its feet. The *Ministry of Social Development has so far paid out over \$2.5 million in civil defence grants to over 6,000 individuals. The *New Zealand Defence Force is assisting with the clean-up effort, and *Waka Kotahi has ensured that all *State highways in Auckland have been reopened. We stand at the ready to provide assistance where we can. Further discussions are taking place on the support that we can provide to help Auckland businesses to recover.

I'll be travelling back to Auckland tomorrow, and I plan to be there Wednesday and Thursday, on the ground to meet with those affected by the floods, to support our responders, and to ensure that Government support is available and getting to where it is needed the most.

When I was elected as the leader of the *Labour Party, I said that my Government's number one priority will be the cost of living and ensuring that hard-working *New Zealanders, particularly families, can get ahead and thrive. I indicated the *Government would refocus on core bread and butter issues like education, health, housing, and keeping communities and businesses safe. That means a greater focus on what's in front of us right now. As the recent flooding has highlighted, *New Zealanders want the *Government focused on the key issues that are affecting them, because life can be pretty tough for many.

While a Cabinet reshuffle was signalled at the end of last year, the decisions that I'm announcing today are mine, and they emphasise the greater focus on the priorities that I've established for the *Government. I've balanced the need for stability with renewal. *New Zealanders want to see the *Government getting on with the job, but I also want to demonstrate the depth of our talent and to bring some new energy and focus to the tasks ahead. So I want to set out some key changes.

Our top team of myself, *Carmel Sepuloni, *Kelvin Davis, *Grant Robertson, and *Megan Woods will continue to provide stability, experience, and proven leadership. As I have previously indicated, *Grant Robertson will remain the *Minister of Finance. He has seen *New Zealand households and businesses through the greatest economic shock since the Great Depression. His steady hand on the economy has ensured that we've got one of the lowest unemployment rates ever and that *Government debt levels are amongst the lowest in the developed world. *New Zealand has growth stronger than most other economies that we compare ourselves to, and, last year, we saw record export earnings and, of course, the return of tourism. There is so much to be optimistic about in terms of our economy, but we know that 2023 has the potential to be tough going on households and those running businesses as the global cost of living continues to bite. So we're giving Grant the time and the support to apply his full focus on fighting inflation and helping *New Zealand families and businesses.

Joining the economic team of Grant, Megan, and *David Parker is *Michael Wood. He will be moving to number seven in the Cabinet and picking up an associate finance portfolio. But even more significantly, I'm appointing Michael as the Minister for Auckland. When Auckland succeeds, the country succeeds. I know that the last few years have been particularly tough for the City of Sails. I want to have a Minister with a focus on the city, and by aligning this with his transport portfolio, we'll be ensuring that Auckland has the senior ministerial focus that it needs. I know that's going to be even more important following the events of recent days.

Education is core to our success as a country. As the former education Minister, I know that when our children and young people are attending school or training, when they're engaged

As a former principal, and education expert, Jan Tinetti* is uniquely placed to address the post-COVID challenges our education system has faced, and to get our kids back into the classroom and learning. Jan moves to number six in the Cabinet and picks up the whole of the education portfolio, including tertiary education, and she'll also take on responsibility for child poverty reduction.

Dr Ayesha Verrall* will become the Minister of Health, and moves to number eight in the Cabinet rankings. An infectious diseases expert, she brings almost 20 years of knowledge of how our health system works, and, of course, how it can be improved.

Willie Jackson* moves up to number nine, retaining his existing portfolios and picking up an Associate Minister for Social Development and Employment, focused on Māori employment.

Kiri Allan* rounds out the front bench*—she retains justice, and picks up regional development and an associate transport role, adding her expertise to the economic strength of our regions.

Stuart Nash remains Minister of economic development*, and forestry*, and also picks up police, and also the oceans and fisheries portfolio.

Andrew Little* will bring his extensive experience as a Minister to the portfolios of Public Service and defence. He's also retaining the GCSB, NZSIS, Treaty of Waitangi* negotiations, and continues to lead the Government's response to the royal commission's* report into the Christchurch terror attack*.

Peeni Henare* picks up ACC from Carmel Sepuloni*, tourism from Stuart Nash, and an associate environment role. He carries on with Whānau Ora* as the Associate Minister of Health with responsibility for Māori health.

Nanaia Mahuta* retains her foreign affairs portfolio, her associate Māori development role, and picks up disarmament and arms control.

Kieran McAnulty* moves into the Cabinet, picking up the full local government* portfolio and also Minister responsible for rural communities. He retains emergency management and racing, and will be the Deputy Leader of the House.*

I've appointed Ginny Andersen* as a Cabinet Minister. She'll become the Minister for the Digital Economy and Communications*, Minister for Small Business*, Minister for Seniors*, Associate Minister of Immigration*, and Associate Minister of Treaty of Waitangi negotiations.

And I've also appointed Barbara Edmonds as a Minister in the Cabinet—she will become Minister of Internal Affairs*, Minister for Pacific Peoples*, associate health Minister with responsibility for Pacific peoples, and Associate Minister of Housing*.

Dr Duncan Webb*, Willow-Jean Prime*, Rino Tirikatene*, and Dr Deborah Russell* will join Meka Whaitiri* as Ministers outside the Cabinet*.

And finally, Jo Luxton* will become a Parliamentary Under-Secretary* to the Minister of Agriculture* and the Minister of Education.

I do want to thank those Ministers who are departing for their incredible service. So to Poto Williams*, Dr David Clark*, Aupito William Sio*, Phil Twyford*, and, of course, Jacinda Ardern*, a very warm thank you.

Today's reshuffle highlights the depth of talent in the Labour team. We know we have a big job ahead of us, but I know that my team are all deeply connected to their communities and will represent both the diversity of New Zealand and the core issues everyday* Kiwis are experiencing. The Government hears loud and clear that many New Zealanders and many families are struggling. You want us focused on what most matters to you, and in this Cabinet are the people to do that; some have experienced many of those struggles themselves.

But this reshuffle is just the first step. Over the coming days and weeks, you'll see us put our words into action with policies to support New Zealanders by reprioritising existing programmes, so that we can free up resources to help with issues such as the cost of living.

Now happy to take questions.

Media: Why did you decide to only give Peeni Henare* those limited number of portfolios? That seems like a demotion for him when he has a lot of experience and a big skill set*.

PM: That's actually an expansion in the number of portfolios that he has.

Media: But, in the weight of them, a big one like defence is being taken away from him.

PM: And he's got another big one like ACC, so there's always a balance here. I made the decision that defence, I think, was quite well aligned with some of the national security focus that Andrew Little has had in his other roles, and putting those two things together—particularly at the moment, in light of international developments—was a good thing to do.

Media: Did Andrew Little want to ditch health? Was he keen to shift his focus, or was that a decision you made?

PM: Andrew Little made it really clear to me when I started the reshuffle process—and, actually, even before I even started conversations about the reshuffle process—that he would support whatever decision that I made. We had some really good, constructive conversations, and he's fully supportive of the decisions that I've taken.

Media: Andrew Little has fallen seven places. Have you lost confidence in him?

PM: No, absolutely not. I have full confidence in Andrew Little. Look, the balance that I've been trying to strike here is to make sure that we're providing opportunities to bring some of the new talent forward on to* the front bench. Now, naturally, that means that some people move back off the front bench; that does not mean in any way that I don't have full confidence in them. If I didn't have full confidence in them, they wouldn't still be in the Cabinet. He is absolutely an integral member of our team, as are the other Ministers whose rankings may have shifted.

Media: Nanaia Mahuta last year got a lot of heat for not travelling enough, particularly to the Pacific. Why have you kept her on in foreign affairs?

PM: One of the reasons that you'll see Nanaia Mahuta's portfolio load has been reduced to focus on foreign affairs is because I do expect that she will be out and about, travelling more. When she took on the portfolio in the first place, she wasn't able to travel, and so had other portfolio responsibilities in addition to that whilst the border was closed. The border's now fully reopened, and so I am absolutely confident that she'll be out and about, representing New Zealand internationally.

Media: Is that something that you've expressed to Mahuta—that she needs to be out internationally this year more than she was last year?

PM: I think everybody accepts that—you know, up until the middle of last year, international travel was very difficult. Now that the border has reopened, international travel

is still challenging—it's still expensive—but it's getting easier, and, therefore, I do expect the Minister of Foreign Affairs will be out travelling more.

Media: Prime Minister, what's happened with Phil Twyford?

PM: Sorry, what was that?

Media: What's happened with Phil Twyford?

PM: Phil isn't a Minister in the current *line-up.

Media: Is he going to retire?

PM: Ah, not that he's indicated to me.

Media: How did he take the news?

PM: He was very philosophical about it. I think Phil also recognises the need for some renewal in the line-up.

Media: Nanaia Mahuta losing local government—is this an admission that she bungled three waters? It's a very deeply unpopular policy.

PM: Look, I've already indicated that we're going to take a close look at the three waters reforms—certainly leaving open the possibility of a reset there. We haven't made those decisions yet, but it is, I think, an acknowledgment that I want her to be focused on foreign affairs and that that three waters portfolio and that three waters work is going to require quite a lot of attention in the next little while.

Media: You don't need to be that cynical to look at the fact that you're moving her away from local government, the fact that you're talking about a reset in three waters to say—some people might say it's going to be scrapped altogether.

PM: No, it's not going to be scrapped altogether. As I've said, there is an absolute, pressing need for reform in this area. We have between \$130 billion to \$180 billion worth of investment required in our water infrastructure across the country in the next 30 years. If we don't undertake reform, the cost that that is going to impose on households, in terms of the rates increases that they face, will be significant. It will be a cost of living* issue. So we do need to have reform. Now, we're going to look closely to make sure that we've got those reforms right, and I'm not going to pre-empt the decisions—the discussions that we're going to have around that area.

Media: Psychologically, have the floods in Auckland caused you to reconsider what the three waters mix could be like?

PM: Look, I'm not going to politicise the floods in Auckland. One of the things that I do want to say, though, is that even with the best infrastructure in the world, you know, a significant event like the one that we saw in Auckland on Friday would test the infrastructure, and so, you know, I don't think now really is the time for that kind of conversation. Clearly, we're dealing with a major challenge in Auckland. The three waters process is something that in due course—you know, there'll be reflections that we can learn from that. But right now, I don't think it's a particularly useful conversation.

Media: On Auckland, when did you decide on the need for an Auckland-specific Minister?

PM: Relatively early on in the piece. I think we have to recognise that even before the events of the last three or four days, we've still got a bit of a job to do to get Auckland fully back on its feet after the experience of the last couple of years. Certainly, my engagements with the business community last week indicated that, actually, some clarity and focus and coordination of our efforts in Auckland would actually be quite useful, so I'd already started thinking about that. And, of course, you know, the floods occurred right at the time when reshuffle was right at the front of my mind, and that certainly crystallised it for me.

Media: Is that an acknowledgment that Labour had lost Auckland?

PM: No, not at all, but it's an acknowledgment that we do need to get Auckland really pumping. You know, Auckland is a major economic powerhouse for New Zealand and, as I said in my introductory remarks, you know, we—everyone across New Zealand needs Auckland to thrive if we're going to thrive as a country. And so bringing some real ministerial leadership and focus to that—making sure that Government is connected up in what we're doing in Auckland—I think will really help with that.

Media: Was it December when Jacinda Ardern indicated to you that she was going to stand down, or within the last week, after she actually—

PM: Look, I hadn't actually turned my mind to reshuffling the Cabinet until I actually got the job.

Media: And why did you choose *Michael Wood for Minister for Auckland? How is he going to have time to focus on Auckland? He's got immigration, transport, workplace relations—they're big portfolios.

PM: Look, I rate *Michael Wood. I think he's a real talent; I think he's got a lot to contribute. He's very passionate about Auckland; he's a proud Aucklander. As an Associate Minister of Finance, he's going to be right in a lot of those big economic discussions, which, of course, Auckland is a key consideration in. So I have real confidence that he'll be able to do the job and he will do it very, very well.

Media: You mentioned that there was more support for businesses coming in the Auckland flood. Could you give us some sort of indication of the timing of that and what sort of form that will take?

PM: I'm going to be engaging with the business community in Auckland again in the next few days. As I indicated, I'll be up there tomorrow and Thursday. That's an opportunity for me to hear from business what they think will be most useful. So I want to hear from them, you know, what it is that they are looking for, and then we'll respond to that.

Media: Does he become your "Mr Fix-it", if you like? He seems to be the Minister for almost all of your bits and pieces you can't find a place for.

PM: I would not describe it that way at all. In my conversations with Michael, he indicated that he wanted to keep the portfolios that he has. Obviously, some of them he's only picked up fairly recently—immigration being one of those—so he wanted to continue with those. I wanted him to play a bigger role in the economic team, and, you know, clearly, with Auckland, he's the logical person to lead that.

Media: You played that role for Prime Minister Ardern; is he playing that role for you?

PM: Look, I've got a whole Cabinet full of people who are exceptionally talented, who I know will turn their mind to whatever challenge that I give them.

Media: Why did you not give yourself any sort of specific portfolios? You know, *Jacinda Ardern had reduction of child poverty; John Key had tourism before that. Why have you not chosen that sort of symbolic portfolio?

PM: Because I'm not interested in a symbolic gesture. My job as Prime Minister will be to lead the entirety of the Government's programme, and that's what I intend to do.

Media: It's a big promotion for Dr *Verrall. What makes you confident that she could manage that?

PM: Dr *Verrall's been a really integral and fully contributing member of the Cabinet for two years now but she's got 20 years in the health system. We are at the point with the health system reforms—*Andrew Little's done a fantastic job of leading the reforms. The big part of the reform programme is done, and now we're focused on health delivery. I think that she is the right person to lead us through the next phase, which is on health delivery, because she understands that part of the system better than just about anybody.

Media: As we've seen, *Andrew Little has taken a lot of flak for health from the Opposition. Do you think that *Ayesha Verrall is a experienced enough politician to cope with that?

PM: Yes, I do, and I don't think there's ever been any Minister of Health that hasn't taken quite a lot of flak; it tends to be in the job description. Speaking as a former Minister of Health, I can attest to that.

Media: If you look at the biggest ranking drops and the one who's been dropped out altogether—that's *Twyford, *Mahuta, *Parker, and *Little—have they all assured you that they all plan to stand again at the election?

PM: None have indicated otherwise, and I've had really good conversations with all of them. What I did indicate to Ministers when I started the reshuffle was that I was asking people who were part of this to sign on, effectively, for four years—so through to the election and then sign up for another term. That goes with the territory. I think New Zealanders need to know when we go into the election campaign that if they vote Labour, they need to know who they're voting for, and that's the team that they'll be voting for.

Media: But when they made that four-year commitment, did they know what their ranking and their role was?

PM: Look, I've had good, constructive conversations with all of them, and I am confident that they are all going to continue to fully contribute and fully be part of the team.

Media: Can I take that as a no? They didn't know?

PM: Look, I've had multiple conversations with them, and all of the Ministers knew about their rankings and so on before the announcement was made.

Media: Prime Minister, did Minister *Mahuta miss an opportunity to get out in the Pacific more last year after the borders were opened, because, you know, the Chinese *Foreign Minister made a big push down there, Australia's *Foreign Minister was out there as well, and the criticism was that *Mahuta was kind of nowhere to be seen.

PM: Without looking backwards too much, obviously I wasn't as focused on those issues at that time. I am looking forward, and I do see engagement in the Pacific region as a particularly important priority for New Zealand. That includes myself, it includes the Minister of Foreign Affairs, and you'll note too that the Deputy Prime Minister is picking up an Associate Foreign Affairs role with a particular focus on the Pacific. Our Pacific* neighbours are incredibly important to us; will they see more of us? Yes, absolutely.

Media: Is giving Andrew Little* public service* a hospital pass?*

PM: No. It's a great portfolio, I don't know what you could possibly mean by that.

Media: But we're looking at the end of the pay freeze, there's a huge amount of negotiations; it's not going to be an easy one for him with defence* as well.

PM: Look, I think Andrew Little is very, very well placed to lead the work that we're doing around things like public sector pay; pay equity. His background prior to politics actually gives him a really unique skill set* there, and so I think he is absolutely the right person to be leading that work.

Media: [*Inaudible*] Ginny Andersen*—why did you bring her into Cabinet?*

PM: Look, I looked across the team—that was actually probably one of the hardest decisions to make as to who comes into the Cabinet, because there is no shortage of talent and ability there. The reality is I can't bring everybody in all at once, though, so when I looked at the sorts of skills that I was looking for and the sorts of portfolios I was looking to fill, Ginny was the right person for those roles—and similarly with Barbara Edmonds*: the right person for the roles that I was looking to fill.

Media: Did you need a Minister for Auckland because of the failure of leadership from the mayor?*

PM: Look, I'm not going to ever get into speculating on or providing a commentary on other elected representatives in Auckland. They have their own relationship with the voting public in Auckland; my job as the Prime Minister is to work with whomever Aucklanders elect to represent them.

Media: You've just said that you weren't going to give yourself a symbolic portfolio as Prime Minister, so are you saying that Jacinda Ardern* giving herself child poverty reduction was symbolic?

PM: No.

Media: Prime Minister—as Minister of Transport,* Michael Wood* presided over the cycle and pedestrian path over the harbour bridge that ended up not happening in the end; it was a bit of a shambles. Is he really the guy to be Minister of Auckland?

PM: I absolutely have huge confidence in Michael Wood, and I'm confident that we're going to make all of those decisions about the big issues that affect Auckland—we'll make them collectively. Michael's got a fantastic ability to bring people together, to get clarity around issues, and to get clarity around the direction that's required. That's the role that he'll be doing, but, of course, we'll make decisions about what actually happens, as we always do through the Cabinet collective.

Media: Is Stuart Nash* stoked to get the police* portfolio back?

PM: He did indicate a certain affinity with the police portfolio, and I have huge trust in him to pick that one up and to really—I mean, he can hit the ground running with it, we've got a number of things happening in the police portfolio now which I didn't want to see a loss of focus on, and I know that Stuart will be right in there on day one.

Media: But Jacinda took it off him, right, and then it got passed around to Poto,* and to yourself, now it's come back to him—and it has been, you know, a portfolio with a lot going on in it. What is it about Stuart that you think he will be able to perform in this role?

PM: Well, as I indicated, I've had a lot of work going on there in the last six months, tackling some pretty pressing issues, I look at those issues around youth offending, aggravated robberies, ram raids,* and gangs—an increased escalation in gang activity—and I think that Stuart is already well familiar with all of those issues. He understands the police. He knows how the police work; I think he's got a good relationship with the police. So I wanted to put someone into the job who I knew could pick all of that up from day one and really hit the ground running with it, and I'm confident that Stuart will be able to do that.

Media: Ngāpuhi* and Ngāti Hine* and Peeni Henare:* what are you saying to those—to particularly Ngāpuhi, the largest iwi—what are you saying to them when we see Minister Henare's ranking and his removal from his portfolio?

PM: He's had a switch in portfolios, and, as I've indicated, some Ministers have gone up and that means that some Ministers have gone down in their rankings, but I have full confidence in all of them. At the end of the day, the Cabinet works as a cohesive team and I'm absolutely confident that Peeni Henare will continue to be a very, very integral member of that team, as will Kelvin Davis.*

Media: Well, what about Tainui-Waikato* and the Kīngitanga,* and the treatment of Nanaia Mahuta* there?

PM: It's the same answer.

Media: Anthony Albanese* has just put out a release saying that he's offering to help with the floods if necessary. Will you take him up on that offer for support, and what could they do to help?

PM: Look, absolutely, if there are ways that the Australians can help, we will absolutely take up those offers of support. At the moment, as I've indicated, the response is being led locally by the Auckland Council* and by their emergency management teams.

We're doing everything at a central level that we can to support that local effort. Anything that they ask for, we're moving as fast as they can to give them everything that they are asking for. I think it'll be a great reassurance to the people of Auckland to know that it's not just actually the New Zealand Government but the Australian Government as well who stand ready and willing to provide support when it is asked for. And I think it is a good indication of the strength of the relationship between New Zealand and Australia, and so I thank the Australians for that.

Media: Can I just get a clean answer on the response to my pātai on *Nanaia Mahuta and [*Inaudible*]? I'm sorry, I didn't hear it.

PM: It was the same as the answer around *Peeni Henare, which is that they continue to be integral members of our Cabinet team. They continue to be incredibly important. You'll see Māori members have moved up onto the *front bench; there are now more Māori on the front bench than there were when I started this process. But people move around.

Media: Prime Minister, just on the school closures in Auckland specifically, is it acceptable that many principals found out about this via the media, and the Ministry of Education's excuse was, "There was an IT glitch"?

PM: The Ministry of Education do have quite good communication channels with schools and early childhood centres. So I don't—

Media: Clearly not.

PM: I'm not sure what happened there. If it was an IT glitch, then of course I take their word for that. In previous instances, where we've been having to communicate things with schools and early childhood centres under pressure, that system's worked pretty well. So I do think this is probably a one-off. What I would say, though, is that we'll be reviewing that situation every day. I understand, as a parent, that parents want their kids back at school and back engaged in their learning as quickly as possible. We're dealing with a very volatile weather picture at the moment. As soon as we can get the all clear for kids to get back into their learning, of course we want to be able to do that.

Media: Wouldn't it make more sense to do this on a *case by case basis, instead of just a blanket rule across all of Auckland?

PM: This was what was requested by the emergency management teams on the ground. As I've indicated before, at a central government level, we're doing all we can to respond as quickly as we can to the requests that they are putting to us at a central government level. But I have indicated that we'll review that every day, and we do want to get kids back into their learning as quickly as possible.

Media: The Government's ending the *road-user charge discount tomorrow. The trucking industry says that the cost's just going to be passed on to consumers. Is that the right thing to be doing during a cost of living crisis?

PM: Look, I'm not making any announcements on that at the moment. The decisions that we took still stand. I acknowledge that the trucking industry's been given significant notice that that was going to happen.

Media: Are you comfortable that within a week of being in the job, you've locked down all the schools in Auckland again?

PM: I don't accept that they have been locked down.

Media: On the flood support, how did you arrive at the \$1 million figure?

PM: We looked at comparable events and the sorts of contributions that have been made for the *mayoral relief funds. This is the largest contribution to a mayoral relief fund that's ever been made. And, again—I do want to indicate again—we'll get that under review. What I don't want to do is create a whole lot of money that sits somewhere and doesn't get used. But if there is significant demand for it—if there is a pressing need—then

of course Government stands ready to respond to that. We're not the only contributors to mayoral relief funds, though; there are others who contribute to those as well.

Media: So you're confident all of that will be used up pretty smartly?

PM: Well, look, it's one of the things that we'll work with the Auckland Council on and work with the *Mayor of Auckland on.

Now, I'm going to wrap up shortly, but—

Media: The climate adaptation aspect of the RMA was the one that was put on the back foot. In light of this, is that something you'd want to get through this year?

PM: We haven't done that reprioritisation exercise and I haven't even had a chance to look at that yet.

Media: You've scrapped a separate COVID portfolio. Does that mean it's over?

PM: It means that it's now a health response. So the residual part of the COVID response now folds back into health.

Media: *Willie Jackson stays in charge of broadcasting. What does that mean for the future of the TVNZ-RNZ merger?

PM: We haven't made decisions on that at this point.

Media: But are you confident in his handling of it so far? Clearly—

PM: I'm absolutely confident that Willie understands the portfolio very well—he's got extensive relationships and a really good knowledge of the broadcasting and media portfolios—and that when we make a decision, I'm absolutely confident that Willie will implement it.

Media: [*Inaudible*] picture, with just four Ministers leaving, is this really enough of a renewal, or is it more of the same?

PM: No, I believe it presents a significantly refreshed line-up.

All right, thanks everybody. Cheers.

Media: With the state of emergency in the Far North, will you be going to Waitangi, then?

PM: Waitangi—I am going, unless something changes.

conclusion of press conference