

**POST-CABINET PRESS CONFERENCE: MONDAY, 10 APRIL 2017**

**PM:** Good afternoon. Cabinet Ministers today received an update on the flooding in Edgecumbe and discussed what additional steps the Government can take to help the town get back on its feet. We won't know the full extent of the damage until the water has gone down and people can return to their homes and businesses. We're advised that significant progress is being made with pumping out the floodwater, so people will be able to get back shortly. In the meantime, a state of local emergency remains in place and local authorities are still assessing the extent of the damage.

I can announce today that social development Minister Anne Tolley has been appointed the lead Minister to oversee Government assistance to Edgecumbe. Government assistance already provided includes emergency grants for food, accommodation, clothing, and bedding; assistance with temporary accommodation; support for civil defence officials; support for isolated communities; help with animal welfare; and help with management of the security cordon around the town. I've also asked officials to ensure that all affected residents receive the support and as much information as possible as they go through this period of uncertainty. In the coming days we'll make further announcements as the needs become clearer.

In particular, it's important to keep in mind that most of these houses have not been viewed by anyone yet, because the water has only in the last day or so got low enough. Obviously, people can't lodge insurance claims for damage until they get back to their properties, but as soon as they can they should lodge them with EQC, which is working with private insurers to speed up the process, building on the lessons of the previous disasters. Any inquiry into the circumstances of the flooding would be led by local authorities; the Government would provide support if needed.

I also want to point out that—you'll have seen veterans' affairs Minister David Bennett announced a short time ago that the families of military personnel buried in Singapore and Malaysia between 1955 and 1971 will be offered the opportunity to repatriate the remains of their loved ones. The decision comes after a review of New Zealand's repatriation policy by the Veterans' Advisory Board, as well as the advocacy of the Royal New Zealand Returned and Services Association and the families affected. As a consequence of that process, families will now be able to have the bodies of their relatives brought home, and, if they choose to do so, the Government will meet the cost. The New Zealand Defence Force will lead the project and consult with the families.

The Defence Force will also look at extending the offer to the families of New Zealanders interred as a result of a military burial between 1955 and 1971 in American Samoa, Australia, Fiji, Korea, and the United Kingdom. All the countries involved have been contacted. The Government will provide an additional \$750,000 from Budget 2017 to the NZDF to establish the project group. Further funding will be made available once the full cost is identified. We're pleased to be able to offer the opportunity to these families.

We're also continuing to closely monitor the situation in Syria. New Zealand has consistently supported diplomatic efforts in the UN to address the situation in Syria, including during our term on the Security Council. But given the council's inability to stop or even condemn grave violations of international law in Syria, such as the horrific chemical attack we saw last week, the US' targeted and proportionate response against the airfield from which the chemical attack is believed to have been launched was understandable. We hope that it will deter further such atrocities. New Zealand continues to call for all parties to the Syrian conflict to cease violence, act in accordance with international law, and work harder to find a political solution that leads to an end to this tragic conflict.

Finally, can I just note the passing of two prominent New Zealanders—John Clarke just today, a man who showed us how to laugh at ourselves and created a rural vernacular for

New Zealand; and also Sir Douglas Myers, who was a strong proponent of the significant economic reforms New Zealand went through in the mid to late 80s.

In Parliament, finally, this week we'll be progressing a number of pieces of legislation, including the Family and Whānau Violence Legislation Bill and the Education (Update) Amendment Bill. Wednesday's a members' day.

In terms of my activities, I'm here in Wellington tomorrow and Wednesday, in New Plymouth on Thursday, and hope to spend some time with my family over Easter weekend and hope that everyone else gets that opportunity as well.

Minister Tolley is here to help with any questions you may have around Edgecumbe.

**Media:** Prime Minister, will there be some sort of relief package coming in those coming announcements? Will there be a relief package for the employers, the businesses, and the families in Edgecumbe?

**PM:** Well, as we've pointed out, there's support there for them now, with their additional accommodation costs, and what comes later will be to some extent determined over the next 2 or 3 days as we get a sense of the damage. So, for instance, in the case of any business support package, you know, it needs to be a significant and sustained loss of business. And that will, again, depend on the damage to the buildings and the extent to which they can just dry them out in a few days and walk back in, or something much more significant that would have a big impact on them. So we'll get to assess that.

**Media:** Could there be something for not just the businesses but for individuals as well, for individual families? Is the Government considering that?

**PM:** Well, yeah, certainly. I mean, MSD is providing grants to these families now. Again, the picture is yet to unfold as to just how much uncertainty there is for them. There's somewhere up to a hundred people allowed to go back into their houses today because they weren't flooded, and they may be able to move back in reasonably quickly. As the water level has lowered pretty significantly, there'll be more areas where they're able to make that assessment. But, again, if the houses can be dried out pretty quickly, people will be able to move back in reasonably quickly on the back of the support they currently have from MSD, which pays for motels, for marae, for staying with relations and neighbours. And if there's longer-term issues come out of that, then, you know, we'll have to look at support alongside the insurance claims, of course. So they can't make insurance claims till they've had a look at the house and, depending on the policy, there's coverage for their temporary housing needs.

**Media:** Looking longer term at the infrastructure needs, is there any role for the Government to fix up some of the damage to infrastructure and perhaps the stopbanks—the improvements to the stopbanks—to stop this happening again, or is it all local government?

**PM:** Oh, look, I think in the—the primary responsibility is local government, as the Minister of Local Government knows. We have these traditional cost-sharing arrangements in place, which I think everyone regards as a bit unsatisfactory, and that's why we've been having an ongoing discussion with local government, including as recently as Thursday morning, when we had the central/local government forum dealing with risk and resilience, because they are much more conscious, as we are, of these kind of hazards. As you may have noticed, when we passed the Resource Management Act amendment just last week, for the first time it says that natural hazards is something that matters when they are considering their resource management plans. So we've got an ongoing discussion there and, you know, hopefully we'll be able to, through a better understanding of each other's requirements, improve the management of all this stuff.

**Media:** Does that all amount to a yes that the Government will help?

**PM:** What's that?

**Media:** Does that all amount to a yes that the Government will go beyond just the cost-sharing?

**Hon Anne Tolley:** Well, there certainly is roading infrastructure that the Minister of Transport's been up and had a look at, and they're assessing that. That is a Government responsibility. But when it comes to stopbanks, it's quite clear that that's local government, but, you know, that's an ongoing conversation. We really have to assess the situation properly, and that takes a bit of time. I think the main issue at the moment is the temporary fix of the stopbank with the predicted weather that's on its way. And they're anticipating something like 200 mls in 24 hours hitting about Thursday and whether that temporary fix will hold, and that's something that, you know, we'll get some advice on pretty quickly.

**Media:** So does it seem that people should be back at their houses before Wednesday even if that was going to be difficult anyway? Too dangerous?

**Hon Anne Tolley:** They tell me—I've just come off a call with the mayor and chief executive. They're quite optimistic about the level of water receding. That's happening much faster, but when I asked them what the level was, they said: "Well it's down to thigh level." Now, to me that's still pretty high, so it is unlikely that many people will be back in their houses within the next few days, apart from the fact there is no sewerage. So the forty houses that are dry, that weren't affected, they're being provided with porterloos. So to put the whole, you know, anything up to the 1,800 houses back in any quick manner is going to take—I don't think that that's possible.

**Media:** And is there anything being done to make sure those stopbanks are being fixed or to mitigate the heavy rainfall that we're expecting on Thursday? What's being done to mitigate that?

**Hon Anne Tolley:** I understand that they are working consistently to try and shore that up, but they are not 100 percent confident that it would withstand something of the magnitude that is being predicted. Now, that doesn't always eventuate but they're doing everything that they possibly can, remembering that it is only a temporary fix.

**Media:** Have you been briefed on, and if so are you confident about, the way that TrustPower has been managing the flooding of the dam during that process?

**Hon Anne Tolley:** Look I've just been present at a couple of briefings whereby the regional council has acknowledged that they have been working very closely with TrustPower, that they started working well ahead of the time that the weather bomb hit, but that's all part of the investigation that will happen alongside the recovery process

**Media:** Is the Government, I guess, equipped to deal with the rising costs, given that there are going to be more weather-related events happening each year?

**PM:** Well, the answer to that is yes, and we're fortunately in the position, of only a handful of developed countries, of having relatively low debt, rising surpluses and an economy growing at 3 percent. So we don't, you know, we don't want to be shelling out billions for natural disasters, which is what we're doing at the moment, but should they occur, then we can pay the bill where it's the Government's role to do so.

**Media:** But are you factoring in the fact that there are going to be more weather-related events each year?

**PM:** Well, we're factoring in the need for more resilient Government finances so that we're in a good position to respond, either to natural disasters, or other, you know, technically, shocks—economic shocks. And that is part of the focus of, you know, all the Budget planning that's gone on over the last few years and continues, and that is to get the—the best way to achieve that is to focus on getting the debt down, maintain a track of rising surpluses, so we've got the ability to deal with these things.

**Media:** Do you think climate change is causing these increases in the number of weather related events? Do you think climate change has caused this?

**PM:** Well, possibly. I mean we don't spend time trying to connect the two, but it's generally asserted that that's what's causing it. We're pretty focused on trying to deal with the impacts of it, and the regularity of them, of these sorts of events, is certainly heightening the understanding in central and local government about managing risk better.

**Media:** Do you think there will be some places around New Zealand where you'll have to tell people they can't live?

**PM:** Look, I think that's—certainly, looking ahead, given the changes in the Resource Management Act, I think you're going to find councils very careful about locating new developments in places that are prone to natural hazards—much more careful than in the past. With respect to all the past decisions, well, you just have to try and mitigate the risks and work at who can manage them best. But we don't have in mind some, you know, any large scale shifting of houses or anything like that. I mean, even in Edgecombe, the town is there. It works, it can be restored, and it will be.

**Media:** Who is likely to be meeting the needs of the uninsured, and how big a part of the picture are they expected to be, judging by past experience?

**PM:** Well, I mean look in a—we've yet to see. There may be some lower levels of uninsured there, as there has been in Christchurch. So that'll unfold over the next couple of weeks.

**Media:** But you are expecting that central government will pick up some of that tab for the uninsured?

**PM:** No, I wouldn't have any particular expectation about that.

**Media:** So do you think that climate change could lead to, you know, some parts of New Zealand not able to be developed or some parts of New Zealand having to be moved?

**PM:** Well, look, these decisions are all made by local councils. All I'm saying is that, since we've now, for the first time, put in to the Resource Management Act, reference to natural hazards as something they need to take account of, then you would expect that they'll be more careful about where they allow development to occur.

**Media:** And do you include, sort of, natural hazards caused by climate change, you know, as something that might lead to this?

**PM:** Well, that's a matter of councils. I mean, there's, you know, earthquakes, floods, whatever. Whatever the cause of them, they have to deal with the consequences of them.

**Media:** Are you counting climate change as part of that, in your own mind, is what I'm asking.

**PM:** Well, that's a matter for the scientists as to whether there's more events or what sort of events. I mean, it doesn't cause earthquakes, as far as I know, and that's been the biggest one we've had to deal with.

**Media:** But what do you think? Do you think that climate change might be leading to this?

**PM:** Well, I don't think it matters too much other than in the context of things keep going wrong and we want to be in a strong position to deal with them, regardless of their cause. Now, the scientists and the kind of resilience experts will tell us whether there's causes we can deal with, you know, or causes we can't deal with.

**Media:** But don't you agree that trying to understand the cause goes a long way to fixing the problem?

**PM:** Yeah, and there's plenty of people trying to do that. The bit we can influence is our—which I think New Zealand, this Government's done very well, and that is build our resilience to be able to handle the costs in the first place, when things do go wrong, but also to take a long-term view about the management of our own assets, and also, with local government, take a long-term view about the risks they face. And, you know, we're in the

process of looking at, you know, how EQC works, how, between central and local government, we manage those risks, and hope to progress those issues pretty soon.

**Media:** As far as councils taking account of natural hazards goes, they can't actually do very much, can they? I mean, Edgecumbe's on a flood plain, effectively. Wellington's full of, you know, faults. The council's not going to be able to move it, are they? I mean, that's a central government issue not a local government issue, surely.

**PM:** Well, as I said, looking ahead we can all make decisions that improve resilience, and I think that's increasingly happening. Looking back, you're quite right. There's been a whole lot of investment made on earthquake faults, on flood plains, and understanding those risks and being clear about who's going to pay the bill if they eventuate is pretty important, and we're on a track with local government working through that.

**Media:** Just on Government support for small businesses, were you suggesting that it's not definite that there'll be a support package for businesses in Edgecumbe?

**PM:** Well, it'll depend, as it did in the other cases—Kaikōura and Christchurch—on the extent of disruption. And, as I said, if it's as simple as drying out the building in a reasonably quick period and being able to move back in, well, that would be OK. If it's, you know, a complete loss, well, that might be an insurance issue. If it's somewhere in between, it might be a case of business support. So we've just got to see how that unfolds over the next wee while. What we know is there's a support—we know how that support works if it's needed.

**Media:** Has the Government had any feedback from insurers or approaches from insurance companies saying: "You guys are getting a little bit hairy for us."?

**PM:** Oh, you'd need to talk to the relevant Minister, which would be Gerry Brownlee. But, as far as I understand, EQC has been able to obtain the reinsurance that it wanted. Given that it's one of the larger customers for reinsurance in the world, that's probably been pretty well scrutinised.

**Media:** Just on the Reserve Bank, do you think the Reserve Bank should be making official cash rate decisions through a committee or staying with the governor being responsible?

**PM:** Well, I think the discussion from here is whether the legislation should reflect the practice. And the practice, as advised to us by the bank governor, is that he uses a committee.

**Media:** So you'd be OK if the Act was changed to reflect that—if it was through a committee rather than through the governor?

**PM:** Well, understand that—well, the governor decides how he does it. But I understand Minister Joyce has got Treasury doing a bit of work on whether you should formalise it or not.

**Media:** Do you think there's any case for external members on that committee?

**PM:** Well, again, that would be part of the work that Treasury's doing.

**Media:** Is it your intention that any legislation coming from this work that Treasury's doing be passed before the election, or after the election?

**PM:** Oh, well, I think, as Ministers could tell you from the pressure on the legislative programme, there's no possibility of anything being passed before the election.

**Media:** So it could be on the table in any post-election talks?

**PM:** Well, look, that's up to the various parties. I mean, sometimes they focus on the Reserve Bank. Bear in mind, they're doing that in the context of a pretty well-performing economy and, you know, a Reserve Bank that has handled some fairly difficult circumstances well.

**Media:** So if the current governor wasn't using the full committee process, you're saying that Steven Joyce wouldn't be looking at whether to use one or not?

**PM:** I don't know. You'd have to—it's a bit hypothetical. You'd have to ask Steven about that.

**Media:** But if—you said you're looking at it because the governor's doing it. That's why you're looking at doing the review.

**PM:** Well, that does seem a fairly good reason to see whether you should legislate that or not, and I think there's other issues that they're looking at that are of a fairly technical nature. So we're not proposing any significant change in how monetary policy works, at all, because the, you know, recent evidence is that the policies underpinned a pretty strong growing economy, and we wouldn't want to mess around with that.

**Media:** So what else are you looking at?

**PM:** Well, look, you need to talk in detail to the finance Minister, but I understand that the issue around the committee is one of the issues, and there may be some others.

**Media:** You got advice in 2012 from Treasury, suggesting that the committee be formalised in legislation, but you didn't do anything about it. Why did you not think it important to act then?

**PM:** I just didn't think it was an important enough issue. The real issue is the decisions that are being made, and, at the time, we certainly had higher priorities around managing the economy.

**Media:** Prime Minister\*—and this is also a question for you, Minister Tolley\*. Did either of you manage to watch the *The Hui* on TV3 yesterday, which outlined allegations of child abuse while in State care?

**Hon Anne Tolley:** No, I didn't see it.

**PM:** No, I haven't seen it, but I think we're both very aware of the allegations.

**Media:** Because it's put further weight, I guess—why I'm mentioning it is it put further weight behind the call for an independent inquiry. Would the Government reconsider its position on that?

**PM:** Well, the Minister can explain the process that's going on now, but I think the point that I've made a number of times is that the nature of those complaints—and they're not just allegations. I mean, it's widely accepted that significant abuse occurred, and it had a significant damaging effect on the lives of individuals. And the Government has always said it takes responsibility for that and it's willing and able to offer the appropriate apologies, including on an individual basis. But Mrs Tolley can explain the processes that are in train right now. The other point I've made is related to the launch of Oranga Tamariki just a couple of weeks ago, where Minister Tolley in particular has overseen the most comprehensive and broadly supported change in approach to how we look after our most vulnerable children. So we have focused the energy on changing the system. Now, there are people who would like to be, I think—would want more reassurance that the system is actually changing, and, you know, we're up for that discussion.

**Hon Anne Tolley:** So the Prime Minister's covered most of it, but I think there's two particular elements that we have learnt from the Confidential Listening and Assistance Service that was in place for 7 years, up and down the country, eliciting those stories. First is that the voice of the child has to be in the system, and that they have to have good ways to communicate, not just within the system but to have the appropriate mechanism for making those complaints. And one of the difficulties that's been identified and, I understand, came through that programme, was that there was no one for those children to go to, to tell them what was happening.

So one of the major roles of this new organisation, this independent organisation called VOYCE - Whakarongo Mai, which is the voice of children who are currently in State care, is to provide some advocacy services for children around the country that are actually in State care so they have a safe place to—a safe person to talk to. So that's the first thing.

Then, secondly, we are starting now, as part of that overhaul, to have a look at what an independent complaint system might look like. What does that oversight look like? Currently we have an internal complaints system and we have the Office of the Children's Commissioner overseeing, but I don't think that's enough, and part of the recommendations from the expert advisory panel was that we look at a much more substantial, independent complaints process.

So, as I say, those are lessons that we have learnt from that 7 years of listening to similar stories from people who were abused in this system and had no way of voicing what was happening to them and no way of really stopping—bringing to the attention of the authorities and stopping that abuse.

**Media:** But, still, as the Prime Minister said, when you say that these allegations of abuse are widely accepted, the perpetrators of those crimes have not and will not, failing an independent inquiry, be held to account.

**Hon Anne Tolley:** Well, through the 7 years there were cases that were referred to the police. There's nothing stopping anyone. You know, that doesn't—anyone today can take a complaint and the system is there to provide them will all their records, with all the information. So, yes, that is happening as we speak and those avenues are continuing. It hasn't stopped. So anyone who has a complaint and wants to make it against those perpetrators, you know, can do that at any time. And what we do know is that the process for that today is much more empathetic, a much better process to support them through what is quite a difficult process for them through the legal system.

But I think, you know, we are overhauling the system that it already changed as a result of what we knew happened up until the 1980s. But this is the biggest overhaul we've had of the care and protection system in decades, and it's not in place today. It will take 4 to 5 years to put into place.

**Media:** Prime Minister, can I just ask you to reflect on John Clarke—on the passing of John Clarke? What was your favourite John Clarke moment?

**PM:** Well, in more recent years some of his satire about the Sydney Olympics was just brilliant, and those Clarke and Dawe skits that they do—very dry and sometimes brilliant. But going back I think it's just the songs, isn't it? It's the cartoon character and the songs about—

**Hon Anne Tolley:** “If it weren't for your gumboots.”

**PM:** “If it weren't for your gumboots” and “how lucky you are”.

**Media:** Did you get your accent from him or did he get his from you?

**PM:** Oh, I feel flattered that you—I put a lot of work into this accent. I'm pleased you noticed.

**Media:** You didn't call any of your kids Trevor.

**PM:** No, well I'd have to call the whole lot Trev—all six of them. Wouldn't have worked too well.

**Media:** Just on repatriation, why have you changed your mind? I mean, your predecessor, John Key, was vehemently opposed to it and so was Craig Foss, and then all of a sudden you've changed your mind.

**PM:** Oh, look, I think they were shifting ground too. Part of it was the Australian Government changed its position. I think a shift in public views as a result of the advocacy of the families and RSA, so that's, I think, accumulated over time. It was the previous Prime

Minister and the Minister of Veterans' Affairs who set up the advisory group that's taken us down this track.

**Media:** Do you, as Prime Minister, apologise to the families, many of the widows who never actually got to Malaysia and Singapore to visit the grave sites of their husbands? Do you apologise to them and their families?

**PM:** Oh, well, I certainly would if they sought it.

**Media:** OK, I mean, are you going to apologise now, though?

**PM:** Well, I wouldn't—I would pay them the respect of wanting to understand just what their concern was. But certainly if an apology was owed, we would give it.

**Media:** Prime Minister, just on Syria, does the Government have a position on whether Bashar al-Assad should remain in Syria or whether there should be regime change? Do you have a position on that?

**PM:** Well, we haven't taken a position on it. I mean, we would prefer—much prefer—to see a political solution than the current violent one, including atrocities. And that political solution is one which may well entail a future without Assad. But we haven't taken a clear position on it.

**Media:** Just very quickly before you go, how excited are you about the time capsule that's been found in Bowen campus?

**PM:** Well, I'm aware one's been found and I'm trying to contain my excitement about what might be in it. Maybe the transcript of post-Cab press conferences from the 1930s. Who knows?

**Media:** Do you know anything at all about it—what year's it's from or anything like that?

**PM:** No. No, I don't. No. But I'm sure you'll let us know. Thank you.

**Media:** Prime Minister, just really quickly, do you think it's fair for people to be excluded from police recruitment for being on anti-depressants?

**PM:** That is a matter for the police. They have to decide. They've got a structure of law in which they have to operate around discrimination and so on. So that's a matter for them.

**Media:** Do you personally think it's fair?

**PM:** Well, look, it's a matter for them. I'm not going to try and run the police force from here. Thanks very much.

**conclusion of press conference**