

POST-CABINET PRESS CONFERENCE: MONDAY, 1 MAY 2017

PM: Good afternoon. Cabinet today was putting the final touches on the Budget. The Budget will be presented, as you know, on 25 May, against the backdrop of a strong economy and a positive outlook for New Zealand. We're growing faster than we have for some time, creating more opportunities, adding more jobs. Significantly fewer numbers of New Zealanders are leaving. Skilled migrants, tourists, and students from around the world want to come here to experience what we have to offer, and we know that to keep growing we need to invest in infrastructure that supports this growth.

That's why finance Minister Steven Joyce last week announced the Government would allocate \$11 billion in new capital infrastructure over the next four Budgets, in addition to the spending already included in agency baselines. It's the biggest addition to Government capital spending in decades. Together with the investments made through baselines and through the National Land Transport Fund, total capital investment over the next 4 years is around \$23 billion. This will fund the building of schools, roads, hospitals, and prisons. We can invest more because we have a growing economy backed by the Government's economic plan, so we now have the ability to make choices and do things we didn't think possible before, including tackling our most pressing social issues.

So in a speech in Wellington on Wednesday, I will outline the next steps in the Government's social investment programme, as well as our updated and strengthened Better Public Services targets. Since we established the targets in 2012, our Public Service has done an increasingly good job of improving the lives of New Zealanders. We've seen better health and education outcomes, fewer people on benefits, and made it easier for businesses to interact with the Government. We want to build on that success, and our new Better Public Services targets will help ensure that we do so.

I now want to make some comments on the Pike River story. Last night it was claimed that Government had withheld robot footage of workers in the Pike River mine from the families and the royal commission. It was suggested the footage showed the mine was safe to enter, that workers had been well down the drift, and that this countered the expert view that manned entry is unsafe. I can understand the families being upset with this information, but it turns out that the claims are incorrect.

Police have today confirmed that Pike families were invited to a briefing and shown excerpts of the estimated 20 to 30 hours of footage from this robot. This happened at meetings in Christchurch and Greymouth in July 2011, ahead of all the footage being turned over to the royal commission. The showing was to ensure that the families were not caught off-guard when the information was provided to the inquiry. Police have advised that about 30 family and supporters were at each meeting. It's also important to recall that the families had legal representation throughout the royal commission, and all of the video footage was available to the royal commission.

The story also implied that the two workers shown were deep inside the mine in a methane-rich environment, and that the smoking or steaming robot countered expert assertions that the mine is unsafe to enter. The Mines Rescue Trust, whose personnel are shown in the mine in the video, have since advised the men were not deep in the drift. The Mines Rescue Trust has advised that their men were working in a container installed at the entrance of the mine, where they were preparing the robot for its journey. The workers, they say, went no further than 2 metres into the mine during that operation. At the time, the drift was inert, because it had been pumped full of nitrogen. These events were happening because of the explosions in the mine subsequent to that, which took the lives of the 29 miners, and ensured that the environment, when the workers were installing the seal in the mine, was inert and safe.

And the fact that workers had gone in, some distance into the mine, was, of course, publicised back in 2012 when it occurred. Solid Energy has also confirmed the footage was part of the information considered when investigating a manned re-entry. A recent request was made by the families for all the video footage in March this year, and that request is in the process of being dealt with so that all the video footage can again be supplied—in this case, to the families. Police are also still looking into the matter, including the release of further information.

The fact remains that the video does not change the assessment that the mine is unsafe for manned re-entry. The Government, subsequent to a meeting with the families earlier this year, agreed to ask Solid Energy and to fund Solid Energy to explore unmanned alternatives, and that work is under way. It is expected that the technology for that unmanned entry will be decided on in the next few months while preliminary work on the memorial walking track is also progressing. We understand the wishes of the family for as much progress as can be made. We empathise with their concerns about this particular story, and we remain committed the work the Government has undertaken to do with them.

In term of my activities this week, I'm in Wellington tomorrow and Wednesday, Auckland Thursday, Christchurch Friday. I'll be in Rotorua on Saturday and Taupō on Sunday for the National Party central regional conference. Tomorrow the new Ministers will be sworn in and existing Ministers allocated their new portfolios, and that will occur here at the Beehive. In the House this week we're progressing the Fire and Emergency New Zealand Bill, the Te Ture Whenua Māori Bill, and the Māori Purposes Bill. Any questions?

Media: Are you saying, Prime Minister, that the families have seen the footage of the robot smoking or steaming in those particular photos?

PM: I'm just passing on the advice from the police, and the police advise that in the process of turning over the video footage to the royal commission, they decided that they'd prefer the families weren't blindsided by that, and so arranged for two showings. As yet they're not able to tell us exactly who turned up to those showings or exactly which excerpts were seen.

Media: Because the families say that they haven't seen those excerpts of the robot smoking or steaming at those meetings.

PM: Well, it's possible that some of them didn't. I think that is the case—well, that may be the case. Bear in mind that whatever occurred at the meetings, and that is yet to be exactly established, the footage was, as we were advised by the police, turned over to the royal commission. The families had legal representation throughout the commission of inquiry, and, again, we haven't yet been able to establish exactly how the commission of inquiry dealt with the video, but it was certainly available to them.

Media: But the police also told us that they didn't show those excerpts of the mine rescue workers and the robot to the families, so they weren't shown to them at those meetings. That's the police position.

PM: Well, you'd need to take that up with the police. I'm telling you what advice I've had, which was simply that they arranged some meetings with the families, they were shown excerpts of videos. The video was then all turned over to the royal commission. So the idea that it was secret video is simply wrong. It's part of the record of the commission of inquiry. The families had legal representation there. The Crown was fully involved. The commissioners were responsible in the end for how they used the video.

Media: Yes, but the point I'm making is that they weren't shown the robots inside the mine or the men—the robot inside the drift, sorry, or the men inside the drift. They didn't know they existed.

PM: Well, my advice is it's not correct to describe the men as being inside the drift in that video, although, as *Newshub* reported, on 9 November 2012, the family's experts went 170 metres into the mine. So people have been in the drift. The Crown has not been

covering up or not admitting or anything. It's been public knowledge for 5 years that people went in the drift.

But with respect to what the police have shown, that's really a matter for the police. You know, some of the families would've been there; the advice is 20 or 30 people. In any case, the video footage was all turned over to the royal commission, and the families had legal representation there.

Media: So do you think—do you think that they should've seen these parts of the video that show the robots smoking and steaming. Do you think they should've seen that, or just what's—because they didn't. They just—they weren't shown it.

PM: Well, I think that is yet to be established about exactly what was shown at those meetings.

Media: No, no, the police have said they didn't show them that. They've told me. I've got a statement from them.

PM: Well, that's a matter for you and the police to sort out about what they've said. They haven't advised me that.

Media: Yeah, but they didn't see it. So my question to you is: do you think that the families should've known that this vision existed? Because they didn't. That's the question.

PM: Well, it'd be great if the families had seen all the video so that they would not have to worry about what they hadn't seen. They've requested it recently, but that's subsequent to it being turned over to the royal commission, where the royal commission of inquiry had every opportunity to use the video in any way that it wished, and the family had legal representation present in that inquiry all the way through. So if they couldn't see it themselves, their legal representative had the opportunity to ask for it, to see it, to excerpt it—whatever. It's possible, though, that, given the description of what the video is, that any number of people didn't regard it as determining anything in particular.

Media: So do you think that video—that story last night made it look like the Mines Rescue blokes were right down the drift with the robot?

PM: Well, I mean, people can look at the story and draw their own conclusions.

Media: And on your advice, what were they doing? What sort of container were they in?

PM: The advice—well, it's not just the advice to me; it's a public statement made by the Mines Rescue Trust—is that the men were in a shipping container at the opening of the mine: that is, in the first few metres of it preparing the robot to go into the mine. When it was prepared, they opened the doors and let the robot into the mine, and they may have gone 1 or 2 metres in. But, in a sense, the fact is people have been in the earlier, lower part of the mine, because there were seals put in and removed, and so on. There's been quite a process going on there in the first 100 to 300 metres of the mine.

Media: So is your position that they have never—that people have never been in the drift?

PM: Well, it's not a matter of my position; it's a matter of the facts as outlined. And the facts as outlined in a series of—you know, *Newshub* story, 9 November 2012, is about the international experts who entered the Pike River mine, went 170 metres into the tunnel. Solid Energy has published, in the past, that the drift has been previously re-entered by Mines Rescue personnel to a point of about 300 metres from the portal, and that was related to reconnaissance to where they put the seals. The video shows them, according to the Mines Rescue Trust, 1 or 2 metres into the portal. That seems to be the sum total of the people who've gone in the drift.

Media: So what's your position, then, on the police saying that the Mines Rescue only operated the robot from the entrance? I mean, do you feel that the police are telling you the truth with everything?

PM: Well, I rely on not just the advice to me but the public statement they've now made on this matter. You'd need to talk to them in detail about exactly what they meant by, you know, every sentence. But the advice that I've seen makes it pretty clear that there weren't people hundreds of metres into that mine in a way that would distress the families, certainly, if they didn't know about that, and I think would surprise anyone else.

Media: When is Solid Energy due to cease operation, and if there hasn't been an unmanned entry before that happens, who's going to liaise with them?

PM: Well, certainly the intention is to follow through with it, whatever form Solid Energy is in. And the work's, you know, been under way now—there was a meeting last week, including with the families' representatives, choosing the technology. But the issue of, kind of, ongoing legal status is something probably best addressed by the Hon Nick Smith or Steven Joyce.

Media: What is the Government's position on the robot smoking and steaming, and what that says about the inert atmosphere of the mine and of the—what is the Government's position on the robot smoking and steaming and what that says about the inert atmosphere of the drift?

PM: Well, again, it's not a matter of the Government's position. It's a matter of the advice we have about what occurred, and that is that the robots went into the drift, which had been pumped full of nitrogen to make it inert. It would have been a different story if the mine was as it is now—that is, full of methane with the possibility of the presence of oxygen, which would have led to the mine exploding again under those circumstances.

Media: On a completely different issue, there's been a backlash against Kapiti Council's proposal to re-name several roads in its region to Māori names. What do you think about that now that you've been learning a bit of Māori?

PM: Well, look, it's up to the Kapiti District Council. That's why you have councils: to make local decisions that reflect the desires of the local community.

Media: Are you disappointed there's been a backlash, though?

PM: Oh, it's just an argument over names of roads. I don't think there's anything particularly special.

Media: So do you support the decision to re-name them?

PM: It's a matter for the council. That's why we have councils: precisely to make these decisions with their community and without central government.

Media: But do you think there is any credence in the argument these names are too hard to pronounce, and that they therefore shouldn't be street names?

PM: Well, I think that's probably something a council would take into account because it expects the community to use the names.

Media: You mentioned you're putting the final touches on the Budget. I think you mentioned schools, roads, hospitals, and prisons as attracting new infrastructure spending. Steven Joyce mentioned housing the other day. Have you got an idea of how much Government investment is going to be going towards larger-scale house building programmes yet?

PM: Well, look, we've always said that the Government would be doing some larger-scale building, and that'll unfold on the way through to the Budget.

Media: Any ideas from today's Cabinet meeting: billions, 2 billions, 3 billions, 10 billions?

PM: It'll unfold on the way through to the Budget. We're going to be on a bit of this kind of question and answer thing for the next 2 or 3 weeks, but we've always said there'd be significant house building; there already is under way. You can see it in Northcote, in Tāmaki; Housing New Zealand's talked about other projects, and it's required, partly because Housing New Zealand owns so much land in Auckland, it's got the opportunity to

densify it, and partly because there's ahead of us a lot of the housing stock coming to the end of its economic life.

Media: Have you got an idea now of the proportion of Government funding and maybe private injections?

PM: That'll, again—that'll unfold on the way through to the Budget.

Media: And is the majority of this going to be in Auckland?

PM: Well, there's certainly more pressure in Auckland, but there's a need for it right across the country because of the age of the stock and also the opportunities for denser housing in the other faster-growing areas.

Media: Jobs figures are out later this week. What are you expecting?

PM: Oh, I expect they'd be, you know, reasonably good, given that the economy's—the GDP figures have been fairly good, but a bit soft towards the end of last year. They're picking up again this year. And there's a fair bit of confidence around. As I get around, I just come across so many businesses who are looking for people. The issue with the unemployment figures is always whether people who don't have jobs have the skills for the jobs that are available. And what we do know is that some areas like construction, with all the record house building, a very large pipeline of infrastructure investment—they're going to be looking for skills.

Media: Just back to Pike River, on that drift. Tony Kokshoorn today says that the West Coast community needs credible information about the rockfall—around the 2,000 metre mark. How widespread is the cave-in there now, and has it grown, to the best of your knowledge, in recent years or months?

PM: Well, we have the same information as everybody else. That's part of the intention—well, it is the intention—of the unmanned entry. So what came out of the discussion with the families was that we weren't able to meet their expectations about instructing a manned entry, because of the assessment that the mine is unsafe for that. But we all recognise that the technology has improved significantly in the last 6 years, so there's an opportunity to get a better look than you would get from the cameras coming down through the shafts or from the robots—and even that technology has improved a lot. So in that sense, the focus on the video simply highlights the next step, and that is the opportunity to get a better look with the safety of unmanned entry.

Media: Ultimately, how do you plan to bring closure to the families of the Pike River 29?

PM: Oh, look, I think that's going to be very difficult. I mean, these are people who lost their sons and their brothers and their fathers, and any time you meet with them you can see the grief. So we can do our best to get as much information as possible for them, without taking the risk—a fairly significant risk—of sending other people into an unsafe mine, where they could lose their lives as well. I mean, a mine explosion is a bit of a binary kind of thing. You have one or you don't. You don't get little ones and come out with a broken arm; you either come out safely or you come out dead—or you don't come out because you are dead. So that's understandably frustrating for the families, but we'll, you know, do our best to work along with what's possible, and the next possibility is this safe, unmanned entry. And I don't think—you know, we don't pretend that that's going to bring closure for people who are suffering real grief.

Media: Prime Minister, have you had any advice about whether or not, with the breakdown of ISIS and international fighters returning home—if New Zealand will be at any risk from returning foreign fighters?

PM: It's a risk which, along with our partners, we keep a close eye on, and if it eventuates, we have the capacity through our border control system to pick people up and powers under the relevant legislation to deal with it.

Media: Have you been made aware of any specific risk?

PM: No, not recently.

Media: Did you do anything special in Cabinet today to farewell Hekia Parata and Murray McCully?

PM: Yes, we did, and we'll do a bit more this evening. It turns out Murray McCully is one of the longest-serving Ministers since the 1960s. He was a Minister longer than R D Muldoon, probably exceeded only by Brian Talboys. And Hekia Parata—you know, both in quite different ways: Hekia Parata with a very short, relatively short, high-impact service as a Minister. Both of them have been excellent Ministers. I'm very fortunate, though, to have sufficient talent in the Cabinet and in the caucus that, as they move out, we can replace them with people who we're very happy to see on the job.

Media: What did you do, though?

PM: Oh, we just had a chat, told a few stories, had lunch. And we'll have a few drinks tonight.

Media: Prime Minister, the citizenship changes that Australia announced—you spoke to Malcolm Turnbull about them on Friday. Why did it take so long to get that assurance from him that New Zealanders wouldn't be affected?

PM: Oh, I think, actually, to a large extent because he was traveling, and because it just took a while to sort out exactly what the Australian system thought it had decided and whether it had considered the impact on New Zealand. Malcolm Turnbull has been a friend to New Zealand on these issues. Where, you know, we've had some real concerns, he's done his best to respond, and in this case was able to confirm that the original deal put in place with Prime Minister Key remains as it was.

Media: Do you get the impression that the Australian system hadn't even thought about these Kiwis when they made that announcement?

PM: Well, we just wanted to check whether they had or they hadn't, and certainly Prime Minister Turnbull did, and was able to confirm the arrangements were as he agreed.

Media: But did they know about the possible impact before they made the changes, or did they have to go back and think about it afterwards?

PM: Well, you'd have to ask them that. We were quite satisfied with the discussion with Prime Minister Turnbull.

Media: Do you see a time, Prime Minister, that we'll be treating Australians in this country the same as they treat Kiwis in their country?

PM: Look, I think unlikely.

Media: Why?

PM: Well, look, we benefit from the relationship. We're welcoming to Australians. It's good to see a few more of them moving this way in recent years, and it's just border control and issues around citizenship are, you know, important and intensive in Australia, and we approach them a bit differently.

Media: Did Cabinet get any advice today on Donald Trump's tax plans and what impact it could have in New Zealand?

PM: No.

Media: Do you have any advice on it?

PM: I've just seen what the outline of the plans are, and, of course, there's a pretty intensive political process ahead of them, and they may or may not get there.

Media: Are you worried, though, that there seem to be some protectionist forces, for example, blamed for the Kiwi dollar taking a bit of a hit over the last 24 hours. I mean, do you worry that there is that trend starting to emerge?

PM: We've always thought that one of the bigger risks to this economy, but also to the world trading system, would be the US following through on some of the more protectionist rhetoric, and we've yet to see just how far they go. We are confident that in the long run the interests of their economy are best—they would see that the interests of their economy are best served by being open to trade and investment.

Media: Are you welcoming the Kiwi taking a bit of a hammering?

PM: Well, there'll be a number of exporters out there keeping an eye on it. Of course, they don't get a benefit unless the Kiwi stays a bit lower, but I think there's been a common view that the Kiwi dollar in the sort of 66 to 70 range is pretty sustainable for our exporters, and, look, as I get around I see some real confidence in the export sector. It's fantastic to see businesses thriving.

Media: In terms of tax cuts here, ACT in its newsletter today said Steven Joyce has "joined the socialists" by not promising a cut in tax rates. What's your reaction to that?

PM: Well, you know, it's what you would expect from ACT. You would expect ACT to advocate a much more robust tax reduction policy, and, to be fair to them, generally they also advocate for reductions in expenditure, which shows some integrity in their position.

Media: Do you still expect them to vote confidence and supply on the Budget, though, even though they've got reservations about its socialist nature?

PM: Well, we can always tell them the alternative kind of socialism is a lot worse.

Media: Where will the new Minister of Foreign Affairs' first trip be?

PM: Actually, I'd have to check with him about that. The current Minister has, you know, done a pretty thorough job of getting around a whole range of people with whom he's built up relationships, and I understand he and the new Minister had a discussion in the last few days about what might work best, and I'll be consulting with him once he's sworn in.

Media: Prime Minister, in relation to the Ministry of Transport fraud involving Joanne Harrison, every couple of weeks it seems new revelations come out. Given the ongoing revelations and the likelihood that there may be more to come, why does the Government still have faith in the Auditor-General Martin Matthews?

PM: Well, there's no evidence that either the Auditor-General previous or current haven't done their job properly. In fact, the ongoing revelations, I think, demonstrate that the system, one way or another, in New Zealand catches people. We have very high standards in our Public Service, high standards of professionalism and transparency, and this particular story, I think, is typified by how unique it is.

Media: It took 3 years and 720-something thousand dollars before she was caught, though. Is that satisfactory?

PM: Well, it would be much better if that didn't happen, and I would expect that the checking systems are tightened up. There's always a bit of a balance here. You get, you know, people who commit this kind of crime can often be quite cunning, persuasive people on the one hand. On the other hand you don't want to burden the whole system with endless checking in a way that means they can't get on and do the job. You know, it's a constant balance.

Media: About 10 days ago it was reported about Harrison's husband, Pat Sharp—concerns were raised with a still unnamed Ministry of Transport senior manager. We've had no response to questions that were put 10 days ago clarifying who knew about this and why there was not enough done to address those concerns at the times they were raised. This is obviously a new allegation specifically about that charge.

PM: Well, look, those are reasonable questions and I would expect that someone's going to be able to answer them satisfactorily.

Media: Would that be the Auditor-General or the Minister or the chief executive?

PM: Well—and also the State Services Commission, who, you know, oversee standards in the Public Service. OK? Thanks very much.

conclusion of press conference