

POST-CABINET PRESS CONFERENCE: MONDAY, 2 JULY 2018

FTR 16.01.38

Acting PM: Good afternoon. Yesterday, the coalition Government's Families Package began and more than a million families and households are immediately better off as a consequence—385,000 families with children will be better off by an average of \$75 a week when the package is fully rolled out in two years' time.

More than 750,000 superannuitants will now have help each winter to pay their heating bills, with a couple receiving \$750 a year to assist with keeping their house and houses warm in the coldest months.

Paid parental leave was extended from 18 weeks to 22 weeks, and will extend a further four weeks from 2020. Now, we make no apologies for prioritising children, families, and superannuitants, who were ignored by the previous administration, who preferred to give money away to the top income earners. Our Families Package gets nearly twice as many children out of poverty, it's better at stimulating the economy, and actively helps the elderly. It's the centrepiece of this Government's social policy to raise the incomes and help out the broad range of New Zealanders doing it tough.

On another matter, I wish to advise that the father of the Hon Shane Jones, sadly, passed away earlier today, and all of his colleagues around the Cabinet table have expressed their condolences to Minister Jones, who, naturally, will be taking leave in the course of the week.

I also wish to note the passing away of Graeme Lindsay over the weekend as well. He was a US-based expat New Zealander who did much to advance business interests between our two countries. He was also a board member of the America - New Zealand association, which worked with Fulbright New Zealand to provide educational exchanges. He himself, of course, also was a Fulbright scholar.

In the course of the week, I'll be attending Parliament's question time on Tuesday, Wednesday, and Thursday. Tonight, I will be attending the US Amnesty's 4th of July event at Te Papa, with others from Cabinet and Parliament. On Tuesday evening, I'll present the Prime Minister's Education Excellence Awards, held here in Parliament.

Now, Cabinet today confirmed the details of a review into the State Services Commission's appointment process in relation to the recent appointment of a Deputy Commissioner of Police. Internal affairs Minister, Tracey Martin, will initiate a Government inquiry into the process. The terms of reference will focus on the State Services Commission's appointment process. First, was all relevant information properly provided to, or gathered by, the State Services Commission during the appointment process of a Deputy Commissioner of Police, and if not, why not?

Second, in the event that all relevant information was provided to or known by the State Services Commission, was it provided to Ministers, and if not, why not? Further terms of reference will be announced shortly. The Minister will be announcing a suitably qualified and independent person to undertake this inquiry in the coming days. Any questions?

Media: Should the deputy commissioner stand down for the duration of the inquiry?

Acting PM: I don't believe so.

Media: Did Cabinet discuss KiwiBuild eligibility criteria today?

Acting PM: No.

Media: Did it come up at all?

Acting PM: No.

Media: Why do you not think he should stand down—stand aside?

Acting PM: Well, because it's not the nature of the offence that is being alleged; it's the process of his selection that is the matter of concern, and that's what we're trying to sort out.

Media: When you talk about relevant information, are you meaning the stuff he said during Operation Austin, or are you also talking about his political affiliations with New Zealand First?

Acting PM: Well, the second one's a red herring—that you've raised. The first one is over to the inquiry, because it is the details or information that they had or should have had that we want to find out about before we can make any further decisions.

Media: Do you mean the person conducting the inquiry will be able to decide what was relevant and what wasn't?

Acting PM: Well, we're working on the terms of reference with great urgency now, and I'll be able to answer that with more precision a week from now.

Media: Why is Tracey Martin the Minister who will be initiating—

Acting PM: Well, clearly, you can't have the Minister of Police. Clearly, you cannot have the Minister for state services, seeing as the process of that very department is what's being looked at. And the internal affairs Minister would be, first of all, providing all the back-up and administrative help for that inquiry. And because she's separate from the other two elements which disqualify the other two Ministers, I imagine.

Media: Given Haumaha does have links with your party, though, is it appropriate for a New Zealand First MP to be doing it?

Acting PM: Well, she's not a New Zealand First MP; she's a Cabinet Minister—well aware of her responsibilities. The second thing is there has been an allegation that he was a candidate. That is false. Let me tell you very clearly that candidates for New Zealand First are those people who survive the electorate, specific, or the list process nomination and notification all the way to the Electoral Commission. He did not.

Media: He pulled out of the process, though, didn't he? You—

Acting PM: Well, yes he did, but a whole lot of people start and stop. You know, I can recall Geoffrey Palmer left the National Party to join the Labour Party and become the candidate for Christchurch Central a long time ago. No one thought he was compromised by his decision, and in a democracy you'd expect people to have a fluidity of views. They don't always hold them, they don't always stay with the same party, and I don't know what his political views are, frankly.

Media: Could you please explain the extent of the relationship between Wally Haumaha and New Zealand First.

Acting PM: I just, in my last answer, told you precisely that. I said I've got no idea what his political affiliations are now.

Media: In 2005 can you explain—

Acting PM: That was 13 years ago, with respect. We need to move on in this question time, because we're not going to contaminate the inquiry that's coming by answering questions that may be raised by them.

Media: So Simon Bridges thinks you should have declared to the Cabinet that political association with him that goes back to 2005. Do you agree—

Acting PM: So I should have declared to the Cabinet, according to the Crown prosecutor from Rotorua—from Tauranga—that someone wasn't a candidate for New Zealand First. Well, actually, it didn't strike my mind that that was relevant.

Media: Sought selection for New Zealand First.

Acting PM: A lot of people seek selections, all over the country. That does not bind them years and years later—like 13 years later—surely. Otherwise we're going to have some sort

of secret society here dominating people's progressive professional outcomes, and that would be unfair.

Media: Mr Peters, do you ever remember meeting him back in 2005?

Acting PM: I remember meeting him before 2005, involved in remediating against serious criminal activity and gang activity in Rotorua and the Western Bay—yes, I do.

Media: But while he was vying to be a candidate for New Zealand First, did you meet with him then?

Acting PM: Well, look, I can't recall exactly who I met in 2005. With the greatest of respect, there were maybe hundreds of thousands over those years.

Media: What about subsequently, since then. Have you had any dealings with—

Acting PM: I've had no dealings with him subsequent to that, no.

Media: What was your relationship back then? Were you friendly, or had you just met him a few times—

Acting PM: Well, in the main I have been friendly with all responsible police officers going about their duty in tough and difficult circumstances, sometimes putting their lives on the line and their family lives on the line as well. Yes, I have known a lot of police officers—massively, in the main, they're a credit to New Zealand society.

Media: The inquiry into the appointment—I mean, if it finds that there was fault with the way the process went through, what might be the outcome of that?

Acting PM: Well, we'd have to await that. I mean, it would be hypothetical to give you an answer now without the information, without the inquiry, without the process being completed, and it's not really—would not be responsible for me to do that, or, for that matter, any Minister or member of Parliament, until we know what the findings of this inquiry are.

Media: What do you want to find out, though?

Acting PM: Well, I set out one and two—what we want to find out in the main, and there are further terms of reference being announced as well, probably by the end of this week or by next Monday.

Media: Could you please explain then, so if you want to find out whether the correct information was given over in relation to Operation Austin, why you don't think he should stand down in the meantime. Should it end up that he stands down if—

Acting PM: Well, have you had all the information from Operation Austin? Have you? No. Well, nor have I. Therefore, we're not going to rush to judgement until we have an independent research authority inquiry outcome.

Media: Just on the nurses' pay negotiations, the bargaining team for the nurses have recommended that nurses vote to accept it. Can you confirm that, you know—whether any new money was offered in that agreement and, you know, did the Government, obviously, hope that nurses accept this?

Acting PM: Well, clearly, we hope that the nurses accept it. This is not an unsympathetic Government to the predicament of a lot of people in this country, where their conditions and their wages are concerned. But, as I said, we've only got so much money to run a fiscally responsible Budget, and this is our first Budget. That said, the quantum will remain the same with a small variation, depending on the issue of timing.

Media: What's the extent of that variation?

Acting PM: Well, it's extremely small, as against the half a billion we've put into the pay packet we're talking about.

Media: And is that new money, or is that money that's being made available now? Can you just—

Acting PM: Well, I don't want to explain its particularity other than to say there's a peculiarity where it's less, at this point in time, by that amount, and more by that same amount at a different point in time. So it roughly evens itself out. But I suppose if you were to look at it over a six- or seven-year period into the future, it'd be marginally a little bit more—fractionally more.

Media: Is that to do specifically with, you know, wages and pay, or is it to do with the training of more nurses or the implementation of nurses, or is that to do with—

Acting PM: No, it's to do specifically with promotion and, as a result, pay.

Media: The prison population is forecast to jump by 4,000 in the next 10 years. How's the Government going to cope with that?

Acting PM: We've announced that the figures that we were calculating on emerged in November of 2017, were cemented in Cabinet considerations by 4 December 2017, and we have relied upon those forward forecasts; not to accept that that's the automatic future for New Zealand—massive incarceration, heading towards figures which are unsupportable by the taxpayer. And we've announced a path of reform where we believe we can reduce the prison numbers. And, strangely enough, we already have, against those forward projections.

Media: Kelvin Davis got himself in a bit of a muddle this morning about whether he'd seen the forecasts or not. Do you still have confidence in him?

Acting PM: No, he didn't get himself into a muddle. The questioner did not refer specifically to the issue of the report. Now, Kelvin, obviously, thought it was the report circa November of last year and cemented in the Cabinet documents and papers and considerations, rather, of December 2017, as against the full report on that report, which only came out very recently. It went online, in fact, just a few days ago—I think before Mr Davis saw it. So that was what he was honestly referring to, because he thought that was the report that the questioner was referring to. They were clearly talking about two different reports, and that could've been sorted out this morning, but it wasn't, which is the penchant of some interview techniques.

Media: Shouldn't the corrections Minister be completely across details like that before it comes out—

Acting PM: Well, he was completely across the detail, but if you're talking about the telephone book versus sort of the Yellow Page directory, you can be talking about two different things if you were looking for the right phone number, so to speak. And I think it should have been specified which report he was being asked to comment on. Because, remember, the attendant embarrassment was that he hadn't even bothered to read it—only just refreshed up on it over the weekend—which was true as to the expanded report on the report. So, looking back, I can see how someone could make a mistake.

But is he all over it? Yes, he is all over the subject. Is he aware of the elements of penal reform and custodial numbers that we are referring to as a Government? Yes, he is.

Media: But should a Minister be across an important report like that before it's made public—

Acting PM: Which report you talking about? Are you talking about the November report last year, or are you talking about the expanded report on the report?

Media: The one that was just published a couple of days ago, as you say. The Minister said he read it on Sunday. Should he have read it before it was made public?

Acting PM: Well, a second time, could I just make—or the third time—it very clear: he was referring to a report—that's the expanded report—which only came out a few days, and which he had read. As to whether if he was asked—in November last year, figures were brought to your attention which the Cabinet was considering by 4 December last year, he would've given a different answer.

Media: Just on that inquiry, will you make the inquiry public when it's finished?

Acting PM: Oh, I cannot see any other result for a Government that's an open Government.

Media: And, also, would you agree that the focus won't just be on what the candidate told the panel but also what the Commissioner of Police disclosed as well, assuming he was privy to what Wally Haumaha had said?

Acting PM: Look, we want a comprehensive inquiry that gets at the facts. As to the two items I pointed out, the principal subject of the inquiry, with further terms of reference which we need to tidy up in the next few days. We're not here to run a cover-up, but to get to the facts and have all the evidence out there.

Media: You already know of some things that he said during Operation Austin which were not disclosed to the Cabinet when they were making their decision. Do you believe they should have been disclosed?

Acting PM: Well, look, again, I don't want to involve myself in contaminating the inquiry, but I'll make this one point. He made comments about the three people. Clearly, on two people he was decisively wrong but on the third person, who took the matter to court, he could be construed as being right. This is not a one-out-of-three-ain't-bad, but all I'm saying is I'd rather leave it until the inquiry has been completed before making any other comment which would possibly contaminate the inquiry.

Media: Did you discuss the inquiry with the Prime Minister before you announced it?

Acting PM: Well, the answer is, me personally, no, but I ensured that others who would know her sleeping patterns better than me did.

Media: But it was spearheaded by you rather than the Prime Minister?

Acting PM: Look, the moment something like this emerges you've got to come clean and ensure that you react to it. It's a matter of public interest and we have responded to it.

Media: Mr Peters, you said earlier that Cabinet had not discussed KiwiBuild eligibility criteria today. Has Cabinet discussed it at all in the past?

Acting PM: Well, of course we have.

Media: So there's a paper in with you?

Acting PM: Are you talking about today or are you talking about previous days of Cabinet? Of course Mr Twyford has come to the Cabinet with a whole lot of background information with respect to entitlements and KiwiBuild, and all sorts of matters. But as of today, it wasn't on the agenda, in that context.

Media: Going back to the nurses strike, how confident are you that the July 12 action won't go ahead?

Acting PM: Well, no one can be confident of the decisions that other people might independently make. Are we confident that we can do the best we can in our negotiations and go as far as we possibly can? Yes, we most certainly are. We've seen nine years of utter neglect, and workers in this context being turned back from their request for a better deal. And we've sought to respond massively to this in our first Budget, but we've got others to come and we're asking those people to see it in a reasonable way, put themselves in our shoes. How can we do better and run a responsible fiscal policy and we've done the best we possibly can? And I trust the nurses, in their vote over the next few days, see that as well. Thank you—one more question.

Media: In regard to the Air Chathams decision to take over the Kāpiti route, would you ever look at some kind of compensation for some of these smaller regional airports that are struggling in the future—help from the Government?

Acting PM: I can't speak for the Government on a question like that, other than to say that in the United States the different economic philosophy than us—whether you're a Republican or Democrat—they see regional airport services as a federal Government responsibility.

Maybe I've given you an answer to how we might feel about it, but I'm not going to foreclose my Cabinet colleagues making input. All right—one last question.

Media: Just a question about the Wellington City Council request for taxpayer funding for \$25 million to the Peter Jackson museum and the convention centre in Wellington. They've put in a request to the Government. Have you considered it, or is that something the Government would be prepared to consider?

Acting PM: When did they put the request in?

Media: A few months ago, is my understanding.

Acting PM: To the best of my knowledge, there's not been a consideration yet.

Media: Mr Peters, how do you feel about being called New Zealand's own version of Donald Trump by Nigel Farage?

Acting PM: Well, I noticed the medium that carried that.

Media: He's a friend of yours, right? How do you feel about being called the New Zealand's own version of Donald Trump?

Acting PM: No, no, no—look, excuse me. What I saw was a campaign that was opposed by all the multinational wealth in the world in Europe, including intervening countries from outside, get beaten by the people's voice—that is, to speak, ordinary people all around the UK who, up against a lot of money, nevertheless had their democratic expression. In that sense, I understand what Mr Farage was saying.

Media: The last time someone called you Trumpian, you said they were a lunatic who'd escaped the asylum at 2.30 a.m.

Acting PM: Sorry, that?

Media: The last time someone called you Trumpian, you said that they were a lunatic who escaped the asylum at 2.30 a.m.

Acting PM: Yeah, but I'm far too nice to say that to you today.

conclusion of press conference