

POST-CABINET PRESS CONFERENCE: MONDAY, 11 MARCH 2019

PM: Good afternoon. Let me first give you an overview of the coming week. Today, obviously, Cabinet here in Wellington. Tomorrow, I will be presenting at the Prime Minister's science awards here at Parliament. Wednesday, there'll be a meeting of my Business Advisory Council here in Wellington. I'll also be hosting a town hall - style chat with students regarding action on climate change, and that will be held at Wellington College. On Thursday, I will be heading to Ashburton for an education announcement, then I'll be back up to Auckland to see some of the ASB Polyfest performances and speak at a Super Diverse Women event later that evening. On Friday, I will be travelling to New Plymouth where I will be making an announcement relating to our Just Transitions work programme and opening WOMAD 2019. And on Saturday, I am opening Wellington International Pride Parade.

I also wanted to take this opportunity to give a brief update on the Chinese year of tourism event. Government officials have been continuing to work with the Chinese embassy on rescheduling the official opening ceremony for the China New Zealand Year of Tourism. I now understand that the opening ceremony has been retimed and it will be held at Te Papa on 29 March. It will form part of a visit to New Zealand by a delegation from China, to be led by the Minister of Culture and Tourism, Mr Luo Shugang, and this is an event that will be hosted by the Chinese Government.

All right. Happy to take questions.

Media: Are you relieved that this conference is now back on, symbolically?

PM: Oh, look, you know, I always explained that this was a scheduling issue. Obviously, fantastic to now have that resolved. Year of tourism events have been continuing and going well. Of course, this is an opportunity for New Zealand to promote a wider range of regions. I know that Rotorua has been doing some training of tourism operators. There's work going on in the Hawke's Bay. It's about trying to increase the diverse range of locations that tourists from China travel to, and we're looking to it being a very successful year.

Media: You're making a point of saying this today to, you know, indicate that everything is hunky-dory between New Zealand and China? Does that mean we can read into it the fact that it was initially postponed suggests that everything was not hunky-dory?

PM: No. I would read none of those things into those events. Look, I get asked questions around scheduling of this event. Just simply a matter of clarifying now the schedule that applies for it. And as soon as I have information on that I'll be sure to share it with you as well.

Media: Are you any closer to getting a date?

PM: As soon as I have information to share with you, I will.

Media: Is it frustrating for you that you're not able to give the date—to say, yep, there's something in the works for X month?

PM: No, I mean, look, ultimately the invitation was extended some time ago, and we've been working on both sides to find a mutually convenient time for the visit, and when we have something to say on that, we will.

Media: Do you retain confidence in Shane Jones as a Minister?

PM: Yes, yes I do. He has declared a conflict of interest. That conflict of interest has been managed. Much of the issues that have been discussed in recent days have been put into the public domain by the Minister himself in answers to written questions, and so I

believe he's followed the guidance that he's been given, and therefore I have confidence in him.

Media: Is it your expectation that Ministers should leave a meeting where a conflict has been declared?

PM: Look, you know, I think Minister Jones himself would acknowledge that that would've helped managing a perception issue, but he has been given guidance on managing the conflict after he declared it, and he has followed all of that advice.

Media: Are you saying, though, that it was appropriate for him to be in the room—that he doesn't necessarily have to leave a room when declaring a conflict? So are you saying that he perhaps should have left the room?

PM: He himself has acknowledged to me that in terms of the questions now he's been asked, it certainly would have aided with the perception of the issue. But coming back to the issue of a conflict of interest generally, Minister Jones raised this issue proactively with the Cabinet Office. They gave him advice on how to manage it, and he's followed that advice—keeping in mind the conflict itself is simply the fact he was aware of the project, he knew some of the individuals involved. And so that's why he saw it as important that he manage that. There was no other gain to be made by the Minister for this particular project.

Media: Should there be a tightening of the *Cabinet Manual* around whether Ministers should exit the meeting if there was a perceived conflict?

PM: Again, as I've said, he has followed the guidance that he received from the Cabinet Office.

Media: Prime Minister, Treasury advised against this meeting.

PM: Against the meeting?

Media: Sorry, against the project I should say. So, it advised against it. Do you believe that he should have remained on to give Grant Robertson and others reassurances that the project should go ahead?

PM: Again, as he's already acknowledged, leaving the room would have certainly helped in this situation, but he has in fact followed all of the advice he was given around managing the conflict. He was not a decision-making Minister. He did not officially receive the briefings on this case. The decisions were with other Ministers, and so he has managed the conflict as he was advised to do so. Keeping in mind as well, I mean, obviously the meeting that was had was in front of Ministers where he'd already declared the interest, and in front of officials where he'd already declared an interest as well.

Media: Is it appropriate for a Minister of the Crown to call a journalist a "bunny boiler" on national radio?

PM: A "bunny boiler?" I could not clarify what the intent of that statement was. You'd have to ask Minister Jones that.

Media: It's a bit Trumpian though, isn't it?

PM: A "bunny boiler"? Again—

Media: For a senior minister to be attacking a member of the press.

PM: Again, I would suggest asking Minister Jones what his intent was there with that comment. I don't make a—I don't make a habit of trying to interpret what Minister Jones means by certain statements.

Media: Is it acceptable for a senior minister in your Cabinet to be attacking—personally attacking—journalists?

PM: Again, I don't want to interpret the intent of what Minister Jones was saying with that statement.

Media: He said that he may use parliamentary privilege to malign a journalist in the House tomorrow. How do you feel about that?

PM: Again, I would advise against doing so.

Media: Prime Minister, I just have a question about general insurance. IAG has just said that it's pulling back from Wellington when it comes to contents insurance, so basically making it harder for people to get contents insurance in Wellington. And this part of a general trend in the general insurance sector. At what point will you consider intervening through regulation?

PM: Look, if we had a situation where people weren't able to access insurance at what would be considered a reasonable level—I haven't briefed by officials on this specific issue. It might be something that other Ministers have been, though; I would need to ask.

Media: Just on Shane Jones.

PM: Yes.

Media: You said he hadn't had any ministerial meeting discussing that donation or that grant, and yet he was—

PM: Sorry, I don't—no, I said he wasn't meant to be in receipt of briefings. And he wasn't a decision-making Minister.

Media: In answer to a parliamentary question—

PM: Yes.

Media: —he said he hadn't been at a meeting when he had been at the meeting. Would you expect him to rectify the record?

PM: My understanding—and, again, I don't want to assume here that I've seen every single written question that has been answered here, but my advice is that he did include in written questions around May last year acknowledgement of the interaction with the Minister of Finance, in one of those written questions. But, again, I can't say that I've looked through every single written question that was answered.

Media: Do you feel that you need to talk to Shane Jones about this, or do you see that as being Winston Peters' domain primarily?

PM: No, no not exclusively. Of course, I preside over Cabinet. I have responsibility therefore for Cabinet Ministers. And, again, as I've outlined, the Minister himself, and I've sought assurances of this, raised the conflict of interest directly with the Cabinet Office, received advice on how to manage it, and followed through on that advice, and so, therefore, has managed the conflict of interest. And that is for me to seek that assurance.

Media: So ethical standards are the same for New Zealand First Ministers as Labour Ministers?

PM: Well, certainly I need to have expectations of all of our Ministers, regardless of which parties they represent.

Media: Have you spoken to Shane Jones about this

PM: Yes, I have.

Media: Have you reprimanded him?

PM: Certainly we spoke about the perception issue of him still being present in that meeting. He agrees that, obviously, in hindsight it would have been helpful for him not to have been in the room. But, again, as I say, he sought the advice from Cabinet, he himself declared with the Cabinet Office that he had that conflict of interest, and he then followed through around making sure another Minister had decision-making duties there rather than himself.

Media: What do you make of David Seymour asking the Auditor-General to look into it?

PM: Oh, look, that is entirely a matter for David Seymour. But, again, I have received advice that Minister Jones has followed through as was expected in managing this conflict of interest.

Media: What proposals is the Government looking at to curb foreign interference in the New Zealand election cycle?

PM: Yes, yeah. This is obviously a discussion that is happening around the world—particularly interesting to see what’s been happening in the UK around this debate via select committee. New Zealand, likewise, has its own select committee process. Minister Andrew Little has asked the Justice and Electoral select committee, as part of its review of the last election, to look specifically at the issue of foreign interference. My understanding is that they’ll look to hear submissions on that, and I think it would be helpful if they reach out to a number of entities that may have an interest in this issue so that we can make sure New Zealand is not left behind in ensuring that we have in place whatever protocols are required to protect New Zealand from foreign interference.

Media: Specifically, Winston Peters, in an interview with the *Financial Times* today, said that the Government was looking to introduce proposals that would be ready in time for the next election to curb foreign interference in our elections. What proposals is he speaking about?

PM: Again, I’m quite interested to hear what the select committee comes back with specific advice on. We’ve always said that we’re not complacent, generally, on this issue. We need to constantly ensure that we have the tools in place and are vigilant on this issue, but you might have already—and so I’m not going to give any specificity on that.

Media: But he said it’s at the level of the executive, not the select committee, that this is being looked at?

PM: Yeah, and as I say, this is something we always need to be vigilant around and make sure that we have the legislative framework required to manage such issues. But you will have heard, for instance, Rebecca Kitteridge being asked about this issue directly at the last Security and Intelligence select committee, and you would have seen from some of her response that there is a view that they have the ability to respond if there are direct examples of foreign interference.

Media: Marama Davidson has told us that she’s open to an extension of the capital gains tax to the family home. What’s your response to that?

PM: That’s a question for the co-leader of the Green Party. I’m not responsible for Green Party policy. Again, as a Government, we asked the Tax Working Group to bring a range of ideas. We were very clear it was not to exclude the family home—it was not to include the family home.

Media: Could the family home ever be included?

PM: Absolutely not.

Media: Is that helpful?

PM: Oh, look, that’s a question for the co-leader of the Green Party. We’ve been absolutely clear: the family home is never going to be included, even in a discussion or a working group report, and that’s the end of story.

Media: So why is the Labour Party polling people via its website on capital gains tax?

PM: I wouldn’t call it a poll because it’s hardly scientific when you ask Labour Party supporters for their opinion on an issue, but we’ve been very open that since the Tax Working Group came back, we’re looking to hear people’s views on what the Tax Working Group has proposed.

Media: Well it is a poll, because it asks “do you agree with it or don’t you?”, basically.

PM: Yeah. Look, I'm not questioning the fact that they've asked a question, but what I am pointing out is that you could hardly consider it to be scientific, and therefore we treat it as an additional insight into people's opinions and views. But we're actively reaching out to seek those now. We've got the Tax Working Group's view back in and we're listening to people.

Media: In terms of a joint Government approach towards the CGT, is Marama Davidson muddying the waters? Is she helping?

PM: Again, as I've said right from the beginning, different parties will have different views. My job is to bring together some consensus. There will never be consensus on that issue because we ruled it out even from consideration right from the beginning.

Media: Are the party responsibility rules arbitrary?

PM: How do you mean?

Media: Are they arbitrary?

PM: Well, no, I wouldn't consider them to be. We've, I think, in some cases, followed the general practice of what you'd see from other nations within the OECD, particularly when you look at relative spend, percentage of GDP spend, and so on. So, no, I wouldn't consider them to be arbitrary.

Media: Are you confident that the measles outbreak in Canterbury is under control?

PM: Look, that's an issue I've been advised that, certainly, the Minister of Health is monitoring and taking a proactive role in. But best to ask direct questions to him on that one.

Media: Does your office have any influence over the decision by the Justice select committee to reconsider Anne-Marie Brady's request to make a submission?

PM: Oh, look, certainly I was advised after the fact of the decisions that had been made. As I understand, there was a process issue. The issue of foreign interference was put to the select committee. Submissions closed. A submission is received after the time that submissions could be sent in. A decision, I understand, is likely to be made by the select committee. I'm not sure where they're at around potentially enabling submissions to be heard. It's not something I've been directly involved in.

Media: If Brady appeared before the committee, would you expect Raymond Huo to recuse himself or give up the chair for that particular hearing?

PM: It's not a job for me to determine the way that select committees conduct their business. They are committees of Parliament. So all of those are considered to be matters for the select committee to manage as a committee of Parliament.

Media: The ABC's reporting that two members of the United States National Security Council visited New Zealand recently. What were they here for?

PM: Um, again, sorry—can you give me the first half of the question again?

Media: A couple of members of the National Security Council of the United States were here recently. They're Asia defence experts—Matt Pottinger and Alexander Gray. I'm just wondering if they met with you or met with members of the Government, and what were they here for?

PM: Yeah, again, we tend to confirm when visits have taken place, but we don't confirm much beyond that.

Media: John Podesta yesterday told us that New Zealand being a member of the Five Eyes network, New Zealand is a juicy target for cyber-attacks that could undermine our democracy. Do you agree with that?

PM: Oh, look, we're not complacent, and certainly you will have heard me say that many, many times. We do need to make sure that we have the protection in place in New

Zealand, either for direct attacks but also where New Zealand may be caught up indirectly. And so, regardless of what anyone else thinks or what any other member of Five Eyes thinks, we actually need to make sure that we're prepared and vigilant.

Media: So Government Ministers or MPs could have their emails hacked in the way that we've seen in Australia and the United States?

PM: Yeah. Again, we can't be complacent. We can't make any assumption that we're not of interest. My concern, though, is not just about parliamentarians; I have an issue to be concerned with all of New Zealand's national security, and that includes issues around the security of people's individual IP and what happens in our private sector as well. I think the GCSB does a good job in that regard, but we do acknowledge that we need to make sure that we keep up with the rapidly changing dynamic in the cyber-security space.

Media: Have there been any briefings from the Defence Force regarding their announcement dropped late on, last Friday, around the allegations from the Stuff investigation

PM: Look, not directly. I have seen the information they have released. I haven't had a chance to go through that myself. I understand, though, that they've released the information and have, for instance, acknowledged that one person of interest is no longer with NZDF.

Media: Do you have evidence that that adequately addressed those issues?

PM: Again, whilst I've received the reports, it's not something I've been directly briefed on. I would suggest asking those questions directly of the Minister of Defence.

Media: Would you think, though, that incidents like that would be isolated? Or do you expect them to be isolated?

PM: Oh, of course. We would always hope that people are able to maintain the confidence of the New Zealand Defence Force, and I'm sure they would, of course, hope that those would be isolated incidents as well, but any further detailed inquiries I'd put to them.

Media: Just on a different topic: Green MP Jan Logie has called for rainbow ministry. Do you think that's necessary?

PM: Look, do I think that there's work to be done on behalf of the LGBTIQ community? Yes. Do I think that's best pursued solely by setting up an agency or a ministry or a department? No, and I think, actually, the responsibility for some of the issues that we need to pursue exists within the Ministry of Justice, within the Department of Internal Affairs, within education, within health. So I wouldn't want there to be a sense that that responsibility didn't sit across Government simply by having one agency assume or be seen to assume responsibility.

Media: Could money collected from the capital gains tax go toward addressing homelessness?

PM: Again, given we haven't made any decisions around the Tax Working Group report I'm not going to get into a space of discussing what might potentially be used for revenue when no decision has been made.

Media: Could a capital gains tax help the homelessness crisis in any way?

PM: Again, we've received the report. There are a number of recommendations in the report around how to, for instance, make it revenue-neutral. So whatever might be taken in could be dispersed back out to taxpayers, but, again, we've made no decision yet, so I wouldn't want to get ahead of the process we're in the middle of.

Media: Are you committed to it being revenue-neutral?

PM: It was one of the direct requests that we made of the Tax Working Group, so obviously we were interested in those ideas. But we've made no commitments on any element of the working group's report.

Media: Are you committed to the timeline of legislating this parliamentary term?

PM: Yes, obviously we've set out our expectations around those timelines, and our intention is to stick to those. Look, I'll just take a couple more questions. Is there anyone that hasn't managed to get in? I've heard everyone today. Yes.

Media: Could it end up that the capital gains tax is not revenue-neutral?

PM: Oh, again, we specifically asked the tax working group for revenue-neutral options for a reason, but we haven't confirmed any element, either of revenue-neutral packages or any element of the Tax Working Group at all. As we've always said, we've received the report; we're now considering it; we've made no decisions.

Media: [*Inaudible*]

PM: Again, I'm not giving my preference here at this point in time. My job is to bring the consensus together. OK.

Media: Is it not your preference, though?

PM: Sorry? I've never stated—I've never stated a preference on a particular outcome from the Tax Working Group.

Media: You asked for it to look at revenue-neutral options—

PM: We wanted those to be on the table for us to consider as a Government.

Media: Do you accept that it probably won't have a material impact on housing affordability—

PM: Do I accept that it won't have a—

Media: Capital gains tax—that the advice, the clear advice, of the working group is that will be immaterial—

PM: I've seen some—yeah, look I've seen the advice from the Tax Working Group. I've seen some, you know, in the past, debates that counter that, but of course, as I say, we are considering what they've put before us and we've made no decisions at this stage. Last question.

Media: Will anyone from the Government be receiving the petition tomorrow on the Ihumātao development in Auckland?

PM: I'd need to check in. I've certainly had the question asked of me. I anticipate that someone from our side will be there, but I need to check who that would be.

Media: Do you have any response to their issue of the Government intervening in that process?

PM: Look, I'm certainly aware of the issue and the many complications that have been raised there. I've heard the iwi's perspective as well, which, as I understand, there's a range of different opinions there as well. But, again, ultimately this has been an issue that's predominantly been dealt with by council and the developers. OK, thanks everyone.

conclusion of press conference