

POST-CABINET PRESS CONFERENCE: MONDAY, 1 APRIL 2019

Acting PM: Good afternoon. As you are aware, Prime Minister Jacinda Ardern is currently in China to formally open the new embassy in Beijing and to meet with both Premier Li and President Xi, and tomorrow I'll be in the House as Acting Prime Minister. The Prime Minister, of course, returns on Wednesday, before travelling to Hamilton on Thursday to speak at the Te Hono volume to value conference.

Now, today Cabinet agreed that the Government will introduce legislation to ban military-style semi-automatic weapons and assault rifles in New Zealand. I have with me today Minister of Police Stuart Nash, who will also be available for further questions shortly.

The Arms (Prohibited Firearms, Magazines and Parts) Amendment Bill will have its first reading in the House and be sent to the Finance and Expenditure Committee for public submissions tomorrow. The select committee will then have a week to examine the bill and consider public feedback. It's our intention for the bill to be reported back to the House by 8 April and will complete its remaining stages and come into effect by the end of next week. This will mean that within four weeks of the Christchurch terrorist attack, New Zealand will have passed legislation banning all military-style semi-automatic weapons and assault rifles, the related parts used to convert guns into military-style automatic weapons, and all high-capacity magazines.

Today, a package of coalition Government changes kicked in that will see thousands of businesses and hundreds of thousands of New Zealanders better off. In particular, we're responding to international economic headwinds by providing extra support to businesses so they can innovate and create jobs, with the introduction of the R & D credit and easing the cost of doing business by reducing ACC levies. This sits alongside ongoing good management of the Government's books, shown last week by the strong surplus in the Crown accounts.

Key components introduced today that will see New Zealanders better off include a \$1 billion R & D tax incentive that will provide a 15 percent tax credit to any businesses spending a minimum of \$50,000 on R & D. Then, cheaper ACC levies, saving businesses and customers 100 million over the next two years—and we will drop ACC levies on average from 72c to 67c per \$100 of liable earnings. Then, helping Kiwis to plan for their retirement by adding new KiwiSaver contribution rates of 6 percent and 10 percent—and now more workers can access KiwiSaver, as those aged over 65 can sign up. Rates of New Zealand superannuation and veterans pension will also increase, by 2.6 percent, reflecting the bigger increases in wages under this Government. And, furthermore, we're providing greater support for domestic violence victims, with the new right to 10 days' domestic violence leave and flexible working conditions taking effect today.

Finally, we have boosted the minimum wage by \$1.20 an hour to \$17.70—one of the largest increases in this country's history, the last one being in a similar plan between 2005 and 2008. This is in line with our coalition agreement to increase the minimum wage to \$20 an hour in 2020-2021. Any questions?

Media: Minister—either the police Minister or the Deputy Prime Minister—you don't seem to have settled on the types of ammunition that will be prohibited. It says it will be defined by the Governor-General at a later date. Examples would include armour piercing ammunition. Is there a particular reason why you haven't prescribed the exact ammunition now?

Acting PM: This is a two-part plan. The first we're announcing with the greatest speed possible, and then there's a second part to this plan, which will deal with the more comprehensive issues as they arise. But first things first.

Hon Stuart Nash: And it's also a lot easier to do it through Order in Council and through regulations. So we've got to be nimble and flexible in how we do this, and we think this is the best way to achieve that.

Media: Gun owners say you're moving way too fast on this and you really need to slow down because you'll make mistakes. Do you agree with that?

Hon Stuart Nash: I don't buy that whatsoever. You know, everyone I have spoken to—be they hunters, farmers, etc.—has said, "You do not need a military-style semi-automatic or an assault weapon to go hunting or to do farm business." These are guns that are designed to kill people. The gun that the terrorist used, the AR-15, is a civilian equivalent of the M16, which was used by ground troops in Vietnam. We don't think we're moving fast on this at all, keeping in mind, as the Deputy Prime Minister outlined, this is stage one. Stage two will progress through the full legislative programme, and people will have the ability to comment on that.

Media: What do you say to those firearms licence holders who feel like they are public enemy number one at the moment?

Hon Stuart Nash: Well, we're not going after law-abiding citizens whatsoever. What we're doing is actually closing down a loophole that allowed, for example, this terrorist who killed 50 people to buy a military-style semi-automatic with an A category—your stock standard firearms licence—and then buy a high-capacity magazine, and put them together and kill 50 people in a short time. So what we are doing is closing down big gaps in the law that allowed this sort of event to happen. So, hopefully, what we're doing is mitigating the risk of this ever happening again.

Media: Do you regret that it took an attack of this magnitude to prompt the Government to make these changes?

Hon Stuart Nash: Well, you know, the world changed on 15 March and, as the Prime Minister said, I think within two days, that changes were going to be made to the Arms Act, and these are the changes. So within six days, she had announced the changes. By 12 April, these changes will be through. I think that's pretty good—pretty good timing.

Media: Was there any talk in Cabinet today about the establishment of a gun registry?

Acting PM: No. Look, could I just say to the last question, you cannot be a serious New Zealander without—we don't have a shared regret that we had not moved, in prior times, much faster on this issue.

Media: Do you personally, Mr Peters—New Zealand First produced a minority report out of the select committee process, and you were quite opposed to some of the things it recommended in that 2016 select committee inquiry. Do you personally regret—

Acting PM: Well, hang on. First of all, the report is 2017, and you haven't read it, clearly, because what New Zealand First specifically said was: you've got a serious ownership of these guns in the possession of gangs and this legislation does nothing about it. Now, we intend in this legislation that's coming to do something seriously about it.

Media: Will the Government use urgency or is it instead looking to seek the leave of the House to—

Acting PM: I beg your pardon?

Media: Will the Government use urgency or will you seek leave of the House to sit in extended hours in a separate way?

Acting PM: Well, we'll have to cross that bridge when we come to it, because we will require the agreement of all the House, and there is the possibility that someone might hold out, and at that point in time we'll have to respond to such an obstruction. So I can't answer that question at this point in time.

Media: Is that someone Mr Seymour?

Acting PM: Well, potentially. It could be anyone in the House that's not in the Government.

Media: Are you expecting National to put up a defence?

Acting PM: No, we don't expect that, no.

Media: Do you have any sense yet of how the gun buy-back will be funded? I don't know—it says you're still working through details with Treasury, but can this be met within baselines or are you going to have to sort of—

Acting PM: It can't be met from within baselines. The reality is this is going to cost hundreds of millions of dollars, but we are serious about ensuring that the legislative intent and reasons for it are backed up with some profound action, including future widespread attempts to ensure that we don't only pass the law but we utterly enforce the law. Now, it costs us plenty, but that's what has to be done now.

Media: Will it require spending cuts in some areas, or is it more likely you're going to have to raise some new revenue in others?

Acting PM: Well, you know, [*Inaudible*], how the economy works. If it's going to cost us more, you're going to have to find either savings somewhere else or money from new increased revenue. But whatever it is, that is not the point we are concerned about. It is to treat people fairly who thought they had a legal entitlement to a weapon that's now going to be outlawed. And we want them to comply with the Government's intent in this law by giving those—then hitherto legal but now to be illegal—weapons back.

Media: That fair price, will it be the purchase price of the gun when it was purchased or will it take into account depreciation over time?

Acting PM: Depreciation over time?

Media: Yes.

Acting PM: Well, it depends on the equipment—some of it appreciates over time. So we can't give you the fiscals or the accountancy on how we'll go about that, but that is certainly part and parcel of an intense study now, because we have international precedent, and the closest is in Australia.

Media: Have you thought about a time line yet for the amnesty?

Acting PM: Yes: in September 2019.

Media: The Mongrel Mob said over the weekend that they weren't going to hand in their weapons to the Government. I'm just wondering if that's a concern for you.

Acting PM: Well, our message is, yes, you will be handing them back to the Government, or some lawful authority—but handing them back you will be.

Media: What would be the process if they showed some sort of resistance on this?

Acting PM: We don't plan to fail on this. We're not going to outline the process in that context. The process will apply to them the same for any law-abiding citizen in this country who has now an armament that's legal but that is about to be made illegal.

Media: What makes you think that they'll cooperate now when they haven't cooperated so often in the past when it comes to firearms legislation?

Acting PM: What makes me think that there is that we intend to enforce the law, and it's not a matter of cooperation; it's a matter of being obliged to conform with the law of this country or be operating illegally, for which there will be consequences.

Hon Stuart Nash: Can I also say we have increased the penalty substantially. Actually, thanks to New Zealand First, we are having 720 more officers into organised crime squad. I found it abhorrent that you could have gang members, in the media, publicly saying that they were going to break the law. We take that very, very seriously.

Media: Have the police been given any more powers to be able to search and seize guns from those gang members? I know that National, a little while back, proposed some legislation around that.

Acting PM: Did they? Where is it now?

Media: Yes. Mr Bishop was looking at giving police further powers to search gang members.

Acting PM: So when was that?

Media: I'm not sure when his member's bill was. I think it was last year.

Acting PM: After they lost the governing benches of this country.

Hon Stuart Nash: We are looking at firearms prohibition orders, which is a separate piece of work, and a discussion document on that will be introduced in the next couple of months. So, as mentioned, thanks to New Zealand First, we're looking at 1,800 more officers over and above baseline when we came into Government. A decent chunk of those will be going into organised crime. Along with Minister Little, in the Crimes Act, we're looking at how we can increase the ability of the police, or give police increased powers to go after these criminals, because anyone that comes out in the media and says, "We are not going to obey the law. We're not going to hand our guns back."—well, we've got news for them. They are going to hand their guns back, and if they don't do it voluntarily, then the police are going to come after them. The penalty now for possessing one of these illegal weapons—well, it will be, once this law is enacted—is five years in jail. So my advice to the gangs is hand your weapons back.

Media: Do you have any advice to say how many guns the gangs do have, or any estimates around that?

Acting PM: No, we don't.

Hon Stuart Nash: This is part of the problem we're dealing with. We have absolutely no idea. That's why the fiscals are between 100 million and 200 million. Normally, a Minister of Finance or an ex-treasurer would say, "That's too wide; we need to know more.", but we just have absolutely no idea. So that's the reason why we want to get these guns out of our communities and make New Zealand a safer place.

Media: So how many guns do you think you'll buy back for \$100 million to \$200 million?

Hon Stuart Nash: Again, we know there's about 1.5 million guns in this country. We know how many MSSAs—or military-style semi-automatics—there are here because those guns themselves have to be registered with police and you've got to have a special licence to own one of those. But the rest, we don't have any idea, which is a loophole. We acknowledge that we need better information.

Media: How will you be defining assault rifles?

Hon Stuart Nash: Well, basically, we've come out and said that any rifle with a detachable magazine, any shotgun with a detachable magazine, any shotgun that—well, the ones that are exempt are a shotgun with an internal tubular magazine. I'm getting a little technical here, so excuse me, but five shots or less. So, basically, we've said that tools of the trade are a .22 with a 10-shot mag or less, or a pump action shotgun or a semi-automatic shotgun with five cartridge internal magazines or less are exempt. The rest, you're going to be breaking the law if you have one of those after 30 September. But what we would urge people to do is not wait until 29 September to declare your weapon or to hand it in. The police have an 0800 number: 0800 311 311, or go to their website and it will show you the best way to get in touch and either have the weapon picked up by the police or organise a time to drop it off at a police station.

Media: What's the response been like so far? How many guns have you got back from the public?

Hon Stuart Nash: We've got a couple of hundred—195 so far. There's been about 1,400 calls made to the 0800 website and slightly less forms filled in, but we expect, or suspect, that a lot of people are waiting for the terms and conditions of the buy-back to come into play before they actually action the process to actually hand in their weapon.

Media: Have any Ministers in your Government handed back weapons so far?

Hon Stuart Nash: Well, we are aware that Kelvin Davis handed in his .22. I will say, though, that a .22 in itself will not be a banned weapon, but a magazine with more than 10 bullets will be illegal. But Kelvin handed it in. And what we're saying is this not just—the amnesty doesn't just apply to those weapons that are banned. If anyone has any weapon that they would like to dispose of, then they are more than free to hand it in, but I would like to make it clear the buy-back will only relate to those weapons which we will be making illegal.

Media: Is there a start date for that buy-back? So if a weapon was bought after 15 March or after the Order in Council the other week, will it still be eligible or will they just have to hand it in and not receive any compensation?

Hon Stuart Nash: Well, my understanding is the Prime Minister made it quite clear when we announced the Order in Council that if you were foolish enough to buy one of these weapons after the Order in Council had come into force, then you would not be compensated for it.

Media: Mr Peters, is there any MPs from your caucus that have handed back any weapons since the new laws came into place?

Acting PM: I have no idea as to whether that has happened. I would assume that they've all read very clearly the Government's stated position as enunciated by the Prime Minister, but now that you've asked, I'll make some enquiries at caucus tomorrow.

Media: Some handguns have far more than 10 shots, or at least 15. Do handguns form part of the review at all? Is there concern around handguns?

Hon Stuart Nash: Not at this stage. You have to have a special endorsement to own a pistol, and there are a whole lot of terms and conditions around the ownership of a pistol and also the purchase of a pistol. So, at this stage, certainly in the legislation that'll be passed in the next couple of weeks, no, but we will think about whether we need to include the handgun/pistol regime in stage two of the review of the Arms Act.

Media: Will stage two also look at online sales of firearms?

Hon Stuart Nash: Stage two will certainly look at that, yes.

Media: Minister, can I just confirm: the bill's now been tabled; it's been introduced to Parliament, effectively, now?

Hon Stuart Nash: Yes, it has been tabled.

Acting PM: You'll have a press statement out from Mr Nash in the next few minutes with greater clarification—it's quite a detailed press statement, I must say, but it is a complex subject.

Media: Mr Peters, can I ask you: are you aware that the New Zealand under-19 cricket team have cancelled their tour to Bangladesh?

Acting PM: No, I'm not.

Media: Have you been briefed on it at all? Has anyone told the Government, or was the Government consulted about that at all?

Acting PM: Has the Government been consulted? Well, New Zealand Cricket is independent of Government, as every sporting code is. If they wanted to consult with the Government, then they could, but they're not required to.

Media: Off the back of the Bangladesh cricket team being in Christchurch at the time of the mosque shootings, do you think this has anything to do with it?

Acting PM: No, I don't, and that's borne out by the Organisation of Islamic Cooperation. All 57 countries are supportive of New Zealand's explanation of what happened here—all of them.

Media: Are there added concerns for New Zealand teams touring Muslim countries at the moment?

Acting PM: No.

Media: Do you think we would be a target in those countries?

Acting PM: Well, you know, I mean, I've got to go on the word of representatives of those countries, and they have been very, very clear, in a communiqué they put out in Istanbul and then in a motion going before the United Nations in a few hours, that they do understand and sympathise with New Zealand's position.

Media: Adrian Orr put out a rate decision last week suggesting that growth might be slowing—

Acting PM: Say again—said what?

Media: The Reserve Bank Governor put out a statement last week on the OCR—one of the regular OCR decisions. The statement that accompanied it said that growth might be slowing and that a rate cut is on the cards. Has that played into your thinking on the Tax Working Group's proposals and what the Government might put forward as its own views on that?

Acting PM: Well, I can't speak for everybody in Cabinet, or everybody in the coalition, other than to say that some of us did say, on the very night that we began this Government, that there could be some corrections in the future. We forewarned of it because of international circumstances like trade competition and also the slowing of other economies such as China and such as Australia. But New Zealand's economy is holding up seriously well against that, and in my thinking, has it had any effect with respect to a capital gains tax—the forecast, or the pessimism, as you just temporarily expressed—the answer's no.

Media: Just on capital gains tax, that report of the Government's official recommendation was meant to come out in April, and it's April now. Whenabouts in the month are we going to hear the Government's official position?

Acting PM: In April.

Media: Yeah—whenabouts in April? Like—early, mid, late? Have you got a date?

Acting PM: Look, we're hardly through day one and you're screaming out for it. You'll get it, and more quickly than you think.

Media: Is that April this year?

Acting PM: Are you serious? I mean, are you?

Media: Minister, on pessimism, several businesses have said that the minimum wage hike today is the largest in New Zealand history—you know, prices will go up and hurt businesses. What do you make of those complaints?

Acting PM: Look, it's a sad fact that there are a number of businessmen out there, and businesswomen, who understand the plight of the workforce, in that we have been constructing, sad to say, a low-wage economy with rapidly rising costs—significant costs, which shock people who are coming back from overseas, who have lived abroad for 10 years, to see what's happened with our cost structure. Those businessmen and businesswomen understand that, and they understand why there needs to be a rise, in the same way as you had in 2005 with all sorts of doom and gloom forecasts about the then rapid rise of the minimum wage from \$9 to \$12 in three years flat. It had no such effect in terms of the warnings and the dire complaints that were made by some, which are so traditional. I want to remind you also that Lee Kuan Yew—perhaps a leading political and, dare I say it, economic mind in modern times—knew that he had to drive his country with all their handicaps to be a First

World economy, and one of the reasons and one of the mechanisms he used to do that was to drive wages, and therefore education and productivity, dramatically up, and we need to do that as a country ourselves.

Media: Have you received the report from the advisory group on the Messara report into rejuvenating the racing industry? It was due at the end of February.

Acting PM: Yes, I have.

Media: Do you think there will be some action on that?

Acting PM: Action? It's all action now because we've got Budget bids in, of course, and we have four programmes which we are seriously working on with a ministerial advisory committee comprising some serious racing experts. But there are a lot of decisions that have to be made to put these reforms into place, and this group has been working on them since 4 January, right over the Christmas break, so to speak.

Media: Do you believe that there needs to be a new category of offence for hate crimes, as has been proposed by the Human Rights Commission and I think is being considered by Andrew Little at the moment?

Acting PM: Well, the reality is there are very fine margins between freedom of speech and what are crimes that are designed to—that have no relationship to freedom of speech but have a purpose which, in the end, sees actions that are illegal. If that's the context, then I think it's certainly worthy of public debate. But, that said, let's look at this with some balance. I've seen hate language from the left and the right—usually the extreme left and the extreme right—in an environment where no one in the middle, either the modest right or the modest left, would tolerate. So we need to be careful here, but certainly I think we need to look at it.

Media: [*Inaudible*] the second part of the guns amendment, when are you thinking about timing for that?

Hon Stuart Nash: Well, a paper's going to go to Cabinet at the beginning of May. As mentioned, it will go through the proper select committee process, etc., and we're hoping to have that passed into law by the end of the year.

Media: Will the second part have the register and stuff in it?

Hon Stuart Nash: Well, it contains a whole lot of stuff. I mean, when you talk about a register, keeping in mind these are just proposals that have to go through Cabinet, and nothing will go out for public consultation unless Cabinet agrees. So there's still a lot of decisions and a lot of water to go under the bridge before we actually get to a piece of legislation or a bill or anything that has its first reading in the House.

Media: Will you be getting advice from police and stuff like that?

Hon Stuart Nash: We get a lot of advice from police, and police are actually talking to their overseas counterparts about what works, what doesn't work, what the world's best practice is, and how we can ensure that we keep New Zealanders safe.

Media: In the meantime, we're seeing gun retailers take guns off the shelves. We've seen courier companies stopping shipping. What is your reaction to the private market's response to Christchurch?

Hon Stuart Nash: In terms of?

Media: In terms of their proactive, sort of—doing it before Government, if you like.

Hon Stuart Nash: I think it shows that they back the Government on this. They understand that we need reform in this sector in order to keep Kiwis safe, because the loophole that this terrorist used to kill 50 people was totally unacceptable. We're closing that down. A number of retailers, as mentioned, have taken a really responsible stance on this, a number of courier companies have taken a business decision which I'm assuming they think is a responsible stance on this. So it's good to see that New Zealanders are actually saying,

“Hey, you know what? We don’t need semi-automatic military-style or assault weapons in our country.”

Media: I’d just like to jump back to tax and business. ANZ, in its latest business confidence survey, released last week, said that intentions around residential construction have fallen to a 10-year low, and in its report it said that it may have been a bit of a knee-jerk reaction to the Tax Working Group report coming out, but, even still, falling to a 10-year low in terms of companies’ confidence in the residential building sector is pretty bad.

Acting PM: Well, hang on. Before you take that, what was last year’s record when it came to consents—residential apartments or flats—in this country? The highest since 1974—the highest by miles since 1974, I might add. So it doesn’t square up with the ANZ’s pessimistic report, and, more importantly, decisions with respect to capital gains tax have not been announced by the Government at this point in time, and so they should not be starting at shadows.

Media: OK. That data is looking back, and I guess the survey is looking forward at that confidence going ahead. I’m just wondering the extent to which you’re thinking about the need for housing immediately in New Zealand as you consider, I guess, the need for our tax system to reap the, you know, revamped—

Acting PM: Well, housing in this country has never been more critical in terms of trying to get on top of the supply-side equation—never been, for so many years, so long neglected, but we’re getting on top of it. But when you say that about ANZ, they’re not saying you must [*Inaudible*] 12 months before we put together, in 2018, the biggest supply of consents in residential units, flats, and apartment consents since 1974. So all I’m saying to some business people: stop being so pessimistic. There is more money in this economy than you have ever seen, and if you’re any good at business, you should be able to earn some. Thank you very much.

conclusion of press conference