

POST-CABINET PRESS CONFERENCE: MONDAY, 24 JUNE 2019

PM: Good afternoon, everyone. Shortly after this press conference, I am speaking and presenting at the New Zealand Youth Awards alongside the Minister for Youth, Peeni Henare. Tomorrow, I am in the House. On Wednesday, I am speaking at the Entertainment Technology New Zealand conference at the National Dance and Drama centre here in Wellington, and I am in the House in the afternoon. On Thursday morning, I will speak at the 100th anniversary of New Zealand's signing of the Treaty of Versailles event here at Parliament, before joining the Minister for Courts and the Minister of Justice, Andrew Little, in Porirua for a Community Law Centre announcement.

On Thursday afternoon, I will announce the details of a minor reshuffle. On Friday, I have several electorate engagements. On Saturday, as leader of the Labour Party, I head to my third regional conference in Hastings, having done two over the weekend, and my fourth in Wellington on Sunday. Also on Sunday, I will speak at a Matariki tree planting event in Wellington. It's also worth noting that Sunday is the final day of the phasing out of single-use plastic bags, with reusables taking their place from Monday, 1 July.

Today, though, I am, obviously, joined by the Minister of Finance, Grant Robertson, as Cabinet has agreed to progress the coalition Government's work to strengthen the regulation of New Zealand's financial system. Within our first 100 days in Government, we announced a review of the 30-year-old Reserve Bank Act, and you'll remember—many will remember—that was part of our coalition agreement with New Zealand First. This was to determine whether our monetary policy settings were still fit for purpose, and also whether our banking sector was appropriately regulated.

The Government has already delivered the changes to our monetary policy settings under phase 1 of the review. Phase 2 of the Government's review of the Reserve Bank Act into how the Reserve Bank regulates our banks is currently under way. It was split into two parts, which means we're in a position today to announce a number of in-principle decisions we have made to protect bank customers, and also to talk about our work to strengthen the Reserve Bank's oversight of the banking sector, including bank executive accountability. Again, I want to acknowledge this is work that's been under way for some time.

I'm going to, in a moment, hand over to the Minister of Finance, but first I'm going to outline one part of the area of reform. New Zealand stands apart from the rest of the world in having no formal or permanent deposit protection regime. This means that Kiwis with bank deposits have no protection from the failure of a financial institution, which would be from risks beyond their control. Of course, it's fair to say there is no pressing need for such a regime; our banking system is one of the strongest and most resilient in the world. Our economy is strong and secure and we are well placed to handle any economic global headwinds. That doesn't mean we can't make tweaks to our system to bring it in line with international best practice.

We know that depositor confidence underpins the smooth functioning of a financial system. During the global financial crisis, we saw how uncertainty rose among Kiwi depositors as they read headlines about the stability of the financial system, and the Governments of the day were forced to implement a temporary deposit guarantee scheme to maintain confidence. A formal deposit protection regime would add certainty to our financial system and mean Governments aren't forced to make such line calls on whether to introduce a temporary regime about what it would cover.

Cabinet today signed off an in-principle to bring New Zealand into line with the rest of the world. The Treasury and the Reserve Bank will begin developing a formal depositor protection regime that will ensure that eligible depositors' savings in registered deposit taking institutions are protected up to a certain limit. The current proposal is that this limit will be in a \$30,000 to \$50,000 range, per depositor, per institution. This range is being

identified during consultation with financial experts. Interestingly, a \$50,000 limit would fully protect about 90 percent of individual deposit accounts in New Zealand at present, which is consistent with modern international schemes.

I do want to note we've already talked to a wide range of stakeholders, and during consultation, a significant majority of those consulted did favour introducing this form of protection, and that includes the general public, industry practitioners, experts, special interest groups, past governors of the Reserve Bank, and three of the largest banks in New Zealand.

Our expectation is that work to design the scheme will start this year with legislation to implement the regime to be drafted in the first half of next year.

I'd now like to hand over to the Minister of Finance for further comment on that, but also to talk about the Reserve Bank prudential regulations.

Hon Grant Robertson: Thanks very much, Prime Minister. So as the Prime Minister said, these announcements today are both the in-principle decisions on the first part of phase 2 of the Reserve Bank Act review and also the release of a discussion document on the second part of phase 2. Phase 1, as you'll all remember, was the monetary policy focus, which led us to bring in the maximum sustainable employment objective and also change the decision-making process to the monetary policy committee model.

Phase 2 focuses on financial and prudential policy. We've already undertaken one round of consultation. It was completed earlier this year, and today we will be releasing the document for a further round of consultation.

In terms of the in-principle decisions, I'm going to run through them briefly now. The Prime Minister's obviously already announced the deposit protection scheme. In addition, we have decided to retain the prudential regulation and supervision function within the Reserve Bank. We put that out for consultation with a position that we preferred retaining it and most of the feedback we got back supported that. That largely relates to the size of New Zealand and the efficiency of having those functions all within one institution, unlike in Australia.

The second in-principle decision today is to replace the soundness and efficiency objectives in the Act with a single financial stability objective. This is effectively a modernising of language. There will be some objectives that cover the soundness and efficiency issues, and again this had wide support.

We will be establishing a new governance board for the Reserve Bank, with statutory authority over all Reserve Bank decisions with the exception of those held by the monetary policy committee. This is effectively the model used in other Crown entities and a more traditional governance board arrangement will allow greater expertise, diversity of membership, and clarity of focus for the board.

As a result of that decision, we will not be establishing a financial policy committee to mirror the monetary policy committee. We believe that the functions of the board as a proper governing board will cover this. There are also different processes and time frames for financial policy decisions as opposed to monetary policy decisions that make a monetary policy committee suitable for that but not for financial policy.

We've taken a decision for Treasury to be the monitoring agency for the Reserve Bank. This is sensible given that the board is now more closely engaged in the activities of the bank and is in less of a position to play the monitoring role that we would expect Treasury in this case to do.

We have also taken an in-principle decision to merge the two existing prudential regimes for banks and non-bank deposit takers—i.e., building societies and financial companies. That will now come into one regime, and this obviously supports efficiency. It will still be a risk-based regime, but it does also support strengthening alongside the deposit protection scheme that the Prime Minister has already announced.

In addition to that, we are now going into the next stage of consultation. This is where we'll look in more detail at the operational part of financial policy, so we will be investigating prudential regulatory tools and powers and the role of the bank in using those prudential tools. Obviously, you'll all know from the use of the LVRs that there is significant interest in how they came to be used and how they were developed. We now have an opportunity to work out what the bank's role should be in that.

Secondly, we'll be looking at the supervision and enforcement arrangements that govern our prudential regulation. This is a very important area for us to ensure that the bank is in a position to have the powers it needs to undertake the work that they go through.

That also will include some discussion around the kind of accountability regime we expect for bank executives. This includes looking at the Australian BEAR system—their bank executive accountability regime—and also the UK senior managers' regime that do give some more ability for those regimes to look more closely at bank executive behaviour.

There are a range of other areas we want to look at—the balance between the more light-handed regulatory model that Reserve Bank has traditionally had versus what we've been advised by the IMF and others over the years should be a stricter regime.

In the interest of time, Prime Minister, there are some other areas but you're looking at me, and so—

PM: I think everyone's looking at you.

Hon Grant Robertson: Well, you know, except for Bernard, who's loving every second of it. But we also will be looking at the crisis management features, coordination with other agencies, and funding and resourcing of the bank.

Media: What about KiwiSaver? Where does that fit into all of this?

Hon Grant Robertson: KiwiSaver's already been looked at under about three different reviews, Jason, from default providers through to an overall look at the scheme. So that work will continue alongside it, but it's not directly part of the Reserve Bank Act.

Media: With the bank deposit—sorry, the deposit protection regime—who pays for that—the Government or the banks?

Hon Grant Robertson: So that's still to be decided, and that's the part of the scheme we're now designing. Most of these schemes around the world rely on a bank levy supported by Government intervention as required, and that bank levy is usually built up over time over a number of years, hence why you need some Government backstop while it's being created. But, you know, I think it's really important that this is about tipping the balance in favour of depositors, of the people who banks are there to serve. We want to make sure they're protected as much as possible, and so the scheme will be designed with that in mind, up against the balance of a banking system that is by and large very safe and secure but needs to ensure that we have all of the tools in play.

Media: Will you be bailing out banks if they fail?

Hon Grant Robertson: No, and, as I say, the pattern in most countries around the world is that this is funded by a bank levy, but, as that bank levy is built up, there is sometimes a need for a taxpayer backstop. But that's what we'll now work through.

Media: Minister, how can you be sure banks won't decrease their term deposit rates to cover the costs of the levy?

Hon Grant Robertson: Well, we can't be certain about that, obviously, but what we've seen from jurisdictions around the world is that, you know, these things find a way of washing through the system and competitive forces will come to play. But, obviously, part of the design of the scheme is the way in which we build up such a deposit protection scheme, the length of time we do that, the amount that we settle on as being required. So all of that's still to be worked through, and the banks will be important stakeholders in that.

PM: And keeping in mind it has been viewed favourably by a range of those we've engaged in during consultation, and that includes some of the major banks as well.

Media: The moves that you've announced today, does that mean the Reserve Bank needs further funding from the central government or are they just going to have to do more with less?

Hon Grant Robertson: When I was moving quickly through all of the items that we're consulting on, one of them is around the funding of the Reserve Bank. Quite clearly, they have a significant role to play in ensuring for New Zealanders that the banking system is not only safe and sound—which it is—but also that the behaviour of banks meets the standards that New Zealanders would have. So I fully expect, as part of that process, that the Minister of Finance will be called on to look at what's required, but we're well some distance away from what that will be.

Media: With the Reserve Bank enforcement rules, are the penalties available not currently tough enough?

Hon Grant Robertson: Well, that's the debate that we now have to have: is our regime strong enough? That is both in terms of the level of supervision, the intensity of the supervision, and then, yes, what might be possible if something is found to be wanting. Clearly, when it comes to bank executives per se, we do not have the kind of scheme that Australia has or the UK has. The Australian BEAR scheme is relatively recent. There have been some examples in the UK scheme, where I think it was Barclays Bank in 2018, where there was some fining of the chief executive when conduct did not meet the standards of their accountability regime. We do not currently have something like that in New Zealand.

Media: Do you think that would change the things played out with the Hisco affair?

Hon Grant Robertson: I'm not going to comment on a specific case in that regard, but what I would say is, if you don't have rules like that, it's hard to enforce them, isn't it?

Media: Minister, are you confident that the conduct of the banks has been sufficiently investigated, because the ANZ situation for capital and for Mr Hisco happened under its watch and you're saying you don't need to change much?

Hon Grant Robertson: Yeah, look, obviously there is now two section 95 investigations under way, which I hope will shed a little bit more light on how we ended up in the situation we ended up in. The bank itself is obviously, with the FMA, done the culture and conduct review, and you've seen outcomes of that today. But what this phase 2 review does is give us the opportunity to say is the tool kit fit for purpose, and that's actually a good opportunity now to use all of the examples that are currently in play at the moment plus other ones that aren't even necessarily from the core banking sector and to learn the lessons from that. So that's why we're doing the review, and the opportunity there now is for us to dig into that.

Media: Are you waiting for the bank capital requirements changes to be published before you actually launch into this, because you've got these two separate things trying to make banks safer, both of them are going to be piling costs on to consumers. Is there a chance you might be making banks so safe that it's not worth the cost that consumers will pay?

Hon Grant Robertson: Clearly, there's an interaction between what we do, in terms of depositor protection, and what the bank itself does in terms of its capital requirements. But I think you've got to look at is the whole picture of what a financial safety net looks like, and, clearly, you know, that includes both, you know, protection for depositors, how banks remain safe, but also the supervision and monitoring regulation, how resolution systems work. And all of those fit together as a whole in terms of what makes for a safe banking environment.

Media: There's a little bit of crossover with this—

Hon Grant Robertson: I wouldn't say its crossover, I would say that there's actually a relationship between the two and you need to find an appropriate balance.

PM: But ultimately, both, though, I would say, are all about trying to prevent a situation where taxpayers pick up the cost when something goes wrong, and so, as has been put to me, it's about making sure that you have robust fences at the top of cliff.

Media: On that point, though, is there a chance that the scheme will have an EQC-style Crown guarantee for when the insurance fund runs out and then taxpayers do have to step in? Because last time you had this scheme the liabilities were in excess of \$133 billion.

Hon Grant Robertson: Yeah, it's all about—I mean that's all in the design of the scheme but bear in mind in this scheme we're talking about a cap of somewhere between \$30,000 and \$50,000 that we've got to make sure that it works with the rest of what makes a financial safety net. And I'm confident that we can design a scheme as such that that wouldn't be necessary, but that's what we now have to work through.

Media: Presumably there'll be a State backstop to the scheme?

Hon Grant Robertson: As I say, I'm repeating the answer I gave before, but what we can see from other jurisdictions is that, yes, it takes some time to build up a levy over time and, therefore, you need some form of backstop during that period. If we design this scheme well, I'm confident a bank levy should be able to handle it, but that's what we have to work through.

PM: Hamish.

Media: Can we clarify: above \$50,000 are depositors certainly on their own?

Hon Grant Robertson: Under the proposed scheme, yes, they are.

Media: So if you've got more than \$50,000 you're wiped out.

Hon Grant Robertson: Well, bear in mind we still have open banking resolution in New Zealand and so this—whatever we design for depositor protection—would work alongside that for a large bank that was covered by open banking resolution. So we have to see how the two of those work together. Again, that provides, actually, potentially, quite a high degree of support for depositors, but for the protection scheme itself we're talking about a \$50K limit, yes.

PM: We would be one of the few countries, I think, as I understand it—

Hon Grant Robertson: Probably the only country.

PM: —that would have both a depositor protection scheme but also the existing regime that we have as well. So that's why working through those details of how the two would interact with each other—but having both, actually, provides a degree of protection that many other jurisdictions wouldn't have.

Media: Would you expect that the scheme would be fully-funded within a certain period of time?

Hon Grant Robertson: Yeah, look, I mean, that's one of the things we now have to work through but, yes, that would be something that we would like to work towards but how we do that, the length of time that that would take, is something to be debated. But, as I say, we're in the process now of designing the scheme. I'm giving you examples of what tends to happen with these schemes around the world, which is that they are based on a bank levy and that, over time, that is what funds it, but, obviously, when we do the final detail of the design we can work out where, and how, and if a Government backstop would be required.

Media: Do we need a royal commission into banking here?

Hon Grant Robertson: I beg your pardon?

Media: Do we need a royal commission into banking here?

PM: Look, no. That isn't to say that there haven't been issues and, obviously, the result of the work that's come out from the FMA and the Reserve Bank— particularly around incentives used for the sale of products—was something, particularly, that needed to be addressed and is being now addressed. Tranche 2 does provide us an opportunity, though, to look at whether or not more tools are required for the Reserve Bank's tool box, particularly when it comes to their monitoring function with bank, and bank executives. So we now have the opportunity to rectify that. If we had a royal commission, that would simply, I think, prolong a process that we can ultimately undertake with this tranche 2 of work that we're now under way with.

Media: It's clear that the FMA and the Reserve Bank whitewashed the activity from last year. They wouldn't even name anyone in their report, and they missed this situation where the country's biggest bank gave a \$3 million rebate to the wife of the CEO. So why should we have this big reform without a royal commission like they had in Australia, which actually named and shamed people?

Hon Grant Robertson: Yeah, so let's let the section 95 inquiries take their course and we'll get a lot more clarity about the situation with ANZ specifically. But last year what we saw was that the Reserve Bank and the FMA undertook their culture and conduct review. They came up with a number of recommendations. They've come back today with the progress on those. We have to, as politicians, I believe, support the regulators in that work, but, clearly, we remain interested and focused on making sure that our regulators have the tools they need. That's what phase 2 allows us to do.

PM: I mean, issues, obviously, have—you know, I think it's important to point out that issues, obviously, have been raised. They're in the public domain, and the Reserve Bank are undertaking some work as a result of that.

Media: Minister, do you think that senior managers have gotten off easy because of a lack of tools to crack down on them?

Hon Grant Robertson: Well, that's precisely what we're looking at in phase 2—is whether or not we need more tools to be able to look at the behaviour, particularly of bank executives.

Media: Have they gotten off easy because of the lack of tools?

Hon Grant Robertson: Well, I don't know that I'd characterise it that way. What I'd say is that, when we look at other countries around the world, they clearly haven't stronger regimes; they have a regime per se. We now have the opportunity to look at that. This is why we decided to review the Reserve Bank Act. It was because, after 30 years of operation, we believed that we needed to make some changes to make it fit for purpose for the 21st century. We've done that for monetary policy. We now move on to the financial policy and prudential supervisions side of the shop. And, yes, there are plenty of issues now for us to look at and for us to improve.

PM: We could have a royal commission that could take two years and it could tell us, "You need reform to the Reserve Bank and greater tools for them to act in these areas." Or we could just get on with doing that work.

Media: Minister, in terms of deposit protection insurance, what was your thinking around that potential \$50,000 limit? Because my understanding is that that's lower than a lot of other countries.

Hon Grant Robertson: Yeah, look, it's within the ball park of countries that we would normally compare ourselves to for banking—so, in terms of GDP per capita and intensity of banking. It was set, largely, on the basis of the fact that it did cover 90 percent of deposit accounts—clearly, significantly less in terms of actual deposit money—and it gets the balance right between providing protection for everyday bank depositors but also acknowledging that there is some risk inherent in this. Everybody always raises the moral hazard argument in this. The reality for Governments is that they will end up intervening in

one way or another. Having this kind of regime means that we have some certainty about that, everybody involved in this scenario knows how it will play out, and we give depositors the confidence as well.

Media: Sorry, do you know what portion of funds deposited that would cover? Because that 90 percent of deposits is misleading, because I might have three deposits each worth \$5,000 or \$10,000.

Hon Grant Robertson: Yes. I think it covers around about 40 percent of actual money, but that balance is the one that you need to strike. But, if you think about it, for most people what they're worried about in the unlikely event of a bank collapse is the ability to keep paying the mortgage, keep paying the bills. This is set up so that people can do that alongside the fact that you have to have a balance of risk.

Media: What percentage of Kiwis' wealth is tied up in bank deposits? Do you know that?

Hon Grant Robertson: I don't know the answer to that, Nick. Sorry; I'll have to find out.

PM: We might be able to come back to you.

Media: For couples, is it double that?

Hon Grant Robertson: It's \$50,000. The proposal is for \$30,000 to \$50,000 on individual accounts.

Media: So if somebody's got a joint account, for instance?

Hon Grant Robertson: I think that would just be counted as one bank account.

Media: And also KiwiSaver—a percentage of the KiwiSaver funds are typically in bank deposits. Are they covered through this scheme?

Hon Grant Robertson: Yeah, that will be one of the system design matters to look at. Certainly, the focus for us is on making sure that individual depositors are able to go about their business at the end of a situation where a bank is in collapse or a financial institution is, but that would be a design system issue.

PM: I'll take a couple more. I'm just mindful of time and I imagine we might have a few wider questions.

Media: You said earlier that there was clearly an interaction between a deposit insurance scheme and the banks' capital adequacy proposals. Are you saying, effectively, that if there's a deposit insurance scheme, that therefore the bank may not have to go as hard on the capital adequacy?

Hon Grant Robertson: Clearly, that's a matter for the bank, and the regime that we have is that they make that decision. What I'm saying is that there's a total system of a financial safety net here. That includes regulation, it includes the supervision arrangements, it includes resolution arrangements, it includes depositor protection arrangements, and it includes bank liquidity. You put all of those things together; you have a good, solid financial safety net. Clearly, they work in sync with one another, and so any decisions made at either end of that scenario will have to reflect the other end of it.

PM: If there are any other questions specifically that are relevant to this issue or Minister Robertson—I'm just mindful it's half four. Thank you, yes.

Media: The bank deposit scheme—

PM: So it was for Grant. Given you're new, last one.

Media: So with the deposit scheme, we have seen in Australia their figure is \$250,000, the UK is £85,000, Canada's a \$100,000. If it's in line with international figures, who are we comparing ourselves with?

Hon Grant Robertson: Well, it's in line with the GDP per capita and the banking intensity of a range of countries, but I do acknowledge it's at the lower end of that. That's when you have to look at, without the risk of repeating my list again, the full set of elements of a financial safety net, and that means looking at the regulatory side, looking at bank liquidity requirements, looking at the prudential supervision regime. So if you put all of that together, we believe that this strikes the right balance. As I think I answered before, the 90 percent figure was important to us because that meant that, you know, the range of small depositors—the people who we really want to look after in these situations—will be looked after. But, look, that's why we're going back out to confirm the details of the regime.

Media: Just before you go, have you had any update from the State Services Commission about its investigation into the Treasury secretary's—

PM: It's a matter for the State Services Commission.

Hon Grant Robertson: And no.

PM: Again, we'll move on now. You can ask me those questions, if you would like.

Media: On the reshuffle, have you talked to those affected already. Did you do that at Cabinet today, or will you be doing that before Thursday?

PM: Again, obviously I talk with colleagues who are involved; I undertake those discussions in various forms. They're not decisions taken by Cabinet. Ultimately, they're my decisions, and we'll be announcing the outcome of those on Thursday. I do want to highlight, though, I consider them to be relatively minor.

Media: When will the Labour caucus be electing the new Ministers?

PM: We do have rules that we have to follow, and we will be following them.

Media: Has Cabinet signed up on the KiwiBuild reset yet?

PM: No.

Media: Do you have confidence in—you haven't yet? Wasn't it going to be this month?

PM: That was speculative, when we were signing those off. Again, as I say, I don't give time lines precisely for exact Cabinet papers, for that very reason. But what I can say is that we are not lessening the focus that we have on rectifying what is, ultimately, a crisis in our housing sector. We are undertaking something that has never been done by a Government before, and a result we are building more houses than any Government has since the mid-1970s. It's not easy, but we are not giving up.

Media: Will KiwiBuild still be the policy at the next election.

PM: Again, we're working on a reset. We of course absolutely stand by the fact that there's been a failure in the housing market more generally. There are a number of things that we've already put in place that we do think, and we see, are making a difference already. So, for instance, the tax loopholes, foreign ownership, you see particularly a softening in the Auckland market, and 24 percent of buyers now are first-home buyers in the market. But we do have a failure in the market, and that's why the Government build programme is important. We still will have a Government build programme; the rest I'm leaving to the reset.

Media: It was the end of June, beginning of July. Are you still on track for that?

PM: Again, when we have announcements around the reset we'll make them, but we will still have a Government build programme.

Media: What about KiwiBuild?

PM: Again, we will make announcements on the reset when we've made decisions, but we will have a Government build programme. Again, I'm not saying anything here that I haven't said many times before. We're working on a reset; when we've got an announcement to make, we'll make it. *[Interruption]* Sorry—Jessica. Just one at a time.

Media: It's hard not to link the two, though, having that reshuffle and then having the reset being pushed out a bit. How much should we read into that in regard to Phil Twyford—

PM: I'm not indicating that it's been pushed out. Once Cabinet's made its decision, we'll make announcements. Again, I don't give precise time lines on when Cabinet papers are decided or considered, for this very reason.

Media: Do you have confidence in Phil Twyford as housing Minister.

PM: He has done an incredible job with a very difficult area of work. I'm not making any announcements today on anything—

Media: Are you saying you have confidence—

PM: I just did. I said he's done an incredible job. It's a very difficult area of policy. No Government has had to do this before or has tried to do this before, and it's not been easy, but as a result we are now building more houses than any Government has since the 1970s. I'm proud of that. It's extended across transitional housing, Housing New Zealand, public housing spaces, and homelessness, and that has happened under Phil Twyford.

Media: Prime Minister, the Federation of Islamic Associations said they met with you to discuss a monument for the March 15 attacks, and you thought it was a good idea. Are you involved in that process at all?

PM: Yeah, I haven't had a specific meeting solely on this issue. I've had a number of conversations with FIANZ, as you'd imagine, since 15 March, and one of the things that they have raised is any commemorative events in the future to mark what happened on 15 March. Very briefly they've mentioned to me ideas they have around memorials. At this stage no decisions have been made. It felt at the time, I think, probably for all parties, that it may have been a bit too soon for some of those conversations, but I imagine that they'll be ongoing.

Media: Is the Government walking the talk in terms of supporting victims in ethnic communities in the wake of Christchurch? We've heard that some families are still struggling to get visas for their loved ones to come over. Donations still haven't been released, and Minister Salesa asked for, like, \$46 million to up the capabilities of the Office of Ethnic Communities and just got \$9.4 million.

PM: Again, I think when you look at some of those individual situations—so, for instance, visas: we move very quickly to make sure that those who needed loved ones to be in the country for immediate support were able to access support through Immigration New Zealand to have their family members with them. We also, of course, move very quickly on giving stability and assurance to those who are already resident in New Zealand or living here in New Zealand who are affected by the attack, to then move to permanent residency. We moved very swiftly on that. And, of course, that affected some of their immediate family who are present in New Zealand as well.

We now see a few extra cases where people want a family member who has not been in New Zealand to be able to come in and give support, and those have been dealt with on a case by case basis. I need to let that process run its course. But we did move as quickly as we could, both to give assurance to those directly affected and their families but also when it came to emergency visas.

On the donations, that's actually not something that we've been directly involved in. It's money that's either gone to FIANZ or to Victim Support. We've tried to offer assistance and support in the distribution of those funds, but ultimately they weren't our decision, and we have encouraged consultation with the community before making those decisions.

Media: The interim climate change report says that they're getting to the 100 percent renewable target would impact people on lower incomes the worst. Is the Government still committed to having 100 percent renewable energy by 2035?

PM: Well, first of all I think it's important to note that the report hasn't been released yet and nor has the Government's official response to the report, so I do want to reserve the ability of the Minister to do that in an official capacity. One thing I would say, though, is, of course, it is a 2035 goal. We're already seeing significant change in the affordability of renewable energy and we expect that will of course continue to check in as we move through towards a 2035 goal. And we've always said that thermal peaking would be needed right through to 2035 as well. But beyond that, my preference is to wait until we put out the full report and our full response.

Media: So will you be waiting until after recess to make any announcements regarding the second tranche of the gun laws?

PM: Of sorry—of the?

Media: The gun laws.

PM: Oh, the gun laws—what we do want to do is make sure that we get the buy-back fully bedded in, that we get the return regime under way, and then we'll be in the position to make tranche 2 announcements. So I won't give an exact time line. As I said last week, it would be in the weeks that follow. That's still our intention. I might take the last couple of questions.

Media: Has Cabinet made an in-principle decision or sign-off on that second tranche of changes?

PM: Again, when we're ready to make announcements on it we will, but I've given an indication that it will be in the weeks that follow the buy-back really bedding in.

Media: Have you seen a report that British officials were looking to relocate child killer John Venables overseas, and possibly to New Zealand? If that were the case, would we have any say in it?

PM: I've seen reporting. I'm advised that Immigration New Zealand have not received anything official. Of course, because of his existing convictions, he would need an exemption under—from what my recollection is—section 15 of the Act. My advice would be don't bother applying.

Media: Why did Phil Twyford bail from the KiwiBuild summit and why didn't you insist that he attend?

PM: I'm not sure that that's a fair reflection. Of course the Minister received, I understand, some time ago, an invitation. The Minister is well aware that I prefer not to give leave on Mondays for Cabinet, particularly when a Minister has a paper that needs to be taken through, as was the case for Minister Twyford. Minister Salesa has attended that conference. He attended last year. This is mostly just a matter of Cabinet being the absolutely priority, and Ministers know that.

Media: Minister Salesa didn't answer any questions about KiwiBuild, because she said it wasn't her responsibility so she probably wasn't the right Minister to attend—

PM: Oh, look, and, again, I don't see this issue would have arisen if we had the event on a day other than a Monday.

Media: If we'd had the Minister, and what was the—

PM: Yes, and, as I just said, Minister Twyford had a paper. Again—again—I'm not going to give you the outline of everything that goes through Cabinet.

Media: [*Inaudible*]

PM: I'm not going to go through a yes/no answer on what papers have or have not gone through Cabinet. However, Ministers know, as a general rule of thumb, I very rarely give leave for an events on Monday, unless there is particular circumstances. Sir Brian Roche was present. Minister Salesa was present. But, again, much easier if these events aren't on Mondays. All right—I'll take a last question.

Media: With the reshuffle, were you doing that in consultation? Like, did you give the people affected a right of reply to have their say and put their case forward, if you like?

PM: Again, I'll leave the process to the process that I undertake, but I'll say that, ultimately, these decisions are my decisions. OK. Thanks everyone.

conclusion of press conference