

## POST-CABINET PRESS CONFERENCE: MONDAY, 30 SEPTEMBER 2019

**PM:** Good afternoon. This week, I am in Auckland on Tuesday and Wednesday, and will speak at the Silver Scrolls Wednesday evening. Thursday morning, I will speak at the women in film summit in Auckland, then at the Net hui at Te Papa in Wellington. I'm back to Auckland for the Ryman Prize awards on Friday, before I head to Gisborne for a few days for Tuia 250.

As you know, last week we made several jobs and economy announcements, including releasing the economic plan and a new financial conduct regime to ensure banks and insurers treat their customers fairly. GDP, obviously, came in slightly stronger than some expected for the quarter, and the IMF gave us a good report, praising the Wellbeing Budget in particular.

Today, I am joined by Minister Robertson and Minister Jones to talk about regional banking services. It is with pleasure that today we can announce, following several months of work between the Bankers' Association, local communities, and the Government, that New Zealanders living in our regions will not see any more of their stand-alone bank branches close while our six largest banks trial a new service: regional banking hubs. This is a one-stop shop of basic banking services, and from early next year the hubs will be trialled in four towns: Martinborough, Stoke, Ōpunake, and Twizel. Martinborough has no banks left; Stoke's last bank is in the process of closing; and Ōpunake and Twizel are both down to one bank each. Kiwibank, BNZ, TSB, ANZ, ASB, and Westpac have committed to keep open all branches in regional New Zealand while the trial is under way, which is great news for half of New Zealand, who live outside our main centres.

For a Government committed to supporting thriving regions, this is welcome progress for regional communities, who can often feel left behind when branches close as banking shifts online. I know the Bankers' Association has been looking for some time to see if there is a model that works for smaller communities, and I would like to thank them and the banks for their work. This is a move that is smart, that is innovative, and importantly has community at heart. It makes sense economically and will provide a welcome boost, I'm sure, to our smaller centres.

I'll now hand over to the Minister of Finance, Grant Robertson, and then Minister for Regional Economic Development, Shane Jones, to explain a bit more about the hubs and the significance of this for the regions.

**Robertson:** Thanks, Prime Minister. And I believe this is great news. The hubs are going to provide basic transactional services such as cash withdrawals, most deposits, and account transfers. In the case of Ōpunake and Twizel, it will involve using the existing branch of the remaining bank. In the case of Martinborough and Stoke, we'll be looking to partner with local organisations to establish a venue, likely in a community centre or a similar location, for the services to be provided. The locations will all have a multi-branded smart ATM and online banking facility along, importantly, with a support person to enable people to use it and provide guidance and assistance for this.

When we're talking about regions here, we're obviously talking outside of the main centre areas—Auckland, Tauranga, Hamilton, Wellington, Christchurch, and Dunedin. We're very grateful to the New Zealand Bankers' Association for working with us on these proposals over some period of time, and indeed to the banks themselves. It is a very important signal from the banks that they will not be closing any further branches while this trial is under way. It's a yearlong trial that is going to take place. We're very optimistic that, at the end of this trial, we believe we will have developed a model, or models, that can be used around New Zealand if that is needed.

**Jones:** Earlier last year, I struck a chord, I believe, with regional leaders and regional stakeholders. Grant Robertson did say to me, “Right, well, we need to formulate this into the business of Government.” And Grant and Mr Faafoi have done a great job in the sense that it’s now a project; full marks to the Bankers’ Association. There’s up to a year. And I think that, whilst it doesn’t touch the four winds of Aotearoa, it demonstrates that, when you mix political advocacy and policy making, we can come up with simple solutions that suit those areas of provincial New Zealand that the mainstream banking service tends to pass by. They have promised they will not close any branches during the 12-month period, and I do believe they’re looking for a genuine solution. And hopefully within 12 months, we’ll see some upside.

**PM:** Thank you, Ministers. Happy to take questions.

**Media:** How much pressure did you have to put on the banks for them to get on board with this idea?

**Robertson:** I wouldn’t say it was particularly pressure. I mean, clearly, the initial meetings that we had came as a result of work Minister Jones and myself were doing. But, actually, the NZBA moved quite quickly to want to be part of this. I think they understand, along with their members, that we’re in a transition period when it comes to banking. For many people, there are no issues whatsoever with doing their banking online; for others, there are services that they want to have in person or that they feel that they need to be able to deal with in their local town. So they responded quickly to this, and then there’s been a, sort of, backwards and forwards since then around the exact nature of the trial.

**Media:** Even though some regional branch closures are inevitable, is there a risk that starting these hubs could mean more bank closures in the future after the trial?

**Robertson:** I don’t think so. I think what we’re seeing here is a genuine attempt to make sure that there are services available in our regions. As you know, the nature of banking is changing, and that is the reality of life. What we wanted to do here was make sure that we looked at different ways of services continuing to be provided. And we are going to be trialling slightly different models in each place here, which will enable us to understand, as we go forward, what’s possible. But, no; this is a genuine effort by all involved.

**PM:** I think it’s an acknowledgment as well that, even while banking services are changing, there are some functions that can only be done in person. And, for instance, putting a new PIN on a new card; there are things that actually just need person-to-person contact, and also an acknowledgment that some will transition more quickly than others in the way they access their services. In our rural communities in particular, knowing that someone, who perhaps is maybe an older person who’s not using online services, can still get the support that they need in their local community without having to drive a massive distance—I don’t think they’ll mind if it’s under the banner of multiple banking logos, just as long as they have a person and they have the facilities they need.

**Media:** Couldn’t banks use these hubs as an excuse to shut down more branches?

**PM:** I think the fact that we’ve got a commitment here that, over the period of this trial, which is a year, we will see no regional banking closures, I think does demonstrate the good will here to see this, we hope, work positively and be a win-win outcome for our rural communities.

**Media:** Are they not just glorified ATMs with someone there telling you how to use this ATM?

**PM:** No, because there are additional functions.

**Robertson:** Yeah, as I said earlier on—I mean, particularly in the case of what’s happening in Twizel and in Ōpunake, they’ll actually be housed within the existing banks. In the other places, you know, this is going to be a range of services offered. The final design of that will come through at the beginning of next year, but there will be people there, and people will be able to do their basic banking services. And certainly the initial reaction that we’ve had from people in those regions is that they’re very positive about that.

**Media:** I guess the key word there, though, is basic banking transactions; you wouldn't be able to, say, go and speak to your mortgage broker?

**Robertson:** No, and that's correct. And, in an actual fact, you know, that is the reality for a lot of people in a lot of towns in New Zealand at the moment. So we can't turn the clock all the way back here; what we can do is make sure that people in regional New Zealand get access to the kind of banking services they need on a day-to-day basis.

**Media:** Kiwibank are exempt from the bank closures; why is Kiwibank/NZ Post branches—why are they exempt from the—

**Robertson:** There's a different set of commercial arrangements there between New Zealand Post and Kiwibank in terms of what happens with, you know, the shared premises that they have, and so that's the reason for that. That's shared premises as opposed to stand-alone premises; they're not going to close anything.

**Media:** [*Inaudible*] postal services?

**Robertson:** Yeah, there's a bit of work for us to do on New Zealand Post. We've recently installed a new chair into New Zealand Post, and we're having another look at the situation they face with their business model at the moment, and we'll be making some, you know, further announcements about that in due course. But it's a reflection of reality.

**Media:** Will these centres which aren't in a bank branch have the same security arrangements as a normal bank branch?

**Robertson:** That's something that we will be working on with the Bankers' Association. Clearly, there will need to be security arrangements put in place, and that's work that will go on over the next couple of months to identify the exact location in the two places where it won't be in a bank.

**Media:** Could regional postal services be hubbed in a similar way or be kind of [*inaudible*]

**Robertson:** That's definitely a possibility. As I say, at the moment, we have the standard agreement—the long-standing, sorry, agreement—we have with New Zealand Post that they must maintain, I think it is, at least 800 points of contact. The new chair, I know, has got ambitions to actually expand that if he can. So we'd look towards, you know, different ways of offering those services that fit with community needs. We haven't made that decision, but, you know, we're certainly open to it.

**Media:** In terms of those services that will be available to people in the towns where these hubs are, will local businesses be able to access floats for their businesses? That was a concern that was raised with us.

**Hon Grant Robertson:** Yeah.

**PM:** I understand standard deposit arrangements would be available.

**Hon Grant Robertson:** Yeah, so the ability to have cash, both deposit and withdrawal, will be there, and so I imagine that is something that could be worked through. I don't have the detail about floats or anything.

**PM:** But that demonstrates that they are looking to go beyond standard ATM arrangements when you're able to have those deposit arrangements, which they've indicated we will.

**Media:** So, as a solution going forward, is there a role for the Government to play in that, and have you identified perhaps where that might be?

**Hon Grant Robertson:** I think we want to see how the pilot goes. I mean, what makes me happy about this is that the banks themselves have stood up and said that they want to do this and that they understand that their customers want these services provided. I'd be interested to see how the pilot goes and where we fit. And, as the earlier question asked around what might be the role of Post and other Government services, we're certainly open

to that in the future, but this is something the banks are driving, and I think we should be pleased about that.

**Media:** What other services alongside banking and postal services?

**Hon Grant Robertson:** Well, the gap, in a sense, that's emerging is the role that Post used to do in other things, like car registration and those sorts of services. In some Post outlets, they're provided now; in others, they're not. So that's an example.

**PM:** I think it's fair to say we are in a period of transition, whether it's accessing Government services or accessing what has been, in the past, standard services that you would see in every town, where some people now are choosing to access those services online or over the phone. But not everyone does, and I think we have to make sure that, even when we lose that economy of scale, that we don't lose the customer service that people should expect.

**Media:** Have you asked Shane Jones for an explanation about his comments for the forestry dinner?

**PM:** Have we finished with regional banking services? Apparently we have. Minister Jones is welcome to stay for those questions, but, as you understand, I tend to—I'm the only one that takes the stand for general lines of questioning. You're most welcome to ask—

**Media:** That's a bit unfair, he's standing right there.

**PM:** Standard procedure, you'll understand, Audrey. He's welcome to stay.

**Media:** Have you asked for an explanation or received an apology?

**PM:** Minister Jones and I have spoken, and we have a common understanding. Minister Jones is about to take a short break, a holiday over the recess, and we've agreed that he'll take the *Cabinet Manual* with him.

**Media:** The business confidence numbers out this afternoon show another drop. How concerning is that for the Government?

**PM:** Look, I think, when you look back over a period of time—and, of course, I do take a close look over these numbers, compare them with other periods of time, look at all of the indicators. I see, for instance, with interest that you still see people's sentiment around larger purchases actually having gone up a small amount over this period, which does give you a bit of an indication over where consumer confidence sits. Also, if you look over a period of time over history, you'll see that there have been periods where we've had confidence sitting at around these rates at periods where our economy has been described as a rock star economy, or sitting at roughly 3 percent growth. I'm always looking for what we can do to make sure that we hear the feedback of business where there is room for Government to be making moves that will shore up their confidence—keeping in mind, however, we are in a rocky international environment. Those who have conducted the survey still point to the strength and the strong foundations in the economy and acknowledge that those international headwinds will be making a difference to business and consumer sentiment.

**Media:** In regards to sending Minister Jones off with a copy of the *Cabinet Manual*, is that an acknowledgment that he did breach the *Cabinet Manual* rules?

**PM:** It's an acknowledgment that his language should be much tighter, particularly when it could be construed that he is speaking as a Minister. Indeed, my expectation is that that kind of language just isn't appropriate, particularly when you're at a function where those who are in attendance will believe that he is there as a Minister.

**Media:** And this isn't the first time you've had to give him a rap across the knuckles?

**PM:** No, it's not, and my message remains absolutely the same.

**Media:** Yeah, so are you making light of it a bit by saying that he's going on a holiday, got to take the *Cabinet Manual* with him, without any real censuring?

**PM:** No. I am making the point that I have an expectation that, although some might argue it was or it wasn't, my view is that it just sails too close to the wind.

**Media:** On daylight savings time, there's a nascent campaign to go—

**PM:** There's a what, sorry?

**Media:** A nascent campaign to go to permanent summer hours. Is New Zealand following the EU's decision in recent years? Does the Labour Party have any view on that?

**PM:** No. We have policy on many things. I do not believe we have a policy on daylight savings.

**Media:** If you were nominated for a Nobel Peace Prize, would you accept that?

**PM:** That feels highly, highly speculative to me.

**Media:** If you were nominated, though, would you accept?

**PM:** Um nominated—I don't think anyone even gets informed as to whether or not they've been nominated.

**Media:** Has anyone talked to you about efforts to try and have you nominated for the Nobel Peace Prize?

**PM:** No—no.

**Media:** In the process, they have to contact you beforehand and you have to accept the nomination. I'm asking: if somebody came to you from the committee and said you've been nominated, would you accept that nomination?

**PM:** That hasn't happened; so that probably answers your question.

**Media:** But in that situation, would you accept?

**PM:** Again, that's highly speculative, and I'm telling you that I have not had that happen to me; so that should therefore answer your question.

**Media:** On *Newshub* on Saturday, Ambassador Scott Brown was asked why Pompeo and the other officials met you at the UN, and he said, "We're looking at some very important things. New Zealand is a Five Eyes partner. It plays a very important role." Did that discussion therefore go into aspects of Five Eyes, and did it discuss Huawei?

**PM:** I've said already that I'm not in the habit for any bilateral of getting into detail around issues of national security, and I think you'll appreciate why that would be. But our conversations were fairly general in nature and relevant to what I would determine to be regional security issues.

**Media:** China?

**PM:** I don't confirm or deny any of the national security issues that are discussed, and you would understand why that would be. But it was a reasonably general conversation.

**Media:** Did you come back from the UN with a sort of renewed sense—

**PM:** —of jet lag?

**Media:** —of urgency—no—of urgency around getting some climate change legislation passed and decisions made?

**PM:** I've always felt that urgency. This Government's always felt that urgency. It doesn't take attendance at a climate action summit for us to feel that; we already do, because we're well aware of the science and we're well aware of the signs of climate change and its immediacy.

**Media:** What do you think will be happening between now and the end of the year on it?

**PM:** We'll pass our zero carbon legislation. Do you know, of the conversations—and, obviously, I had a number of bilaterals which focused quite heavily on climate change as an

issue because countries around the world are grappling with their response and their policy response, and what became clear to me is that the moves that New Zealand are making, particularly in trying to address the element of our profile around agriculture, is particularly leading—difficult but leading. Very few countries have found the answer on how to cope with agricultural emissions. We're trying to do that in a way that brings rural communities with us. That doesn't make it easy, but it is necessary.

**Media:** You said the zero carbon bill will be passed by the end of the year—

**PM:** That remains our ambition.

**Media:** Will agriculture [*Inaudible*] in the ETS?

**PM:** Of course, we've already given indications around that. Yes, there's some final details to be worked through, but that's something that the agricultural community and farming leaders themselves have indicated that they believe is needed and accept.

**Media:** Are you worried at all about the flight shame movement and how that might affect New Zealand's—

**PM:** About the flight—

**Media:** Flight shame movement—people not wanting to fly because of carbon emissions, and how that will affect our tourism sector?

**PM:** No. I think we have to be aware of it, of course—in the same way that some years ago we had to be aware of food miles. These are issues that I think we need to make sure that we're prepared for—that we hear consumers over those issues, that we give them the ability to mitigate, to feel like they're able to make a contribution, and still maintaining our contact with the world. And so there are ways to address that, and I think New Zealand will do that successfully.

**Media:** Given there's a sense of urgency around climate change action, why didn't you raise it with Donald Trump?

**PM:** As I said repeatedly, I did mention the climate action summit at the beginning and, of course, was aware that the President had been present for the beginning of that summit. I'm sure that he knows my view, as I'm sure he knows the view of everyone who maintains membership of the Paris Agreement.

**Media:** What do you take from the turnout on Friday from the climate strike? It's been reported that, per capita, more New Zealanders took to the streets than anywhere else in the planet.

**PM:** And I'm proud of that.

**Media:** During conversations with President Trump, there have been questions raised about the appropriateness of things that he said to foreign leaders. Everything that he said to you, was it appropriate?

**PM:** Oh, I would consider it to be within the normal bounds of a bilateral conversation.

**Media:** Finance Minister Grant Robertson sent a number of letters around to Crown-owned entities, asking them not to increase their directors' pay. Have you sent or had any correspondence with public sector chief executives or boards around similar conversations—around them not increasing their pay?

**PM:** No, but of course there have been various moves by Government to demonstrate expectations in that regard, and there is an APH process for chief executives as well. So I think the State Services Commission would understand the perspective of the Government.

**Media:** So is it your expectation that public sector chief executives don't receive pay rises?

**PM:** That's a matter for the State Services Commission and the Minister for State Services.

**Media:** When will you visit Ihumātao?

**PM:** Look, I haven't given a specific time line. One of the issues I've been mindful of is, of course, that we are still in a process of trying to find resolution. I don't want to detract from that, but I, of course, always expressed that I will visit; it's just a matter of when.

**Media:** Getting back to the question of agriculture in the ETS, James Shaw said last week that the joint proposal from Beef and Lamb, Dairy New Zealand, Fed Farmers etc., which would have farmers not in the ETS but monitoring their own environmental impacts, was still on the table. Is it still on the table?

**PM:** Again, I think you need to be clear of what the agricultural leadership or representatives have acknowledged, is that in the longer term, once the infrastructure is in place, you'd want to see a system that allows farm-by-farm emissions management, essentially, but there is an intervening period in between, which the interim Climate Commission has put out its recommendations and suggestions on. Where Government finally lands on that is something that we'll announce in due course.

**Media:** But their proposal, which is Eke e Waka Noa actually deals with that five-year transition period, doesn't it?

**PM:** Yeah, from their perspective on what we need to do is, of course, finalise the Government's position on that.

**Media:** Were you made aware of the bomb threat at Parliament this afternoon?

**PM:** Yes.

**Media:** What's your understanding of what happened?

**PM:** I don't have a large amount of details. Obviously, that's something that I from time to time will be advised, if it restricts movements at all. But it was something I was assured was being dealt with.

**Media:** Were any precautions taken to protect you?

**PM:** No, no. Just went about my daily business. My understanding is that, of course, Parliament wasn't particularly singled out. There was a large number of entities that were covered by that particular incident. Yeah, you had a question in the—sorry?

**Media:** Our climate—one of the demands the organisers of the climate strike had was that the Government declare a climate emergency. Is that something that the Government will do?

**PM:** Yeah, and as we've discussed a number of times, there obviously was an attempt in Parliament to do that and that wasn't successful. Look, if I were to make an assumption based on what I've seen of those who attended the strike and, of course, just from general engagement with those who continue to advocate for action around climate change, what people want is action and so, yes, I absolutely hear the sentiment around the symbolism of an emergency. But what people want to see is us make progress, and that's where the significant investment into alternative transport; trying to incentivise fuel efficient and low-emissions vehicles; bringing in a zero carbon Act with a 1.5 degree level of warming which we don't go above; carbon budgeting; bringing an end to any new offshore oil and gas explorations; having a pathway to get to 100 percent renewable electricity; encouraging the business community to join the coalition, which is set to reduce 60 percent of our gross emissions through the private sector—those are all things that we have done in two years. Now, that is a substantial list. I'm not going to pretend for a moment that that in itself is enough, but we are making progress. It's progress I'm proud of, but we are not stopping.

**Media:** But on the march, though, they think it's more than just a symbol. I think they also think that perhaps that symbolism would help—

**PM:** And I'm not being dismissive of it by any means. What I'm simply acknowledging is that there was an attempt to do that in Parliament. It didn't succeed, but that has not

stopped us from taking the action that I believe people are asking for. Not everything is within our powers in the make-up of Parliament that we currently have. We've never used that as an excuse. We've made good progress and we will keep going.

**Media:** There's been a bit of a backlash against the climate strikes and against the leader Greta Thunberg in particular. What's your message, you know, relating to that? Do you have a message relating to that backlash, that people are getting quite frustrated with her and what she's saying?

**PM:** I don't think that's fair. I do think we need climate advocates and I think, you know, it certainly couldn't be easy having been thrust on to the world stage in that way, but I have deep admiration for her.

**Media:** Did you meet her when you were over in the UN?

**PM:** Not really, in passing just before she went on to the stage at the UN.

**Media:** And did you speak to each other—

**PM:** Just a mere hello. That was all there was time for in the green room.

**Media:** Do you have a view that the Standing Orders should be reviewed and changed so parliamentary footage can be used in advertisements without the permission of speakers?

**PM:** Yeah, my view is that this is a matter for the Business Committee, at which all parties are represented. So we should follow the rules that are set within the Business Committee, and, obviously, that's what the Speaker is seeking to uphold.

**Media:** What would Labour advocate in that committee?

**PM:** Well, obviously, we were members of the committee that set the rules, and we're going to stick with them.

**Media:** Is it not a silly rule, though, because they're parliamentarians, taxpayer-funded MPs—shouldn't that be accessible to everybody in any way, shape, or form?

**PM:** Yeah, and it is. I think all of that content is accessible to taxpayers.

**Media:** What did you think of Deborah Russell's speech about Eudaimonia?

**PM:** Again, ultimately, people are able to access those speeches, make what they will of them. No one is saying here that anyone shouldn't be able to access that footage. Again, personally, I see some of this debate as a bit of a distraction. The rules have been set by Parliament, and we should stick to them. All right, I'll take—last question, yeah.

**Media:** In terms of the royal commission of inquiry into abuse in care, how confident are you in the commissioners and the process that has been followed thus far?

**PM:** Yeah, look, ultimately, this royal commission is independent, and I need to respect that. Equally, I would say that there are some issues that they do need to resolve and are resolving. And, finally, this is a commission of inquiry that needs to happen. No one said it was going to be easy. It is incredibly difficult content matter, not least for those who are survivors of that abuse. I would hope that, as a Parliament, we support the process, because it is what a large number of survivors have asked for, and I don't think there's politics to be made in that. OK, thanks everyone.

### **conclusion of press conference**