

**POST-CABINET PRESS CONFERENCE: MONDAY, 18 DECEMBER 2023
HANSARD TRANSCRIPT**

PM: Ka nui te mihi ki a koutou. Kia ora. Good afternoon everybody. Thanks for coming. As you can see, I'm here again with Chris Bishop, this time not in his capacity as Leader of the House but in his capacity as Minister of Housing. In Opposition and since being in Government, we have talked about the need to manage the economy well, and that of course means also properly managing the Government's own books. Everywhere we look Labour has left a mess, with a declining performance for the people who rely on public services, wasteful spending that shows a cavalier attitude to taxpayers' money, and poor management of the Government's own books, flowing through to the wider economy, which, as we learnt last week, shrank in the September quarter.

We all use public services, but some New Zealanders have higher needs than others, and one place where that is obvious is in social housing. You're all familiar with the story of high rents, up over \$180 a week under Labour, pushing more people on to the waiting list for social housing. Relieving some of that pressure on rents is why we're bringing back interest deductibility and also the brightline test being restored.

There is a lot of complexity in housing. Some of the most vulnerable New Zealanders depend on Kāinga Ora, and it's important to understand what's going on there. I don't mean just on the public-facing side with tenants or with the wait-list that's increased from over 6,000 when Labour took office to around 24,000 today. The Government is concerned about the management and the governance of an asset which is both socially and economically important to New Zealand and to New Zealanders and to their communities.

Kāinga Ora is New Zealand's largest landlord. Obviously, its performance for tenants matters. But with \$45 billion worth of property—roughly around 8 percent of Crown assets—it's important for the Crown's balance sheet too, and its debt trajectory is, frankly, quite concerning. It's also another agency where we've seen a huge growth in staff—around 1,450 in the past four years: a familiar story of Labour hiring more people to produce worse results. It's fair to say, from what we see, Kāinga Ora is falling well short of expectations.

One of the initiatives of the Government's 100-day plan is to commission an independent review into Kāinga Ora's financial situation, procurement, and asset management, and we're announcing that today. Our 100-day plan is about getting on with the mandate we have from the public to create the change that helps New Zealanders get ahead and to get the services that they deserve.

I'll now hand over to Chris for some more details about where things are at with Kāinga Ora and the review specifically.

Hon Chris Bishop: Thank you, Prime Minister. Today I have announced an independent review into the financial situation, procurement, and asset management of Kāinga Ora. We have appointed former Prime Minister Sir Bill English to lead this review, alongside Simon Allen and Ceinwen McNeil.

It is essential the Government has a high degree of confidence into the operation of Kāinga Ora. We need to know that it is operating efficiently and effectively. A recent report by Treasury and the Ministry of Housing and Urban Development found that Kāinga Ora's level of debt had grown from \$2.7 billion in 2018 to \$12.3 billion in June of this year. That is obviously a worry, and I'm also deeply concerned about the operating deficit, which is already at \$520 million in 2022–23 and is forecast to continue to increase. This deficit has a direct impact on OBEGAL and continues to put pressure on the return to OBEGAL surplus.

Since coming to office, Ministers have received even more concerning news about the financial performance of Kāinga Ora. We are not releasing that information right now as it is commercially sensitive, but it indicates that an independent review at this time is the right course of action.

As I've said, former Prime Minister Bill English will lead this review. The reviewers have significant expertise in both the public and private sector, with a wealth of experience in organisational performance, governance, finance, and large-scale infrastructure planning, delivery, and management, and I thank them for being part of this review.

We're consulting with the Kāinga Ora board on the draft terms of reference—that's required by law—and I expect to finalise those terms of reference and we'll release those terms of reference publicly by the end of the week. The panel's report back is due in March next year. Thank you, Prime Minister.

PM: Well, thank you, Chris. On other matters, on Wednesday I'll be travelling to Sydney to meet with Australian Prime Minister Anthony Albanese. New Zealand, as you all know, has no better friend and no closer ally than Australia, and it is right that my first official visit is across the Tasman. Prime Minister Albanese and I have met before the election and also in my former life, but it is important to both of us to get together informally before Christmas so we can reach some understandings on how our Governments can even work more closely together.

As I've said before, I'm determined to bring new urgency, new intensity to our international engagements and relationships, and that starts with Australia. It is a relationship that I never want to ever take for granted. You can expect our Government to work closely with Prime Minister Albanese and the Australian Government, and this visit is critical in getting that off to the right start. Australia, as you all know, is our biggest economic partner and our people-to-people links are extensive. More than 700,000 Kiwis live in Australia, so those ties between our two countries run very deep. And, on top, there are our investment, business, trade, defence, and security relationships and our shared interests in working together to support a stable and a secure Indo-Pacific region.

Speaking of the relationship, our emergency services stand ready to help, following the devastating flooding in Queensland. As far as I'm aware, there has been no request from Australia for assistance, but we have offered because that's what friends do. So there'll be lots to talk about on Wednesday and I look forward to deepening the relationship with the Prime Minister.

As you know, Parliament is sitting this week and we expect to pass the resource management natural and built environment and spatial planning repeal and interim fast-tracking and consenting bill, and the legislation to also bring back 90-day trials.

Finally, as this is the last post-Cabinet press conference before Christmas, I just want to wish you all a very good break. I hope you get a chance to refresh, recharge, and have some good time with your loved ones and your family, and come back ready for a great and cracking 2024. With that, happy to take your questions.

Media: Prime Minister, how would you describe your relationship with Anthony Albanese? Are you guys mates from when you were Air New Zealand's chief executive?

PM: Yeah, look, he's someone that I've known from before I came to politics. I used to catch up with him for lunch and for meetings when I'd go to Australia in my previous capacity. He was Minister of infrastructure and transport and I think probably one of the most successful ones, acknowledged as such, in the world. And I always found him someone good to spend some time with to understand what was going on there. And then he also came over to Auckland and had lunch and—actually, I introduced him to the new Government in 2017.

Media: On the offer of help for Australia, what can we offer and what—obviously, not the 757s—but what can we offer in terms of support and help for Australia?

PM: Well, it would be good if we can get there on Wednesday, would be the key thing, but we're working through the options and that'll be clear tomorrow. But look, I mean, I think what we really need to work together on is our region and, obviously, security and a

contested Pacific is really a focus where a lot of our conversations will take place. I think there's also opportunities for us to continue to deepen the economic ties.

Media: Sorry, I mean help with the natural disaster—with the storm over there, sorry. I mean, what help can New Zealand offer in terms of help for them?

PM: Well, whether it's actually, you know, our people physically going over there and actually assisting if they need more arms and legs on the ground. You know, that's been our offer of help—whatever form they request or need we're happy to make available our resources and our people to support them.

Media: How embarrassing is it that we can't fly over to see the Australian Prime Minister on our air force plane?

PM: Well, look, I mean, we talked about this earlier in the year. It's incredibly frustrating for everybody. It's an issue that I think the military need to look at very, very closely, about how we can support taking you fine people with us as well, because that's partly why we want to do it this way. But, again, we'll be clear tomorrow whether we're travelling on the 757 or a P8 or commercial—that'll become clear tomorrow.

Media: You said, when you criticised it back in Opposition, that you would never fly with the Defence Force. What's changed?

PM: Well, in essence, you know, coming this close before Christmas, actually a desire to get to Australia beforehand and actually wanting to take media with us—it was the convenient option to do so. But as you've seen, even in recent weeks, the reliability of that fleet is challenged and again it raises into question: what is our long-term solution to all of that?

Media: Is it a hypocritical of you to take taxpayer money to learn te reo Māori when you're threatening to scrap incentives for public servants who do the same?

PM: No, I have a finite leader's budget, as do all leaders of political parties. You get to choose to spend that money on whatever you wish that you think would help, and in my case I actually felt learning te reo lessons was really good. As you well know, I'm someone who wanted to learn te reo. I wish I had learnt it as a younger person. I didn't get the opportunity to do that, and so I think it would make me a better Prime Minister or a better Leader of the Opposition by actually doing that. So using those funds for those purposes, I think, was a good use of that investment and I would encourage, frankly, anyone to invest in that professional development here in Parliament, whether it's other party political leaders or MPs; if it helps them represent more New Zealanders and be politicians for all New Zealanders, that's important.

Media: Prime Minister, why doesn't that logic hold, then, for public servants who are then able to communicate with people in te reo Māori?

PM: Well, there are two different things there. One is we certainly support people learning te reo if it's critical to their job in the same way that we would support them getting upskilled on IT if that was critical to their analytical job as well. But what we're talking about here is something quite different. We're talking about bonuses on top of remuneration and whether it's—all the public services Minister is saying is, look, she wants to go off and look at actually all the remuneration arrangements to make sure that they are delivering those outcomes. But there is a difference here—

Media: How is not being to communicate with—

PM: Sorry?

Media: How is not being able to communicate with New Zealanders who might not speak English critical?

PM: Well, it's a key part of my job, I felt, so that's why I feel like learning te reo was a good thing and I'll continue to do that going forward, but what we're talking about here is

bonuses on top of fixed remuneration. That is quite a different deal. Of course we want to support people learning te reo; we think it's a fantastic language. We think if you've got a need to be able to learn and upskill in it, you should get supported doing that, if it's part of your job; that's great—the same way that we would expect people to get professional development and skills development in the other aspects of their jobs.

Media: Has the public got a good outcome for their investment in you? Can you, for instance, recite your pepeha?

PM: Well, as I said to you, I've found it really difficult, and I think Chris Hipkins said something similar. You know, when you're learning later in life, it's actually really difficult and really challenging, and it can be intimidating, to be honest with you, trying to learn a new language from scratch at an older stage. And so, for me, it is very important to keep working at it, and I plan to do that in the new year as well.

Media: You are so outcomes-driven. Has the taxpayer got a good outcome out of our investment in you learning te reo?

PM: Yeah, I think they have. They've got a Prime Minister who actually is keen to learn te reo and wants to get better at it and actually wants to improve my skills in it because I think it's important, because I want to be a Prime Minister that governs for all New Zealanders.

Media: In that case, will you be delivering your whaikōrero in te reo Māori at Waitangi and at Rātana?

PM: I haven't yet determined all of that, but I keep trying to take the opportunities that exist to try and get better at—

Media: Will you be going to both Rātana and to Waitangi?

PM: That's our intention, yes.

Media: In terms of Kāinga Ora, Minister, you mentioned worrying advice. Can you say who you've received that advice from and when you think you'll be in a position to release it?

Hon Chris Bishop: The Treasury have provided that advice, and we will release it in due course. The advice I've received is that it is commercially sensitive, but as the review examines the financial situation over the coming weeks and months, and once the review is finalised, we will look to release as much as we can. Bear in mind, Kāinga Ora is a \$45 billion entity. It has significant private borrowings, and so there is some information that is commercially sensitive, but as much as we can make public we will.

Media: You would expect that to form part of that review?

Hon Chris Bishop: Absolutely. That'll be one of the first things they look at.

Media: Is Kāinga Ora solvent?

Hon Chris Bishop: I'm advised that it is, but as I say, I'm also advised that there are worrying trends in the financial performance of Kāinga Ora.

Media: Is this related to the fact that there were, you know, seven Bloomberg Terminals being used at Kāinga Ora? Are they masters of the universe over there, or what?

Hon Chris Bishop: I think it would be—I mean, obviously, I publicly criticised that at the time, and I think rightly so. That, in the grand scheme of things, is a small amount of money, but it's indicative of a wider problem around the top-heavy nature around the back office of Kāinga Ora. So, for example, there has been an increase in staff of 1,400 back-office staff in the last six years, and that has not necessarily flowed through to better outcomes, both in terms of construction of houses but also tenancy management either.

Media: Is this related to the fact that they have their own large-scale borrowing programme that has been done separately to Treasury, I believe against advice a few years ago, if I'm not mistaken?

Hon Chris Bishop: Kāinga Ora no longer borrows in its own right; the Crown does that on its behalf, essentially, but it is true to say that over the last few years they have had significant private borrowings. That will be one of the issues canvassed by the review team.

Media: In respect of the te reo Māori classes, it was Nicola Willis that talked about the bonuses and reviewing them, and when you were asked if the classes should be paid for by MPs or taxpayers, you said, "In the real world ... people who want to learn te reo ... actually [have to] pay for it themselves. It's quite normal." So have you changed your position?

PM: No. I mean, I think I said at the time as well that, actually, some employers will invest in their staff in order to actually upskill them and give them more professional development if they think it's an important part of their job going forward. You know, and I would expect employers, even Government employers, to continue to support employees actually upskilling, whether it's around te reo, whether it's around IT skills, or whatever it would need to be in order for people to do their job in a much better way.

What we're talking about here is something quite different, and the Minister's quite right to go look at all the remuneration arrangements around bonuses and say are we actually getting value for that? Is it actually linked to better outcomes or not? And that's on top of existing remuneration.

So that's what that's about, but don't misunderstand: you know, we value te reo, we want people to learn te reo, we want to encourage people to do that, people should be encouraged to do that. I'm an example of that. You know, I'm someone who genuinely wished that I had learnt te reo as a younger person, and I never had that opportunity to do so. So now I'm trying to do that myself, because I actually think it would make me do my job better as a result of that. I took a limited leader's budget, which is available to me to spend on all sorts of things, whether it's staff or other things, and I chose to spend a proportion of that actually on upskilling my te reo skills.

Now, I'm not saying my upskilling has been fantastically successful, because I said I've struggled with it, and I'll continue to work at that. But, actually, I think that's very different, investing in professional development of individuals to help them do their job better than actually putting bonuses on top of fixed remuneration, for people who may not even need those skills to do their job.

Media: The Taxpayers' Union has asked to be paid the money back—will you?

PM: I think it's actually an important part of upskilling me as a politician and as a representative of all New Zealanders. I think it's a good thing, and I would encourage everybody to do the same. Chris Hipkins had said he was in a similar situation to me when he was Prime Minister, and if he wants to carry on as Leader of the Opposition learning te reo, I'd encourage him and I'm sure he would do the same.

Media: But his Government wasn't criticising public servants being paid to learn te reo Māori, so have you pivoted in your position—

PM: No, we're—

Media: —and will you now support that going forward?

PM: What we're challenging is bonuses sitting on top of established remuneration. That's what we're challenging here. And we're saying we're going to look at all of that to make sure that we're getting value for the taxpayer from that. That is quite different from actually—in the case, I would encourage employers, whether the Government or otherwise—if they want to make investments for someone who's needing te reo to engage with iwi in a better way, then that's a great investment that you'd be wanting to make. In the same way that investing in IT skills would actually be very good for someone who's got

more analytics they need to get better at doing. So that's a different deal than actually putting a bonus on top of fixed remuneration.

Media: Who's teaching you te reo?

PM: I won't go into that, but it's someone that has taught a lot of people here in Wellington.

Media: And can I ask about the Boeing issue? There are two Boeing 757s in the air force's fleet, why can't you take the other one?

PM: I understand the other one is in long-term maintenance and has been for some time and is out of action. And the one remaining one has been the one that has had—run into the troubles in the last few weeks.

Media: Has it changed your thinking about the possible need for, you know—

PM: Oh, there's a lot of thinking that goes on inside my head about our Boeing aircraft and what is going on there, I've got to be honest with you.

Media: Which ones are you thinking about?

PM: Well, yeah, yeah—there's a lot of thoughts that go through my head, Lloyd, about this because it's incredibly frustrating. I mean, we're not sending people to the moon; we're just trying to get them to Australia here. So, in 2023, I know other ways to do that. So we'll continue to talk to the military and defence about that.

Media: In all seriousness, though, it makes us look like a tinpot country, doesn't it—not being able to fly to Australia?

PM: Look, I think it's incredibly embarrassing, and it's not just this incident, and, rest assured, we'll make a call tomorrow around which way we're going to go and how we'll do it. But what I'll just say to you is we've had a series now of incidences over the last few years that are, I think, embarrassing for New Zealand, and I think that's something that we genuinely need to have a bigger conversation about.

Media: On Kāinga Ora, how does this review affect the current operations in the pipeline of work that the agency has?

Hon Chris Bishop: It's BAU for Kāinga Ora at the moment. So, before the election, we said that we would honour existing contracts in the pipeline of work that they have under way. So that just carries on. I'll be engaging with the board tomorrow. I'm required by law to consult with them on the terms of reference for the review. So we are definitely doing a review. That's what we've announced today. Where the draft terms of reference that I'll be consulting the board on, we'll make that final later in the week once I've talked to the board. So it's BAU for them. But I think they've had a very clear message already from the Government about their concerns about the organisation, and I expect that to be reflected in their behaviour.

Media: Would you expect the agency to, I guess, not put as many projects in its future pipeline, to sort of ease up on that, and just continue with its current contracts, or can it, you know, well and truly continue business as usual?

Hon Chris Bishop: Well, we've said we will honour existing contracts. The future scope of Kāinga Ora's very extensive programme of activity around the country is something that is part and parcel of the review, because we are examining—or the reviewers are examining—procurement, which is an area of concern. They're examining asset management and the financial situation, and, clearly, their pipeline of work around the country goes to financial management. So I expect, as a result of the review, there will be changes. The exact scope of that we will work through in due course next year. We want to take the time to get it right and that will be informed by the review.

Media: In terms of the Kāinga Ora review, will that review also take into account those housing initiatives that sit with Te Puni Kōkiri but also involve Kāinga Ora?

Hon Chris Bishop: To the extent that Kāinga Ora feeds into some of those initiatives and they have a financial impact on the agents or the entity, yes, it will. But the core focus is not so much on the TPK Māori housing initiatives, for example.

Media: How long will the review take, and do you expect those 1,400 back-office people to continue in those positions for any certain amount of time? Do you expect them to lose their positions, and how long is the review going to take?

Hon Chris Bishop: Well, the operation of the agency or the entity and staffing is a matter for management and for the board ultimately; that's not over to me. It's important to recognise they're a Crown entity. The review itself, to your first question—we're expecting a report in March next year. So not long.

PM: Can I just go to Jason and then Jo, and then Ben.

Media: Why did you choose Bill English to lead this review?

Hon Chris Bishop: A couple reasons: one, former Minister of Finance; number 2, former Minister of Housing, and extensive expertise when it comes to, frankly, turning around struggling finances both at a Government level but also at a commercial level. He is also someone who brings to the job, I think, a unique appreciation of the interesting role that Kāinga Ora plays within the wider housing eco-system.

So it is a very large entity—a \$45 billion company, annual expenditure of \$2.5 billion—but it provides social housing, so by definition it is working with people in quite vulnerable situations sometimes. And, of course, you'll all be familiar with Sir Bill's work around social investment, and it would be fair to say—and Nicola is the lead Minister for this. Her focus is, quite rightly, on the mini-Budget right now and turning around the appalling financial mess we've inherited from the last Government. But it'd be fair to say that we are keen to explore embedding social investment within the wider housing framework, and so Sir Bill's insights within that would be useful as well.

Media: And can I also just ask in terms of any other reviews of any other Government agencies, State-owned enterprise—any sort of Government entities at all: are there any of those on the cards at the moment?

PM: Well, look—I mean, as we're working our way through the issues, if we feel there's a need for very short, sharp, you know, expert provocation in order to move things forward, we'll continue to look at that. But, you know, we're not a—we haven't come into Government to form a lot of working groups and chitchat and a lot of discussion. We actually came here to get things done, and where we need to actually either afflict an organisation to make sure we're getting provocation and we're getting progress out of that, we'll happily do it in that way. Equally, that's where we think there's a role for those groups.

Media: Just today's earlier question: where does this today affect—

PM: I don't think you're Jo Moir, mate!

Media: To her question, where does this leave the investment promise at the election in Kāinga Ora? How does this affect that?

Hon Chris Bishop: What do you mean by investment promise?

Media: Well, you promised some additional investment in Kāinga Ora following on from matching the Budget investment—

Hon Chris Bishop: Yes.

Media: —that the Government promised. So—

PM: The May Budget?

Media: Yes.

PM: Yes.

Media: So does this alter that promise?

Hon Chris Bishop: No. What we campaigned on at the election was continuing with the social housing place track that was assigned by the last Government in the last Budget. We intend to honour that commitment. It would be fair to say, without overcomplicating things, the financial picture with Kāinga Ora is troubling and complicated, the mix of operating and capital, and that's—actually, one of the things I want to reviewers to sort it out, because it's very opaque from reading the Budget documents exactly where the money goes, and the mix of debt and other things. So our intention is to honour those commitments. It is important we grow the number of social housing places, but remember we also campaigned on getting a different mix between Kāinga Ora and the community housing sector, and so we are in the process of taking advice on that and working through that. But the core financial commitments we made remain.

PM: Right, we're going to go to Jo now.

Media: Just back on Waitangi, is it your preference, with the pōwhiri on the 5th, when all the parliamentarians go on, to stick with what has been the norm of the last few years and have all MPs go on together, or is it your preference to do it slightly differently next year and do, say, Government being welcomed on together, and then, say, Opposition parties being welcomed on?

PM: To be honest, Jo, I haven't given that a lot of thought yet; we will in the coming weeks. Obviously, Rātana was done differently last year, as well. It was my first time at Rātana, and it was done party by party, from memory, as well. So, I mean, all of that's up for discussion and debate, but we haven't locked in on anything yet at this point.

Media: Have you got one of your MPs coordinating with the Waitangi National Trust around what will that look like?

PM: Yeah, Tama Potaka.

Media: He's doing that—OK.

PM: Yeah.

Media: And you haven't had any indications from him that proceedings might be any different at this point?

PM: Not at this point. I'm aware there's ongoing conversations about that, but until they lock and load that, I'm not aware exactly what's being committed to.

Yes, Ben. Sorry—Ben.

Media: Just a couple of questions on the substance of the Australia - New Zealand talks. The biggest shift in the last couple of years is probably the citizenship deal or offering by Australia that allows pretty much automatic citizenship after four years. Do you have concerns or worries about this, given it comes at a time where the New Zealand citizen brain drain is at a high point?

PM: Look, there's three real things that I think we need to do to sort of deepen the relationship with Australia, and first and foremost is actually being a good security partner in the region in particular, in our broader Indo-Pacific region—you know, without doubt, we are in contested space, and actually I want to make sure that we are a very good partner in that regard, and are working very positively and constructively with Australia, particularly in the Pacific.

The second thing I'd say is that we are focused on making sure we look at opportunities to continue the economic progress between the two countries—we're significant to each other in that regard, and whether that's around regulatory settings and harmonisation or whether it's about more seamless travel; all of those good things.

Then the third bucket is really around the people-to-people connections. All of us probably have had time—you know, I lived in Australia—Sydney for five years; my son was born

there, we're used to operating there. We want to maintain those people-to-people connections. But there's been very good progress, I think, made under previous Governments around resolving some of those people-to-people issues that we have. I think a bigger part of the focus will be in security and certainly in economic spaces.

Media: What security point makes it feel like, you know, a conversation about AUKUS Pillar Two?

PM: Well, again, I just want to make sure that we are a good partner and we are holding up our end and actually working, I think, very constructively with Australia on those issues.

Media: Previous Prime Ministers—and yourself pre-election—said you want to make trans-Tasman travel a sort of more domestic-like experience, so surely if any Prime Minister is going to be able to do that and deliver on that, it's yourself. Like, can we finally get rid of the paper customs forms or—well, what can we do in that space?

PM: Yeah look, I mean there's been a work in progress, I think, for multiple decades now. But I mean, we've got to keep trying to make a more seamless experience, but often it seems easy to say that—actually the detail now, the easy wins have all been secured, by and large. A lot of it's quite a lot of detail to actually, you know, get better value out of that travel experience. So we'll keep working at that, but as I said, my major focus will be talking about security within the region, certainly about how we will continue to advance more economic harmonisation.

Media: Has New Zealand fallen short in being a security partner to Australia?

PM: Well, again, my desire is I want us to be higher intensity; higher engagement. I don't ever want to take the relationship—as I say—with Australia for granted, therefore I want to be aligned with our closest ally. I also want to make sure that we are contributing in the region, as we've talked about, and I think there's a range of ways to do that: through security—but also, you know, we're going to have a lot more intensity around trade arrangements around the world as you're seeing as well.

Media: Beyond those relatively broad statements, though, I mean, is there anything specific you're looking at in order to improve our security relationship with Australia? Are you hearing any feedback from the other side on this front?

PM: No—I think what you're seeing from us, even in the short period of time, is things like New Zealand joining with the UK around statements condemning Russian cyber-interference is actually a good thing. Joining with the Australian Prime Minister and the Canadian Prime Minister around Israel - Gaza statements—those are things where I want us to be in lockstep with our partners who have common interests and actually be right there with them at that time, and I want to make sure that happens.

Media: But I mean—the prior Government did that kind of stuff—they, you know, signed up various statements like that. I mean, what do you say; what's going to be different here, you know? And do you think maybe New Zealand should be as eye to eye with Australia for these issues like climate?

PM: Well, again, I think those are the conversations we want to be good partners around, and I just want to deepen those relationships around how Australia and New Zealand work together to advance peace and prosperity in our regions. So it's an evolution, it's a continuation of what's gone before, but for me it's just about making sure that we have a much more engaged high-intensity work rate engagement on these issues around security of the economy, people-to-people connections with Australia, but with many of our other partners around the world as well. That's why you've seen already, you know, our foreign Minister Winston Peters has actually been engaged with the Pacific quite deeply; you've got trade Minister McClay up in India and also in Singapore; I'm off to Australia, and we're going to continue with a pretty high rate of programmes in external engagements next year as well.

Media: Can you just outline how you're going to characterise your Government's interest in joining AUKUS with Anthony Albanese?

PM: No change from what we've previously committed, which is, as the previous Labour Government said, something that we're up for exploring what that opportunity could be and what that would be about. But there's no commitments at this point.

Media: Do you back your new defence Minister saying that the previous Government was anti-American and that we've missed an opportunity with respect to AUKUS, specifically Pillar Two?

PM: Well, I think what you're hearing is a sentiment that actually we have very strong allies and partners, and we want to make sure that we are a good partner to them. And so it's just making sure we don't neglect any of these relationships. You know, we have—you know, when you think about Australia, it's the relationship we don't want to take for granted, likewise with the US, likewise with China, frankly. And so those are the big three that we need to focus on.

Media: Just on te reo, have you set yourself any KPIs with respect to—

PM: [Laughs]

Media: I know it's a bit funny, but legitimately, have you set yourself any KPIs with respect to Rātana and/or Waitangi in terms of using te reo?

PM: Not specifically, but I am wanting to try and use te reo, and it's difficult, because sometimes it's quite intimidating when you're doing it in very public settings, but the bottom line is I'm going to keep trying. And I may fall short, and I may get it wrong, but I think it's more important that I try.

Media: How much have your lessons cost taxpayers?

PM: I'm not familiar. It's managed by my office. All that I've identified is that we have a finite budget, and we've chosen to use some lessons through the course of last year, and I think it's an important thing, because I think it's important if you want to be Prime Minister for all New Zealanders, it's important you work hard at learning some te reo.

Media: How can you say that when you've said you're going to go through every single budget, line item by line item? How can you not tell us what your line item costs?

PM: Well, I'm sure we can provide it to you, but the bottom line is I don't know off top of my head.

Media: Shouldn't you know that—how much you're spending taxpayer money?

PM: I understand how we're spending. We've got a leader's budget. We manage that budget well. We do a number of things with that budget as Leader of the Opposition—whether it's been about extra staff or whether it's been about social media and investment or whatever it may have been, and that's a choice made by my office, and that's fine.

Media: Did you discuss Auckland light rail at Cabinet today?

PM: Again, I don't talk about what's in Cabinet, but it's suffice to say that you know that we're not big fans of Auckland light rail; we think it's a huge waste. You've seen us already move very quickly around Let's Get Wellington Moving and stopping a project that was going nowhere, and we'll do the same with respect to Auckland light rail.

Media: Is the announcement around Auckland light rail being axed coming, you know, before Christmas?

PM: You'll have to wait and see.

Media: On Kāinga Ora, can I just ask why are you using the te reo name for that entity rather than the English name?

Hon Chris Bishop: [Laughs]

Media: That's a legitimate question. You guys have got in your coalition agreement that you're reverting the names back to English. Why are using Kāinga Ora?

Hon Chris Bishop: Yeah, because that's how it's known. That's its name.

Media: Isn't Waka Kotahi known?

Hon Chris Bishop: What's that?

Media: Isn't Waka Kotahi known?

PM: Well, look, all I'm saying to you is we're wanting to make sure that when we've had a public service that has chronically under-delivered for New Zealanders, the first thing we need to do is make sure that New Zealanders can navigate their Government. And so whether—you know, we're expecting Government departments ultimately to move through to English and te reo. They can have both versions available, but we want people to be able to know what these entities are and what they should be expecting and delivering from them.

Media: What is the English name for Kāinga Ora.

Hon Chris Bishop: It's Homes and Communities, but you've got to remember Kāinga Ora was set up as, essentially, a new entity back in 2018-19. It's been known as Kāinga Ora from its inception as a Crown entity.

PM: All right. Let's take one last question.

Media: AUKUS Pillar Two—what's your position on New Zealand being nuclear-free going forward—

PM: That's non-negotiable.

Media: —you've talked about being open to dialogue, but, yeah, so you're committing to—under your Government will remain nuclear-free?

PM: Absolutely. Non-negotiable. But AUKUS Pillar Two is rather undefined. It's not in the nuclear space; it's in other areas. And, again, as the previous Government has said, our position remains the same, which is we're open to exploring what it all means. But given it's so undefined, there's a bit of learning that needs to understate what it is and what it isn't, to be honest.

Media: Just on the general topic of Kāinga Ora, have you been advised what the cost or price is to build a 1, 2, 3 bedroom Kāinga Ora house?

Hon Chris Bishop: Yes.

Media: What is it?

Hon Chris Bishop: Well, ha, I would have to go back and give you the exact numbers, but I have been advised of that, and it would be fair to say that the cost of delivering a Kāinga Ora house, including the overheads through the back office, will be one of the subjects that the review looks at.

Media: So is it on average higher than an equivalent house in the private market?

Hon Chris Bishop: Yes.

Media: Prime Minister, can you just tell us what the greeting that you opened today's press conference means?

PM: Greetings to you all. Ka nui te mihi ki a koutou. And on that fine note, thank you very much. Look forward to maybe seeing you in Australia, or maybe not.

conclusion of press conference