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Anna Breman
Governor

Transcript

Anna Breman:

Good afternoon everyone. Welcome to the RBNZ's February Monetary Policy Statement. I'm Anna Breman, Reserve Bank Governor and Chair of the Monetary Policy Committee. I'm joined today by my fellow committee members, Karen Silk and Paul Conway here on stage. And we have Hayley Gourley and Prasanna Gai at the front row and we have Carl Hansen online. Before we get underway, I would like to thank my MPC colleagues for your constructive engagements over the past two weeks and the Reserve Bank staff for excellent high quality insights and analysis throughout this process. Over the next 10 minutes, I'll share some slides and I'll talk you through today's decision and our assessment on the inflation outlook. Then I look forward to answering your questions on the monetary policy statement.

So today the committee reached consensus to hold the OCR at 2.25%. The forward OCR path reflects a somewhat stronger economic outlook and balanced risks to inflation. If the economy evolves as expected monetary policy is likely to remain accommodative for some time, the committee will continue to assess incoming data carefully as the recovery strengthens and inflation falls sustainably towards the target midpoint monetary policy settings will gradually normalise and you can see our new OCR track on the slide compared to the November one. So let me turn to the basis for our decision starting with inflation. CPI inflation increased to 3.1% in the December quarter of last year. That's the latest data that we have. It's slightly above the MPC target band. We think inflation now in the first quarter of this year is likely moving back within the target band. We predicted to be 2.8% in the current quarter and fall back to the 2% midpoint over the next 12 months.

If we look into the details on the inflation outcomes and the forecast, we can start by looking at non tradables inflation. It has been gradually falling since the peak in 2023, but it was a bit higher than expected in the end of last year. This was in part because of high inflation in administered prices and these are prices that are sector influenced by central and local governments such as council rates, vehicle licencing, and university fees. When we look forward, we expect non tradables inflation to fall and administer the price increases to slow if we turn to tradables inflation and that's more influenced by global factors. We saw that increases in tradables inflation last year was driven by higher inflation for items with volatile prices such as airfares, foreign accommodation and fuel. And that was particularly true for the end of last year. We expect tradables inflation to fall over the next 12 months due to relatively stable import prices, but also some support from the recent appreciation in the New Zealand orders. And you can note here on this slide how volatile tradables inflation tend to be over time. So in addition to these different ways of looking at inflation, we also look at core inflation. Core inflation meshes the persistent component of inflation and as you can see it tends to be considerably less volatile than headline inflation. That's on this slide. Core inflation is stable and firmly within our target band and this is consistent with our forecast for inflation to fall over 2026.

So now let's turn to the economic outlook in GDP. Let me start by acknowledging that the past few years have been very tough on many New Zealanders, both household and businesses. Growth has been weak, almost flat over the past few years and inflation has been high. The recovery is still at an early stage and there are differences in growth across regions and across different sectors. In the agricultural sector in regional New Zealand growth has been strong and it remains strong given ongoing strength in commodity prices. We expect growth to continue in those sectors but also broaden across the economy. So we're seeing now that residential and business investments are increasing. Households however remain cautious in their spending and house price growth remains weak. But we do project that household consumption will increase as cost reduction in the OCR continue to support amount and conditions in the labour market will be improving. So let's turn to the labour market. So even though the economy is recovering, sorry I'm being a bit fast, what we're seeing in the labour market is that the labour market is stabilising, but unemployment remains high. We expect unemployment to fall as the recovery strengthens employment is actually already growing but more people are entering the labour force and this is a good sign. That's usually what you see at the beginning of a recovery. Wage growth is modest and that's consistent again with inflation at the midpoint of our target band within the next 12 months.

So even though the economy is recovering, there is still significant spare capacity in the economy and the high unemployment rate is an example of that. So this will continue to put downward pressure on inflation over the coming quarters. So what we're saying is that because we have spare capacity, we expect to see some growth in the economy without inflationary pressures in the near term. So to summarise, the committee is confident inflation will fall to the 2% midpoint over the next 12 months due to this high spare capacity due to core inflation firmly within our target band and more just wage growth. In other words, new Zealand's economic fundamentals remain consistent with inflation falling to and remaining at the 2% target over the medium term.

Of course there's always risks to the outlook. The committee assesses that these risks are balanced at the current point. We do see both upside risk to inflation and downside risk. So if you're looking at the upside risk that inflation will be higher than we expect. We see that with demand increasing in the economy, businesses could try to increase prices faster than expected. That's what we mean by price setting behaviour. On this slide we see also saying that potential output could remain weak and that means that increasing economic activity could be more inflationary than we expect. We also see a risk relatively small that administered price inflation may not decline as much as we expect, but the risks are balance. So there's also risk to the downside. So inflation could be lower than we expect. One reason could be that household spending could be slow to pick up slowing the pace of the economic recovery and then putting downward pressure on inflation. Another thing is that tradables inflation tend to be highly volatile and it could fall faster than we expect. Finally, maybe a bit optimistically productivity could improve enabling the economy to continue to grow with less inflationary pressures.

In addition, the global economic outlook remains highly uncertain. So last year global growth was resilient despite a lot of global risks. We do expect a small moderation in global growth this year in our main trading partners, but there are still a lot of risks out there and some of them we've listed here on this slide risk include global trade policy, the impacts of AI investment and geopolitical tensions. There's also a risk to growth in China's economy given weak domestic demand and that could hurt New Zealand's exporters in the medium and longer term unsustainable fiscal dynamics in some countries and pressure on central bank independence could also be a cause for concern.

So let me summarise, today the Monetary Policy Committee decided to leave the OCR on hold at 2.25%. The recovery is gaining strength and broadening across the economy, but there is still spare capacity. The economic fundamentals are consistent with inflation falling to target midpoint over the next two 12 months and the committee is confident that we'll reach our inflation target. Of course, as always, if the outlook for inflation changes, the MPC will adjust our monetary policy stance to ensure that inflation returns to 2% target to the 2% target midpoint over the medium term. So I very much look forward to hearing your questions on our monetary policy statement and I will pass to Scott Sinclair to manage the questions. Scott is over here. Thank you

Scott Sinclair:

Governor. I will take your questions now. Please remember to put your hand up and say your name.

Media questions

Media:

Hi Governor Stella Cho from Reuters. So in the Monetary Policy Statement you said monetary policy needs to stay accommodative for some time, but you also raised the OCR track for Q4, which kind of implies some possibility of a very hike by the end of the year. I was just wondering, was the accommodative phrase a pushback against market tightening financial conditions? Is the rate hike by the year end a real possibility in your view?

Anna Breman:

The forward-looking OCR track? So our projection for where the OCR will be going forward is really based on how we see the economy and inflation involving. So we see that with spare capacity we need to leave the OCR where it is so we have a bit of accommodation and then when we see that the recovery is gaining and we're seeing a stronger economic outlook, then it's time to gradually normalise policy.

Media:

Just a quick follow up question about, there's one member wanting a earlier hike. Do you mind sharing just a little bit discussions around that?

Anna Breman:

Yeah, so if you look at in the monetary policy statement, we have the record of the meetings and there it very well reflects the discussions that we had in the committee and one member was discussing the possibility even with the same economic outlook it might be appropriate to tighten a little bit earlier. Another member was pushing some other arguments where we might need to have the OCR on hold for a little bit longer and that's the way it should be in the committee. We put forward different arguments, we have a good discussion, but we are in consensus on the decision also on the OCR track.

Media:

Ainslee Thompson from Bloomberg on the track. Is it fair to say that at the moment you expect to raise rates by the end of the year?

Anna Breman:

I think that currently our best forecast is the OCR track and that indicates that there is a possibility of a rate hike before the end of the year, but it's not entirely priced in our own view by the end of the year.

Media:

Hi Jenny Ruth from Good Returns and Just the Business, it doesn't feel like the economy's properly got off its knees yet. It is it too early to be discussing potential rises in the OCR?

Anna Breman:

So when we look at the data that we have and the latest data for growth, GDP is from the third quarter of last year, so for the September quarter, but all the new data that we had shows that the economy is continuing the economy continue to recover at the end of the year or beginning of this year. So we do see that we are in the early stages of an economic recovery, but it's true that many households will not feel this yet. They're still feeling the high inflation that we had over the past few years. Many businesses are still struggling, but what we are saying is that the data is showing us that we are at the early stages of a recovery and we want to keep the OCR on hold to support the recovery while ensuring that inflation falls back to target. But we're not planning on hiking the OCR until we see more inflationary pressures and a stronger economy. That's the best projection we can do right now.

Karen Silk:

I would just add to that that monetary policy takes a while to transmit through to the economy and so if we look at the 2 year swap rate for example, that's 270 basis points lower than it was at its peak and that takes time to transmit through to the economy. So we are still expecting to see transmission from prior cuts occurring through this year as well and that will continue to support the economy.

Media:

There's a statement in the booklet that you're expecting that house prices will pick up through this year and then continue to grow at the rate of household income growth. What we've seen for decades has been much faster than household income growth in house prices. So what makes you think that it's going to be slower this time?

Anna Breman:

Well, we've seen in the data that households are being very cautious. We've seen that supply of new homes is relatively high, so we do expect to see house prices stabilise and go up over the medium term, but we don't expect the same fast rise in house prices. But maybe Karen and Paul would like to comment a bit more.

Paul Conway:

We've also got, you would see measures of sustainable house prices on that graph and house prices are still a little bit above what we consider to be sustainable house prices, which is the basis for our view that house price inflation is going to be fairly subdued over the coming year at least compared to what we've had. And this is actually, you're right Jenny, this is a big change for the New Zealand economy and that's why we're highlighting a downside risk to consumption or to household spending without that kicker from the housing market. We think that household spending is going to become more dependent on what happens in the labour market rather than what happens in the housing market. And given that we've got a pickup in the labour market given lower interest rates, we think that is going to modestly increase house prices going forward.

Media:

Jenée Tibshraeny from the Herald. Governor, how comfortable are you with where mortgage rates are now noting that they've risen a bit since November?

Anna Breman:

So we have discussed the fact that financial conditions have tightened, which is part of that and wholesale interest rate has gone up and the mortgage rate has been following up. We do think that that might be causing some of the caution we see in household spending and also as Paul discussed, more modest house price increases going forward. So we do see that that is likely dampening demand a little bit currently.

Media:

Because the market is sort of interpreting the statement, it would seem as mildly dovish but kind of as expected from what I can gather at least. Where do you expect mortgage rates to go in term deposit rates within the next couple of months?

Anna Breman:

Well, we see that markets expectations are very much in line with this decision. So we haven't seen many more movements today in financial markets after the decision just came out an hour ago. So we expect this to be approximately what the market we're expecting. Karen or Paul would you like to add?

Karen Silk:

So as we've talked about previously, our banks have to take a lot of factors into account when they are setting their mortgage rates, but obviously future expectations of where the OCR is heading is one of those critical aspects because that feeds into the wholesale rates and in November we did see a tightening in financial conditions as the market adjusted its view on where the next move in the OCR would be. The traditional measures that we've talked about has been that we are the average home lending raters in terms of stock of mortgages, we think that's roughly at about 5.1%. It has the potential to move a little bit lower because we still see one in two year rates certainly below those levels, but it's not the same magnitude that we would've seen prior to the November statement. So still a wee way to go yet, but maybe 20 or 30 points at most.

Media:

In this statement you also say that the committee noted that labour market conditions are likely to become more important relative to house prices and influencing consumption. Could you please elaborate on that?

Anna Breman:

Yeah, so we've seen historically that house prices have been important for consumption growth in New Zealand and now given that we see that we don't expect house prices to increase that quickly going forward, labour market condition be relatively more important and we do see the labour market strengthening this year. So what would be good for household consumption is that more people will be employed and also that when inflation falls, then household purchasing power will be restored. So wages are still subdued, but with inflation falling, household purchasing power will be higher and that will support consumption growth. And compared to historical trends, we think this will be relatively more important.

Media:

Bernard Hickey from the Kaka. Where is the economic growth going to come from if there is no faster rise in house prices? Because in the past people have been able to consume some of that equity growth and it's encouraged them to invest and spend without house price growth. They're not encouraged. So where's it going to come from?

Anna Breman:

I'll start and then see if you want to add, but what we seeing is that we're seeing some sectors of the economy performing quite well, which is for example, the agricultural sector. We're seeing tourism coming back, exports have been performing well, manufacturing is also starting to show positive signs. So we're seeing growth from that and that will also support employment growth. But then in addition to that we're starting to see some more business investments. We're actually starting to see residential investment as well. And then households when employment increases and purchasing power gets restored, then household consumption will also contribute to growth. So that is really what we expect to see more during this year. A broadening of economic growth. Paul and Karen.

Paul Conway:

It is going to come from lower interest rates and as the governor's saying we're starting to see it already, we're seeing growth broadening out of that ag sector out of regional New Zealand into some of the metropolitan centres into the manufacturing sector. And construction is sort of starting to get a bit of its mojo back because of low interest rates. So we are seeing it, but you're quite right, it's a big change for the New Zealand economy to not have that increase in house price as that kicker to aggregate demand in our economy there may well have been structural changes in the housing market that mean an increase in demand for housing no longer equates with higher house prices. It equates with more activity, more construction. So monetary policy still works through that channel, but then consumption is getting driven by a relatively different set of factors, which is lower interest rates and what's going on in the labour market. And as I mentioned earlier, we do see this as a risk, this is why we're a bit cautious to the downside in terms of the strength of the recovery as consumption is a huge part of the economy and we do need households to stop being as cautious and get out and spend if we are to see the recovery continue to broaden.

Media:

Governor, on the inflation side, trade inflation has been higher than we all expected in the last couple of years. You mentioned administered inflation in the special topic. How important was that administered inflation in the last couple of years in elevating inflation and therefore interest rates and what do you think is going to happen to it?

Anna Breman:

Yeah, so the OCR has been cut from 5.5 to 2.25%. So even though we saw that inflation headline inflation increased a little bit last year, the monetary policy committee was actually cutting the OCR because we saw that underlying inflation, what we call core inflation was stable and actually falling. So in that sense we are looking at the drivers of inflation going forward and that's really the main determinants of our monetary policy stance where we expect inflation to be going forward. Administrative prices did contribute to higher inflation last year, but we do expect them to slow this year. And when we look very detailed into the data, we know that some of the things last year will fall out this year, like university fees are not increasing as much vehicle licences, fees, even electricity fee line fees will not go up as much. We are relatively confident that those prices will not increase as much this year as last year.

Paul Conway:

It has been important. Bernard, it's about 9% of the CPI basket and it's been increasing at eight or 9% for the last 12 months. So what's that? That's 0.6, 0.7 on the CPI number is due to increases in administered prices, but as the governor said, we're effectively looking through it because the fundamentals in the New Zealand economy are consistent with inflation returning to that 2% midpoint.

Media:

So what would you say to the administrators in government and councils? What would you like them to do with those prices?

Anna Breman:

Well, it's their decision. That's not our decision. The committee is fully focused on ensuring that inflation returns to the 2% target over the medium term. That's really what we do.

Media:

Jenée Tibshraeny from the Herald again, does the Reserve Bank regret some of the commentary around the November Monetary Policy Statement that might've seen those wholesale interest rates go up potentially prematurely?

Anna Breman:

I think that currently we are very comfortable with the statement that we have today. And given that I wasn't here in November, it's a difficult question to answer to be honest, Karen. Yeah, sure.

Karen Silk:

Look, as what you're really talking about is references to how does that transferred into retail right rates and as we've discussed previously, they're determined by multiple factors and one of them is around the expectations for the OCR. So following that November decision markets did reise their perspective on where the next interest rate cut would come from. What we saw in terms of a market movement went well beyond where the central scenario for the OCR tracks at in terms of what the monetary policy had to say. So that was a market decision. It wasn't reflective of what the monetary policy committee was saying at that particular point in time. And that has held up at a higher level. And part of that is because markets own interpretation of what they think is happening in terms of economic conditions and what they then perceive their own positions need to be at that particular point in time.

And the other thing I would say in terms of market participants, their job in part is to guess what the next move is. And so you will always see a little bit more exaggeration built into it. So do I think it's particularly reflective of the comms when I look at the total package from November? No, I don't think it was reflective of that. The committee was very confident about its own position at that point in time. Just as we are confident of our position at this point in time. And I'd note that the market track is still above our own position.

Media:

I just put another way, did the bank have to be a little bit more dovish today than would otherwise have been the case due to the market response to the November statement?

Anna Breman:

So the main thing to understand is that what we do is we look for where inflation is heading and we set the OCR, the forward looking track depending on how we see the economy evolving and what that means for inflation. So our OCR track is consistent with how we read the economy and where inflation is going and that will always be the case.

Karen Silk:

Yeah, financial conditions is one of the things that we take into account, but it is only one of the factors that we take into account. It's important that we understand the transmission and how that's playing out, but it's the economics as the governor's just talked about that are the most important factors for us.

Media:

Ainsley Thompson from Bloomberg, again in the record of meeting you note the insight from the two members. Is that part of your improved transparency and is that something we're likely to see more of?

Anna Breman:

Well I think that we really talked about ensuring that the record of minutes reflected our discussions. I think that has been done before as well, but we are happy to show that there are discussion and that's how it should be in the committee. And then we still reached consensus at this time. That could be other meetings where we don't reach consensus, but we will strive for consensus. That's what the remit asks us to do.

Media:

And have you had any further discussions about the transparency and what you're going to do?

Anna Breman:

Yeah, so there's some parts of that that is in the charter and the charter is an agreement between the monetary policy committee and the finance minister. So after this monetary policy round, we'll continue those discussions. There are a few things that we are doing right now. One of them, and I know that the rest of the committee is fine with me saying this, but we are planning to move to eight meetings next year and we'll give you the details around that hopefully already later this week. And that is because next year we'll have monthly CPI.

We're really looking forward to that and that means that we can now move to those eight meetings per year. The other thing that we're doing is that we're focusing on outreach and communication. So for example, over the coming weeks I'll do a number of events going to Christchurch already tomorrow to meet with businesses, et cetera. I know that several of my fellow MPC members will also give speeches, talk to businesses, et cetera, both to communicate how we see the economy, explain the monetary policy decision, but also to hear in from businesses and households so they see the economy evolving. So that's also part of being transparent to talk about the decision and listen in to see what's happening in the economy.

Media:

Bernard Hickey from the Kaka again. Could you talk Governor about whether AI and a potential productivity increase could help over time the Reserve Bank have lower interest rates than would otherwise be the case?

Anna Breman:

It's a good question and it's not an easy one. So as an economist, we know that higher productivity growth is very good for economic growth because it means that you can have higher growth without creating inflationary pressures. Exactly what it means for interest rates. It's a little bit more difficult if you see a productivity boost. It might mean that what we call the neutral rate of interest might go up a little bit. But overall productivity growth is very good for wage growth, for real wage growth and also to dampen inflation. We did discuss it, it's a big discussion internationally whether AI might help boost productivity growth. We're not seeing it yet, but we know that it's something that would be very good for the economy if we saw it going forward.

Media:

I haven't seen any mention of the reserve bank's use of its balance sheet as part of a monetary policy. Do you have any views on what the Reserve Bank should be doing with its balance sheet as part of the monetary policy process?

Anna Breman:

Well, currently we are just on the same path as we've been for a while. So that means that the balance sheet is shrinking and we expect to continue doing that. So some of the bonds will be, they will have matured by mid of 2027, but Karen or Paul you might want to comment a bit more.

Karen Silk:

So we do use our balance sheet on a daily basis obviously to ensure that there's sufficient liquidity in the market, which is important to have the right condition so monetary policy can transmit and in order to ensure that short-term rates remaining at around where the official cash rate is, so are in the market every day doing things around that to support those aspects. So it's an important reason for having a balance sheet as we do, as the governor just spoke to, the large scale asset purchase programme is in wind down it's roughly $15 billion still to mature or to sell back. That will be gone by mid 2027. So yeah, that will be gone. And the funding for lending programme is fully repaid as well.

Media:

So there's no plans to change the trajectory which was set by previous governors and MPCs now that there's a new group.

Karen Silk:

No, the Official Cash Rate remains our priority too.

Media:

There was some discussion shortly after the pandemic about whether banks should be paid the OCR on all their cash held at the Reserve Bank at Central Banks globally. I note that obviously as the SAPs unwound, the amount of reserves have come right down or come down quite a bit. But what is your view, governor on that? Do you think that the way banks are remunerated as it stands is sort of the right approach?

Anna Breman:

We have not been discussing that during this monetary policy deliberation. I know the global discussion, I know that some central banks have changed how they do that. You would have to look at it very carefully to ensure that doesn't affect monetary policy transmission in any way. But we have not been discussing that during this monetary policy round.

Media:

Is it something you've talked to with the government about?

Anna Breman:

I don't think I've talked to the government about that. No. It's one of those things that, as I said, it's a global discussion, but we definitely have not had any deeper discussions on that. No.

Media:

Hi, Governor Stella from Reuters again. So this is your first policy meeting in New Zealand. How did you find it different from your time in Sweden? Do you have any reflections on that that you can share?

Anna Breman:

No, I'm happy to reflect on that. So the mandate is the same. It's the same. We need to ensure that inflation is low and stable over the medium term and the committee is fully committed to ensuring that we've had excellent discussions, we have very good input from staff. So in that sense it's very similar. The process is very similar and it's the same commitment from the people working here to the New Zealanders. People really care about the job they're doing. They know it's important and that's very much the same and that is the key of what we're doing.

Paul Conway:

Can I just say from our perspective, it's been a great round. We've all really enjoyed it.

Media:

Tom Pullar-Strecker from The Post. The Finance Minister recently described the monetary policy review that the Reserve Bank conducted for its period that it was managing monetary policy over the COVID as a window dressing exercise. I was keen to check with, I guess any members of the monetary policy committee whether they believed that that was a fair description.

Anna Breman:

Well, I can say that as a central bank is always important to reflect and learn from history and there's this new investigation and we will work with the reviewers. They're excellent people and we will ensure that we give them all the information they're looking for and we will look at the conclusions that they do and we will learn and take that into consideration when we move forward. I don't know if Karen or Paul would like to comment.

Paul Conway:

Firstly, we're required to do that work. It's a legislative requirement that we do it once every 5 years, but we would be doing it anyway even if it wasn't a legislative requirement because that's how we learn from the past. And that review that we did in 2022 was a very honest assessment. It was independently reviewed by Lawrence Schembri and Warwick McKibbin, 2 excellent global economists that kicked off a big chunk of our research agenda that's been in play since then. We published a paper at the end of last year on where we're getting to on that research agenda and the papers that we've published. I sort of ran it, spent time at the productivity commission. So it was findings and recommendations. What would it have been good to know as a committee over that period, such as things like the effect of a supply shock, what's the optimal role of monetary policy in that case? And we've done a lot of work on that since, and it's really paid off. I think we've pushed our knowledge out to the global frontier and we've got a lot from it and we've put a lot into it and it's looking forward to doing the next one, which will be out at the end of next year.

Karen Silk:

The other thing I'd just add to that is it wasn't just about the committee because remembering that it was the committee that made decisions through COVID. It's not a single individual. It is a committee as it is today that we were all involved in. That is that it wasn't just about economic information that was available and at the time or may have not been available at the time. It's also about the tools. And so we've undertaken a review of the tools utilised through that period as well and what impact that they had and understanding how we might shape those tools differently moving forward where there were maybe some outcomes that we would've wanted differently. And again, we've printed, we've provided public transparency around that and there are reports on our website that go into that. An example would be the funding for lending programme, which was structured in a way that meant we kept commitments to that. We were required to keep commitments to that for a period longer than we would ideally have done. And so we recognised that and you would structure, if you were ever to use that tool again, you would structure it slightly differently, which would allow you to cease using that as market conditions corrected. So there are definitely learnings that came out of it and we've made some really significant adjustments.

Paul Conway:

I should add that we published a partial review of the tightening cycle last year. And again, it pulled no punches. It talked about how our comms could have been better at various points of that tightening cycle. And again, we are learning from it. I suggest people read the 2022 review and the mini run that we did last year to decide whether or not that's a window dressing exercise or a legitimate effort from a central bank to be a learning institution.

Media:

Mark Alder from Newsroom. Just following on from Bernard's question about AI saying that you haven't seen any signs of productivity growth in New Zealand linked to ai. Have you seen from your scanning of overseas any solid examples of that happening in overseas economies either?

Anna Breman:

Well, there is a discussion currently it's always very hard to measure productivity and so it's very hard to know exactly where it's coming from. And even when you have technological breakthrough, it tends to take a while before you see it in the productivity numbers. So we just think it's important to follow. But productivity is not only about new technologies, you can actually do reforms that strengthen productivity in an economy and poor less and deep expert on this. I also personally have a lot of interest in productivity, so we do think it's important to follow and we do think that there is a potential upside for New Zealand with higher productivity growth.

Scott Sinclair:

Thank you. We're at time there. Any final questions for the Governor?

Media:

Sorry, just one last question. How are you enjoying life in New Zealand so far and just do you have any interest in rugby?

Anna Breman:

Oh, rugby. Don't get me started. So I am here with my family now and we are really happy to be here. We think it's a lovely place to live. People are really friendly and on the personal side, what Karen and Paul was talking about, this is an institution where people really want to do a good job. They're willing to listen and learn and to improve over time. And that kind of dynamism is what makes me very confident that we will be doing a good job going forward. So I'm very pleased to be here. Thank you.

Scott Sinclair:

Okay, thank you. That is time.

Anna Breman:

Thank you. Yeah, thank you all.