

The Treasury

Project Korimako - Release of advice

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Cabinet Document Details

Title: **Cabinet Minute: DEV-21-MIN-0134: Kiwi Group Holdings Limited: Ownership Considerations**

Date: **23 June 2021**

Creator: Cabinet Office

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- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice

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Cabinet Economic Development Committee

Minute of Decision

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Kiwi Group Holdings Limited: Ownership Considerations

Portfolio **Finance**

On 23 June 2021, the Cabinet Economic Development Committee:

- 1 **noted** that there is work underway to determine the future ownership arrangement for Kiwi Group Holdings Limited (KGH);
- 2 **noted** that:
 - 2.1 [33]
 - 2.2
 - 2.3
- 3 **noted** that discussions between the Crown and the current shareholders of KGH regarding the ownership of KGH have commenced, and have been prompted by the New Zealand Superannuation Fund (NZSF) and New Zealand Post (NZ Post) having stated their positions to further invest and divest, respectively;
- 4 **noted** that there could be substantive changes to the configuration of the banking sector, which may be driven in part by core business strategies and/or responses to regulatory changes;
- 5 **noted** that following preliminary advice from the Treasury, the Minister of Finance has identified the government's primary preferred objectives regarding future ownership arrangements for KGH (or for Kiwibank, in particular) as being:
 - 5.1 long-term New Zealand ownership of Kiwibank (expressed indirectly or directly through the Crown);
 - 5.2 [25], [37]
 - 5.3 for Kiwibank to be a disruptor bank;
 - 5.4 for Kiwibank to act commercially (recognising this is a minimum need for the bank to continue to be self-sustainable);

- 6 **noted** that, based on the primary objectives identified, the Minister of Finance is investigating the following opportunities:
- 6.1 full and at least partly indirect Crown ownership, with NZSF and potentially ACC maintaining or increasing their shares, or full direct Crown ownership;
 - 6.2 [33], [37], [38]
 - 6.3 [37]
- 7 **noted** that:
- 7.1 [33], [37], [38]
 - 7.2
- 8 [37]
- 9 **noted** that:
- 9.1 funding for expenditure associated with the due diligence, negotiations and associated transaction costs, depending on the chosen pathway, may be sought;
 - 9.2 costs incurred in 2020/21 and 2021/22 will be included in the 2020/21 Additional Supplementary Estimates and Budget 2022 thereafter.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods (part of item)
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Stuart Nash
Hon Kris Faafoi
Hon Michael Wood
Hon Dr David Clark
Hon Meka Whaitiri
Hon Phil Twyford
Rino Tirikatene MP
Dr Deborah Russell MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV