



Australian Citizens Party

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MEDIA RELEASE

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New Zealand should learn from Australia: Don't privatise Kiwibank!

New Zealand's conservative coalition government under National PM Christopher Luxon is contemplating the unthinkable—privatising Kiwibank, the only bank in NZ that provides any competition to the Big Four Australian-owned banks.

The Australian Citizens Party (ACP) is urging Kiwis to fight any privatisation plans tooth and nail, and learn from Australia which suffers from not having a public competitor for the Big Four banks.

"There is rapidly growing public support in Australia to emulate Kiwibank by establishing our own public post office bank", ACP Research Director Robert Barwick said today. "New Zealanders would be mad to let the Luxon government betray them to Australia's rapacious Big Four banks and sell off Kiwibank."

Trojan horse

The Luxon government is hinting at the previously unthinkable possibility of privatising Kiwibank in response to the recent call by the NZ Commerce Commission for the government to expand Kiwibank's capital to fire it up for even more aggressive competition against the Australian-owned Big Four.

Instead of recognising this as an endorsement of public banking, some in the new government want to use the recommendation as a Trojan horse for privatisation, arguing that the extra capital should come from the private sector.

If strictly limited to a minority share in the bank, so the government retains majority ownership and control, that would be one thing, but NZ has a very strong neoliberal faction, going back to the days of Roger Douglas in the 1980s, who always look to sell state assets.

Minister for State Owned Enterprises (SOEs) Paul Goldsmith told the 25 July *New Zealand Herald* that the government's purpose for owning many state enterprises "is not at all clear", so it is writing purpose statements for many SOEs, including Kiwibank, NZ Post, KiwiRail, NZ Railways, TVNZ, and various other assets including power stations, airports, and others.

NZ Herald reported: "Goldsmith said the Government had no plans to privatise state assets but conceded a possible outcome of the purpose statement exercise could be that it decided it no longer wanted to own an asset." (Emphasis added.)

This should be chilling to every New Zealander, Barwick said.

"The Luxon government sounds like they are laying the foundation for a firesale of assets like Roger Douglas did in the 1980s."

Tool for public investment

Kiwibank started in 2002 as a public postal bank, thanks to the efforts of the late Jim Anderton and his Alliance political party, which formed a coalition government with Helen Clark's Labour Party.

Anderton had famously quit Labour in the 1980s over its privatisation of the Bank of New Zealand, and in 2002 his main condition for a coalition agreement was reestablishing a public bank, which became Kiwibank.

Anderton's Alliance colleague Matt Robson said to ACP that the purpose of Kiwibank was to be a tool for public investment.

"The vital thing about Kiwibank is ... its public ownership and the ability that gives for a sustainable much needed public investment strategy in our futures", Robson said.

"The aim of its establishment was not just to bring cheaper and better services to the public (including opening and re-opening local branches, which has gone by the wayside) but as a tool for innovative and wide-ranging public investment for sustainable development. Our aim to set up the

bank was only to be the first step.”

Robson recounted how Helen Clark’s Labour initially opposed Kiwibank, but later were converted and admitted they’d been wrong.

“Privatising Kiwibank will only benefit one group—private banks”, Barwick said.

“Hopefully Kiwis learn from Australia’s current bitter experience of a private banking monopoly that public banking is worth fighting to keep.”

[Click here to watch *CITIZENS INSIGHT*—Kiwibank: How Kiwis fought back against the private bank cartel & won—Matt Robson](#)