

2 July 2018

## **MEDIA RELEASE**

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### **TITLE: Celebrating our Banking Service as agents with Kiwibank**

We are doing some very interesting things at present. Developments have been coming thick and fast over the past ten years, which it is has been hard for some to keep up.

Kiwibank in the manner it is providing services, internet banking services, debit cards, EFTPOS and banking machine and so on.

Banking has been a problem even when Westpac was here. When they left, The Bank of South Pacific were the only ones to show interest. However, there were problems with the system being based in Papua New Guinea and money transfers to New Zealand. Not their fault, just one of those things. When they decided to pull out, we were able to obtain the services of an international banker, Mr Ian Fitzgerald to help us.

In many respects, Ian was the person who guided us through the issues which arose and his experience and expertise was irreplaceable.

What we managed to achieve and can enjoy today, is really Ian and the team he led Crown Law, Mr Michael Webb essentially were my advisors and the final decision put to Cabinet was based on their advice. My role was to ensure that any financial costs would be absorbed and final approval by Cabinet was made.

What we are all enjoying with the banking service with the agency arrangement with Kiwibank is unique to us. Then the second part of attracting an international service to facilitate payments using debit and credit card was also negotiated by Ian and his team. What we ended up with EFTPOS is the result.

Two other things occurred Niue Development Bank(NDB) was transferred to be managed under the new bank agency. A funny side play really when NDB management at that time threaten court action resisting the takeover. They were advised that they cannot take the only shareholder of NDB to court!! I guess it demonstrates a lack of banking knowledge which is needed when running a bank.

The only other thing was the transfer of the NITF or Trust Fund to Kiwibank to manage. The arrangement was made on the basis of a competitive interest rate terms.

By 2013 the new arrangement was finalised with the Government guaranteeing any costs overruns. The agency was and still is managed by a professional Kiwibank manager.

The bank has done extremely well and there has been no call to assist with an underwrite recently. So, this week we commemorate and celebrate our bank agency and Kiwibank relationship.

I suppose the only other conversation we needed was one seeking more work for the bank to earn more revenues. The managers involvement with our ADB membership and be credited with manager of the green climate fund was partly to help them earn more.

The initial application to the green climate fund was declined because the bank does not have project management experience. I found that an odd assessment given the banks development role and the projects or loans it needs to evaluate and offer management options. But the people who evaluate

these proposals all have project management experience or may be desk bound consultants seeking to drag the proceed so they can be employed a bit longer.

So, this week we celebrate the first 5 years of the Kiwibank Niue banking agency. Even though were not able to have full access to Kiwibank services available in NZ, what we enjoy ensure we can pay our bills both here and overseas without problems, shop via the internet and use our debit cards when we travel anywhere round the world transfer funds easily to NZ.

**[ENDS]**

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