

## PROACTIVE RELEASE COVERSHEET

<b>Minister</b>	Hon Kris Faafoi	<b>Portfolio</b>	Commerce and Consumer Affairs
<b>Title of Cabinet Paper</b>	Report on Overseas Travel: Hon Kris Faafoi	<b>Date to be published</b>	16 August 2019

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
29 March 2019	Report on Overseas Travel: Hon Kris Faafoi	Office of the Minister of Commerce and Consumer Affairs
1 April 2019	CAB-19-MIN-0130	Cabinet Office

### Information redacted

**YES / NO** *(please select)*

Any information redacted in this document is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

In Confidence

Office of the Minister of Commerce and Consumer Affairs

Chair, Cabinet

## Report on Overseas Travel: Hon Kris Faafoi

I recommend that Cabinet note this report on my travel to Sydney, Australia on 28 September 2018 to progress 'open banking' options for New Zealand.

### Report

- 1 My visit provided me with an opportunity to meet with experts on 'open banking' to learn from the Australian experience and apply lessons learned to the New Zealand context. The Australian Government has committed to implementing a phased implementation of their open banking framework beginning on 1 July 2019.
- 2 Open banking describes an environment in which banks securely share customer data and potential account access with third parties, such as financial technology firms. This enables the third parties to develop tailored applications and services for customers based on the customers' financial information.
- 3 I see open banking as a good opportunity for New Zealand. It could increase competition, innovation and consumer welfare in the banking sector, contributing to the Government's goal of building a broad-based economy. For example, open banking can facilitate:
  - Financial or budgeting advice based on the consumers' personal data;
  - More streamlined loan applications, lending on more personalised (and likely better) terms; and
  - Dashboard-type interfaces that bring together customer's data from a number of different banks.
- 4 I met with Scott Farrell, Chair of the Australian Open Banking Review, where we discussed Australia's experience with the review process. From my conversation with Scott, I noted areas for New Zealand to consider what role there is for the Government in facilitating open banking, opportunities and risks from open banking and the challenges faced in Australia in implementing such a regime.
- 5 I also met with Macquarie Bank, a challenger bank who implemented open banking principles and functionalities ahead of the Government-mandated deadline. We discussed Macquarie Bank's proactive approach to open

banking and the opportunities they saw in doing so. I also saw tangible examples of new applications from open banking.

- 6 My discussion with Dr Katherine Kemp, Lecturer at the University of New South Wales, gave me an insight on what might be needed to ensure that open banking works well for consumers with a particularly focus on privacy and security of consumer data.

#### **Proactive release**

- 7 I propose to release this paper proactively in part.

#### **Recommendation**

I recommend that Cabinet note this report.

Authorised for lodgement

Hon Kris Faafoi

Minister of Commerce and Consumer Affairs

Proactively Released by the Minister  
of Commerce and Consumer Affairs