MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Consistency Accountability Statement: KiwiSaver (First Home or Farm) Amendment Bill

Agency responsible	Ministry of Business, Innovation and Employment
Portfolio	Commerce and Consumer Affairs
Date finalised	12 August 2026
Identification number	REG-2339

Statement of Review

I confirm that Ministry of Business, Innovation and Employment (MBIE) has assessed the above legislation, and the process for developing it, for consistency with the principles of responsible regulation as set out in section 9 of the Regulatory Standards Act 2025.

This assessment identifies three inconsistencies with the principles of responsible regulation and one area (9(l)) where there may be an inconsistency.

Relevant principle of responsible regulation	Relevant clauses in proposed legislation
1. Section 9(i): The importance of consulting, to the extent that is reasonably practicable, the persons or representatives of the persons that the responsible agency considers will be directly and materially affected by the legislation. **Summary of inconsistency** Following Ministerial direction, MBIE did not conduct any public or targeted consultation prior to Cabinet policy decisions.	All

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2. Section 9(j):

The importance of carefully evaluating—

- the issue concerned; and
- the effectiveness of any relevant existing legislation and common law; and
- whether the public interest requires that the issue be addressed; and
- any options (including non-legislative options) that are reasonably available for addressing the issue; and
- who is likely to benefit, and who is likely to suffer a detriment, from the legislation.

Summary of inconsistency

The amendments are designed to address perceived unfairness related to the inability of farmers and service tenants to access the KiwiSaver first home purchase withdrawal.

However, the policy changes are inconsistent with the principle that *new legislative proposals have been developed through a robust, transparent and evidence-based process*. The proposals were not based on a solid understanding of how many KiwiSaver members might benefit from changes, given a general lack of data and lack of consultation. There was no assessment of demand beyond rural communities for the service tenant amendment.

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3. Section 9(l):

Legislation should be expected to produce benefits that exceed the costs of the legislation to the public or persons.

Summary of possible inconsistency

Overall, because of uncertain demand for access to the funding withdrawals enabled by the amendments, we think it is uncertain whether the benefits of the amendments outweigh the costs.

In assessing whether the benefits of the proposal outweigh the costs, the key question is whether the demand for the changes is sufficient to justify the additional costs or risks, particularly given current concern about the adequacy of individual retirement income, as well as research from the OECD suggesting our KiwiSaver withdrawal provisions may already be too generous to effectively support the purpose of the scheme.

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4. Section 9(m): Legislation should be the most effective, efficient, and proportionate response to the issue concerned that is available. **Summary of possible inconsistencies** The amendments are targeted and they address the problem identified for two groups of KiwiSaver members. MBIE considers that the changes progressed in the Bill are not optimally efficient or proportionate for the following reasons: • They do not neatly align with the core purpose of the KiwiSaver Act 2006 to save for retirement, or the purpose of the first home withdrawal to buy a home owned by the member to live in. • They set a precedent for further KiwiSaver withdrawal provisions for commercial purposes such as business investment, which is not currently part of the Act. • They introduce inequities, such as between farmers and KiwiSaver members in other sectors who are not able to purchase a business co-located with a domestic residence (for example in tourism or hospitality). • An option was proposed to Ministers to impose a deferred obligation for service tenants to live in the home they purchased once their service tenancy ends. This would have retained stronger alignment with the current purpose of the first home withdrawal, but it was not adopted by Ministers. • The service tenancy definition may miss some intended rural professions due to type of employment or accommodation agreement rather than strategic intent (eg rural police, who receive accommodation supplements). • The service tenancy proposal is not proportionate in that it extends beyond farming and rural communities, when no 'problem' had been identified in these other sectors.	All

Cath Atkins

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Ministry of Business, Innovation and Employment