

The Treasury

Project Korimako - Release of advice

December 2022

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Key to sections of the Act under which information has been withheld:

- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [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
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment
- [36] 9(2)(h) - to maintain legal professional privilege
- [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
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

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Hon Grant Robertson

MP for Wellington Central
Deputy Prime Minister
Minister of Finance
Minister for Infrastructure
Minister for Sport and Recreation
Minister for Racing



Catherine Drayton
Chair
New Zealand Superannuation Fund
[23]

Dear Catherine

Ownership Arrangements for Kiwi Group Holdings

Thank you for your letter of 24 November 2021 confirming that the New Zealand Superannuation Fund (NZSF) is open to entering into discussions with both the Crown and New Zealand Post Limited (NZ Post) to investigate the possibility of increasing NZSF's shareholding in Kiwi Group Holdings Limited (KGH). As you are aware, this month Cabinet has considered options for a preferred way forward regarding the long-term ownership arrangements for KGH.

This followed a series of discussions Treasury officials had on my behalf with executives from NZSF as well as the other KGH shareholders to better understand ownership preferences and how to best enable the continued development of KGH's important operating subsidiaries, whilst also providing appropriate pathways for shareholders to adjust ownership positions.

At its meeting on 13 December 2021, Cabinet concluded that it is comfortable with changes in the KGH shareholdings of the current owners within parameters and constraints the Government considers are important to ensure that Kiwibank is able to:

- maintain its unique position as a wholly New Zealand and at least majority (directly or indirectly) Crown-owned bank in the long term, and
- maximise its potential serving New Zealand bank customers.

Cabinet authorised officials to commence formal discussions with NZSF and the other shareholders of KGH. We expect these discussions to begin early in the New Year, supporting a process that enables satisfactory long-term arrangements to be reached in a timely and effective manner.

The Government expects that the first set of discussions will be between officials and NZSF, to determine parameters acceptable to both the Government and NZSF under which negotiations between KGH shareholders would be able to proceed.

Cabinet has considered and has agreed that it is open to these discussions including the option to introduce, at a suitable time in the future, a minority strategic investor into KGH but only to the extent that this is consistent with the Government's requirement that Kiwibank remains wholly New Zealand-owned and at least majority (directly or indirectly) Crown-owned in the long-term.

As we move into a formal process that seeks to reach a negotiated solution for KGH ownership and which is intended to meet many of each party's own objectives, I request NZSF to continue working with the Crown and the other shareholders to this end. I appreciate the patience that shareholders have shown to date as the Government determined its priorities for KGH.

Yours sincerely

Hon Grant Robertson
Minister of Finance

Cc Matt Whineray, Chief Executive Officer, [23]