

The Treasury

Project Korimako - Release of advice

December 2022

This document has been proactively released by the Treasury/Minister of Finance (Hon Grant Robertson) on the Treasury website at

<https://treasury.govt.nz/publications/information-release/project-korimako>

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

Treasury Report: Project Korimako - Documents for Execution

Date:	17 August 2022	Report No:	T2022/1828
		File Number:	SE-1-3-22-2

Action sought

	Action sought	Deadline
Minister of Finance (Hon Grant Robertson) Associate Minister of Finance (Hon David Parker)	Sign the attached documents to execute the Korimako transaction	19 August 2022

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
David Stanley	Principal Advisor, Commercial and Institutional Performance	[39]	[35]	✓
Shelley Hollingsworth	Manager, Commercial and Institutional Performance			

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure:

- [Sale and Purchase Agreement - Kiwi Group Holdings Limited \(Treasury:4689193v2\)](#)
- [Sale and Purchase Agreement - Kiwi Group Holdings Limited Appendix 1 \(Treasury:4689194v2\)](#)
- [Sale and Purchase Agreement - Kiwi Group Holdings Limited Appendices 2-5 \(Treasury:4689196v2\)](#)
- [Project Korimako - Delegation instrument - Minister of Finance and Minister for State Owned Enterprises to the Secretary to the Treasury \(Treasury:4689030v1\)](#)
- [Project Korimako - Deed of Indemnity \(NZ Post Deed Poll Guarantee\) \(execution version\)\(900208399.15\) \(Treasury:4689005v1\)](#)
- [Delegation from Minister of Finance to Secretary to the Treasury - Project Korimako guarantee/indemnity \(Treasury:4662369v1\)](#)
- [Project Korimako - Deed of Transfer of Deed Poll Guarantee \(execution version\)\(900158056.13\) \(Treasury:4689006v1\)](#)
- [Project Korimako - Deed of Termination of Crown Deed \(execution version\)\(900480952.1\) \(Treasury:4689007v1\)](#)

Treasury Report: Project Korimako - Documents for Execution

Purpose of Report

1. This report asks you to sign the attached documents executing the Korimako transaction.

Background

2. You have already agreed to enter into the Korimako Sale and Purchase Agreement (SPA) on the terms previously reported to you [T2022/1663 refers]. The Minister of Finance also agreed that it was expedient in the public interest to enter into liability obligations in favour of the vendors on the terms set out in the SPA and agreed to enter into these liability obligations under section 65ZD of the Public Finance Act 1989.
3. Since our previous report the vendor verification process has now been completed. As expected, no material issues arose from this process.
4. [25]

Transaction Documents

5. The transaction documents attached are:
 - SPA.
 - Delegation instrument to the Secretary to the Treasury in relation to making payments, and taking other ancillary actions, in relation to the SPA and related transactions.
 - (Minister of Finance only) Deed of Transfer, Deed of Indemnity, and delegation instrument to the Secretary to the Treasury in relation to the NZ Post Deed Poll Guarantee. The Minister of Finance has already agreed to enter into these documents [T2022/1334 refers]. Note that these documents will not take effect until completion (which will occur once Reserve Bank of New Zealand (RBNZ) approval has been received, ownership can transfer and the vendors have been paid for their shares).
 - (Minister of Finance only) Crown Deed Termination Deed. This document provides that the Crown Deed (applicable in respect of the existing KGH shareholding) will terminate upon completion of the Crown's purchase of KGH.
6. The SPA will be entered into by the Crown acting through the Minister of Finance and the Minister for State Owned Enterprises (with Hon David Parker acting in that capacity).
7. There have been some slight changes to the SPA mechanics from the summary of its key terms that was previously provided to you [T2022/1663 refers]. Appendix A sets out an updated summary, showing changes from the version previously provided.

8. Please sign, but do not date, the documents. Treasury will date and release the documents at the appropriate time. We have separately provided signing instructions to your office in respect of Hon Parker's proposed electronic signing of the documents.

Recommended Action

We recommend that you **sign** the attached transaction documents to execute the Korimako transaction.

Agree/disagree.
Minister of Finance

Agree/disagree.
Associate Minister of Finance

Shelley Hollingsworth
Manager, Commercial and Institutional Performance

Hon Grant Robertson
Minister of Finance

Hon David Parker
Associate Minister of Finance

Appendix A: Key terms of SPA - updated

[25], [37]

[25], [37]

[25], [37]

[25], [37]