




Board Minutes – Special Meeting

Date:	14 February 2025
Time:	10.15-12.00
Location:	Virtual meeting
Board:	Neil Quigley, Board Chair Adrian Orr, Governor and Board Member Rodger Finlay, Board Member Susan Paterson, Board Member Rawinia Higgins, Board Member Byron Pepper, Board Member Jeremy Banks, Board Member Philip Vermeulen, Board Member
Attendees:	Sarah Exeter, Senior Governance Adviser, Governance Services

#	Item	Actions (Due Date)
1.	Introduction	
1.1.	Welcome, Karakia and Apologies <p>The Chair welcomed members to the Special Meeting. He congratulated Philip Vermeulen on his appointment to the Board.</p> <p>The Chair noted that the paper for discussion is an updated proposal for the five-year funding agreement (FYFA) for the years from 1 July 2025. The Chair noted that the Act provides for the Minister to determine the operating expenses of the Bank. The Minister will be advised by The Treasury in the determination.</p> <p>The Chair noted that since the paper had been prepared by the Bank staff he has received strong signals from the Minister and Treasury that a FYFA at \$900m will not be accepted, that Treasury advice and the Minister's initial starting position are substantially lower, and that the Bank will need to show willingness to work with a much lower FYFA funding limit if it is to have influence on the Minister's final determination.</p> <p>The Board discussed the matter noting:</p> <ul style="list-style-type: none"> • The need to have sufficient funding to deliver on RBNZ's core mandate, and to support the statutory independence of the Bank. • The wider public sector context; RBNZ is not alone in being asked to reduce spending to a substantial extent. 	

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#	Item	Actions (Due Date)
	<ul style="list-style-type: none"> • RBNZ's revenue and the significant dividend that RBNZ provides to the Crown each year. • The importance of the Board now being more directly involved in the FYFA process, including discussions with Treasury and the Minister. • Possible approaches to reducing spending in line with a much lower funding limit than the benchmark provided by the 2024/25 financial year budget. <p>The Chair asked that the Governor provide a further paper for the Board's consideration built around a funding envelope of 750m. The paper should clearly explain the risks of funding at this level, and of funding at any lower level.</p> <p>It was agreed that the Chair and the Governor would meet with Treasury officials to advance the discussion and seek a basis for joint advice to the Minister on the FYFA including any exclusions from it.</p>	Adrian Orr/Greg Smith/Simone Robbers
2.	Conclusion	
2.1.	The meeting concluded at 11.55am.	
	 <p>Neil Quigley Board Chair Date 27 February 2025</p>	


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Board Minute

Date:	10 March 2025
Location:	Decision by email circular
Board:	Neil Quigley, Board Chair Rodger Finlay, Board Member Susan Paterson, Board Member Rawinia Higgins, Board Member Byron Pepper, Board Member Jeremy Banks, Board Member Philip Vermeulen, Board Member
Attendees:	Sarah Exeter, Senior Governance Adviser, Governance Services


#	Item	Actions (Due Date)
1.		
1.1.	Five-Year-Funding-Agreement Proposal 2025-2030 The Board commented on the current FYFA proposal noting that <ul style="list-style-type: none"> • The proposal represents a substantial reduction from current expenditure levels, and achieving it without significantly elevating operational risk will be a challenge. • It will take a concerted project effort to achieve the reductions. • It is important that we gain the support of the Treasury for our proposal prior to presentation to the Minister of Finance The Board approved the final FYFA proposal aggregate amount of \$750m, being the amount of the Bank's revenue that can be applied to funding its operating and capital expenditure. The Board noted management's assessment of the impacts of reduced funding as outlined in Appendix 1 as the basis for FYFA final proposal to be provided to Treasury. The Board approved the draft FYFA (subject to minor drafting comments and any changes required by the board). The Board approved the categories of expenditure to be excluded from the FYFA under s 209(b)(v)(viii) of the RBNZ Act 2021. The Board noted the timeline for finalising the FYFA in section 6. The Board suggested that the following exclusions be considered as additions to the list of exemptions:	

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	<ul style="list-style-type: none">• A major external event beyond the RBNZ’s control such as a cyberattack or a natural disaster,• The cost of updating the NZ payments system infrastructure.• Restructuring costs associated with the implementation of the reduced budget.• Exit costs for the termination of supplier contracts due to lower funding.	
	 Neil Quigley Board Chair Date: 27 March 2025	




Board Minute

Date:	13 March 2025	
Location:	Decision by email circular	
Board:	Neil Quigley, Board Chair Rodger Finlay, Board Member Susan Paterson, Board Member Rawinia Higgins, Board Member Byron Pepper, Board Member Jeremy Banks, Board Member Philip Vermeulen, Board Member	
Attendees:		
#	Item	Actions (Due Date)
1.		
1.1.	Five-Year-Funding-Agreement Proposal 2025-2030 The Board approved: <ul style="list-style-type: none"> the form of the Memorandum to the Minister of Finance and the attachment of a version of the Five Year Funding Agreement consistent with it \$750m, \$36m capex and the exclusions proposed by Treasury. 	
	 Neil Quigley Board Chair Date: 27 March 2025	

Board Minute

Date:	18 March 2025	
Location:	Teams Meeting	
Board:	Neil Quigley, Board Chair Rodger Finlay, Deputy Chair Susan Paterson, Board Member Rawinia Higgins, Board Member Byron Pepper, Board Member Jeremy Banks, Board Member Philip Vermeulen, Board Member	
Attendees:	Sarah Exeter, Senior Governance Adviser, Governance Services Sarah Owen, AG/GM Risk, Compliance and Legal	
#	Item	Actions (Due Date)
1.	Introduction	
1.1.	Rodger Finlay opened the meeting and it was agreed that he would chair the meeting.	
1.2.	Declaration of Interests The Board noted the register of interests, and that none of the Board members held an interest in the decisions to be taken at the meeting.	
2.	Temporary Governor Appointment Process and Expectations	
2.1	<p>The Board discussed:</p> <ul style="list-style-type: none"> The 6 month term that the temporary Governor will be appointed for, extendable by up to a further 3 months. They questioned what the Board's options are if a permanent Governor is not appointed within this timeframe? What if the appointment is made within 9 months but the new Governor's ability to start the role takes longer? The need for the Board to provide the Temporary Governor a great deal of support during their term of appointment, if they are to be successful in the role and meet the Board's expectations. <p>The Board approved the appointment process and timetable for the Temporary Governor.</p>	Action: Sarah Owen/Nick McBride

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#	Item	Actions (Due Date)
	<p>The Board discussed and provided direction on a list of expectations for the Temporary Governor, to be finalised by the Deputy Chair and Audit Committee Chair.</p> <p>The Board approved the proposed criteria for appointment.</p> <p>The Board discussed potential candidates for the Temporary Governor role to seek expressions of interest from and decided that Christian Hawkesby is the only candidate that it would approach, due to the short timeframe, market expectations and continuity of leadership for staff.</p>  <p>Rodger Finlay Deputy Chair Date: 27 March 2025</p>	