

5 September 2025

Christian Hawkesby
Governor of the Reserve Bank
Reserve Bank of New Zealand
2 The Terrace
PO Box 2498
Wellington 6140
New Zealand

Dear Christian,

Our OIA 2025/13 – Borrowing during the pandemic by RBNZ and the Treasury and follow-up on recommendations

Background

The Institute is currently producing *Discussion Paper 2025/03 – Time to prepare: Lessons from the COVID-19 Wage Subsidy* (see Attachment 1 for a final draft). We are also preparing a booklet which will accompany [COVID-19 Nation Dates](#), titled *Additional COVID-19 Nation Dates Since September 2024* (see Attachment 2 for a first draft). The latter publication summarises events that have occurred after the Second Edition of [COVID-10 Nation Dates](#) was published – such as the publishing of [Te Ara Māhōkupu: Treasury's 2025 Long-term Insights Briefing](#), discussed below. This is one of eight OIAs sent as part of our Project PandemicNZ, the remainder are available on our website [here](#).

We understand that the Reserve Bank of New Zealand (RBNZ) and the Treasury each maintain distinct emergency buffers, tailored to their respective roles in supporting the Government's response during periods of economic or systemic stress. The Treasury's buffer is primarily geared toward fiscal intervention (i.e. ensuring New Zealand can respond effectively to both immediate emergencies and wider economic disruptions), while the RBNZ's buffer is focused on protecting financial stability. We are aware that Treasury and the RBNZ worked closely together during the pandemic, but we are not clear how that relationship operated in practice and whether there has been a joint review to learn how timely, effective and responsive the system was and how it has been/is being improved, in preparation for the next emergency or crises.

We are writing to see if you would be able to answer the following eight OIA questions:

Borrowing during the pandemic by RBNZ and the Treasury

1. Please explain the structure and use of emergency and crisis buffers held by Treasury and RBNZ during the pandemic. What changes have been made to those buffers as a result of the responses to the pandemic? Can you also provide the dollar amount of the buffer that RBNZ holds?
2. Has a joint, consolidated review been undertaken that provides a comprehensive evaluation of how the RBNZ and the Treasury collaborated during the COVID-19 pandemic? If such a review exists, please provide a copy. Additionally, if the review included recommendations, please advise whether those recommendations have been implemented, and if not, the reasons why.
3. If the answer to Question 2 is no, please provide details on how Treasury and RBNZ worked together to fund the pandemic response and copies of any relevant correspondence outlining how the two organisations worked together in 2020 and any observations on how the structure and processes could be improved.
4. What were the annual amounts borrowed by Treasury and RBNZ, respectively, to support the COVID-19 response from 2020 to 2025? Please include the timeframes and types of instruments used (e.g., New Zealand Government Bonds, New Zealand Treasury Bills (T-Bills)).

5. What were the interest rates associated with this borrowing?

Follow-up on recommendations

Attachment 3 is an excel that contains a consolidated list of recommendations from both the Phase One of the Royal Commission of Inquiry into COVID-19 Lessons Learned – Te Tira Ārai Urutā (Sheet 2, Table 1 of the excel) and the Office of the Auditor-General (OAG) (Sheet 3, Table 2 of the excel). Sheet 1 contains a key, as well as provides links to the documents where the recommendations were sourced from. We are interested in knowing to what extent particular recommendations have been implemented. Can you please:

6. Complete the attached excel, in particular Columns E-H of Sheet 2, and Columns C-F of Sheet 3.
7. Provide the report of progress against the recommendations of Phase One of the Royal Commission (mentioned in Recommendation 39b of the Royal Commission).
8. Advise whether RBNZ will be producing a report on progress against the Phase One recommendations for tabling in Parliament (mentioned in Recommendation 39c of the Royal Commission).

If you have any questions or require any further clarification, please do not hesitate to contact myself or Arne Larsen (copied in).

Best wishes,



Wendy McGuinness
Chief Executive

Attachments

1. *Discussion Paper 2025/03 – Time to prepare: Lessons from the COVID-19 Wage Subsidy* (final draft)
2. *Additional COVID-19 Nation Dates Since September 2024*
3. 20250904 COVID-19 recommendations (Excel)