

30 July 2024

s 9(2)(a)

Tēnā koe s 9(2)(a)

Thank you for your request to Kāinga Ora – Homes and Communities, dated 2 July 2024, for the following information under the Official Information Act 1982 (the Act).

all communications, memos, and reports in the past six months regarding the resignation of Andrew McKenzie and a "refresh" of the KO board.

As advised in our email to you on 4 July 2024, we transferred the second part of your request relating to information about the "refresh of the KO board" to the Ministry of Housing and Urban Development.

To be clear, Mr McKenzie has not resigned. Mr McKenzie will leave the organisation at the end of October this year and his departure will be treated as a redundancy consistent with the terms of his employment agreement due to a material reduction in the accountabilities of his role.

Please find attached communications relating to the issue. There are no memos or reports. Some information from the documents has been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.

You have the right to seek an investigation and review by the Ombudsman of my decision on your request. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

Please note that Kāinga Ora proactively releases its responses to official information requests where possible. Our response to your request may be published at <https://kaingaora.govt.nz/publications/official-information-requests/>, with your personal information removed.

Nāku noa, nā



Greg Groufsky
Deputy Chief Executive – Government and Sector Relationships

From: Simon Moutter s 9(2)(a)

Sent: Wednesday, June 19, 2024 4:26:55 PM

To: Andrew McKenzie s 9(2)(a)

Subject: Letter Attached

Hi Andrew,

Please see a letter attached for your attention. I am sending it through to you in my official capacity as Chairman of Kāinga Ora.

Kind regards,
Simon Moutter

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Andrew McKenzie
Chief Executive, Kainga Ora
By Email
19 June 2024

Dear Andrew,

Since first being approached by Government to Chair the refreshed Board of Kāinga Ora, I have been working hard to familiarise myself with the organisation itself and the governance settings around it. As an element of that, I have spent a lot of time seeking to understand the direction of the Independent Review of Kāinga Ora released in March and in particular the likely impact of adoption of its recommendations pertaining to the future focus of the organisation and its more narrowly defined role in the wider housing system.

I have repeatedly heard the Minister of Housing state that he wants Kāinga Ora to “concentrate on being a good landlord” and that the Government will be “moving to an active purchaser model”, with community housing providers being contracted to deliver most of the growth in social housing in the foreseeable future. Those statements have already been backed up through material reductions in funding for Kāinga Ora’s build programme, an instruction to stay within a specified debt envelope (which will tightly constrain the amount of construction and retrofit work from FY26 onward), very significant operating cost reductions being baked into Budget 2024 and a requirement for the refreshed Board to deliver a “turnaround plan” for financial sustainability by November 2024.

Given Government’s commitment to these changes, it seems inevitable that Kāinga Ora is going to become a smaller organisation in both scope and scale of the outcomes it is accountable for. It would follow that the parameters of your CEO position would be substantially reduced as we put effect to these changes. From my discussion with the current Deputy Chair, it is apparent that your decision to agree to extend your tenure, recorded in the Employment Agreement Variation letter dated 18 May 2023, was founded in significant part by your strong interest in the challenge of leading the organisation with an expanded mandate to make a much bigger impact on the overall housing system in New Zealand.

The reason I am writing to you now, before serious work commences on developing a “turnaround plan” and any consequent change proposals, is to share with you my initial thinking and to seek an understanding of your views. In particular, if you agree with my assessment as to the impact of Government’s policy on the scope of your role, and would prefer not to go through a formal consultation process, I would be open to agreeing an arrangement which reflects the disestablishment of the CEO position in its current form. If we went down this path, I would also like to ascertain your interest in continuing in the CEO role of Kāinga Ora as a smaller and more narrowly focused organisation.

The approach I am proposing should not be seen as pre-empting any outcomes, but rather reflects my wish to engage with you in an open and honest way about the way forward and allow you an opportunity to work with me and the Board to shape how any changes are given effect to.

Once you’ve had the opportunity to carefully consider this, I would be pleased if you would come back to me in writing setting out your thoughts.

And please do feel free to request time for further discussion with me should you need it prior to responding.

Sincerely,



Simon Moutter
Chairman

From: [Simon Moutter](#)
To: [Sharon Girvan](#)
Cc: [Andrew McKenzie](#)
Subject: Fwd: Letter Attached
Date: Friday, 5 July 2024 4:44:27 PM
Attachments: [AM Letter.docx](#)

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Hi Sharon (Andrew cc'd), here is the email correspondence I had with Andrew from my personal email to his personal email. I used Andrew's personal email as I understand that some KO staff have access to his KO email and I wanted to maintain confidentiality while I was consulting with him. Please also note that I initially made a silly typo on the letter and dated it incorrectly as May but then resent it to him with the date corrected to June (which is the one attached).

Cheers
Simon

Begin forwarded message:

From: Andrew McKenzie s 9(2)(a) >
Subject: Re: Letter Attached
Date: 21 June 2024 at 12:17:27 PM NZST
To: Simon Moutter s 9(2)(a)

Dear Simon

I am writing further to your letter of 19 June (it says 19 May) in which you have noted the likely impact on my role of pending role and funding changes. I acknowledge that your views are speculative, and that they have been shared with me in good faith and without preempting any future processes.

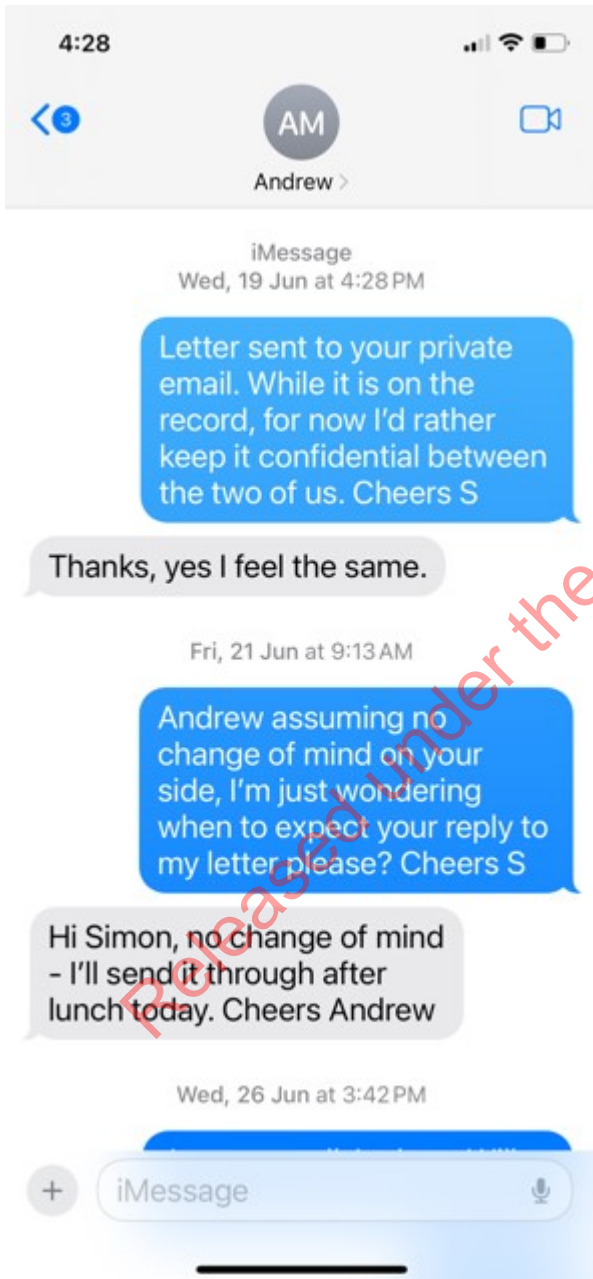
I have thought through the matters you have raised, and the significant changes they would bring to my role. A diminished role is not likely to be of interest to me. Given that I am happy to work through with you an arrangement that reflects the role being disestablished from its current form, and allows the organisation to deliver on current expectations and set itself up for the future.

As a next step I would be interested in your thoughts on how we do that.

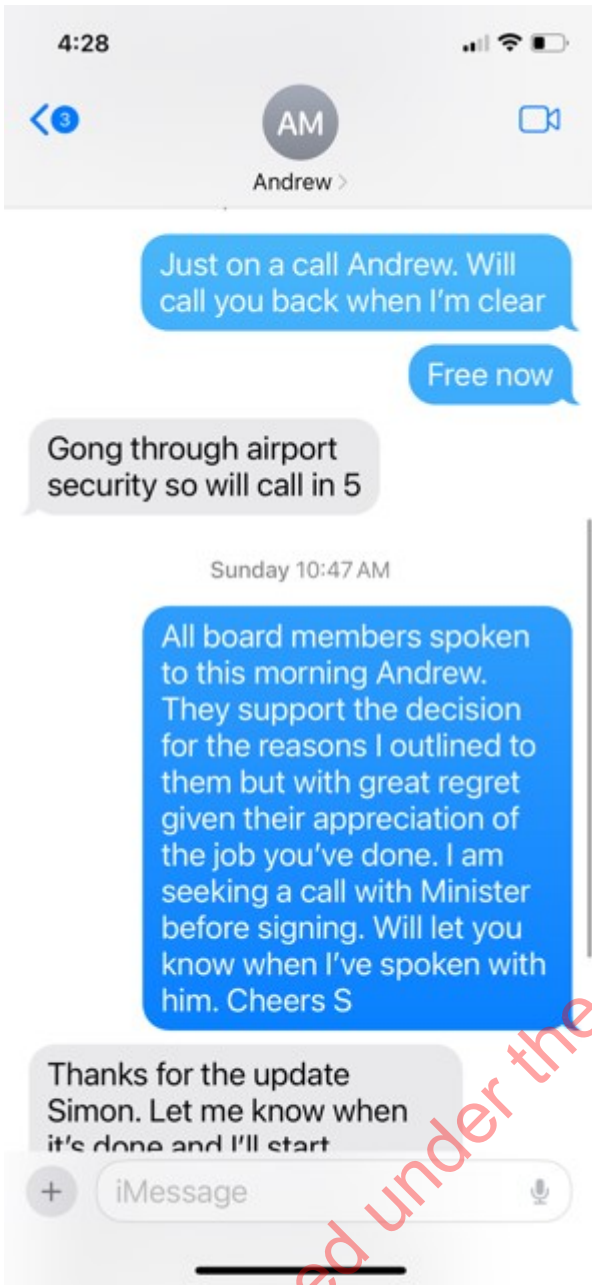
Thank you for the honest and considered way in which you have raised this with me.

Kind regards
Andrew McKenzie

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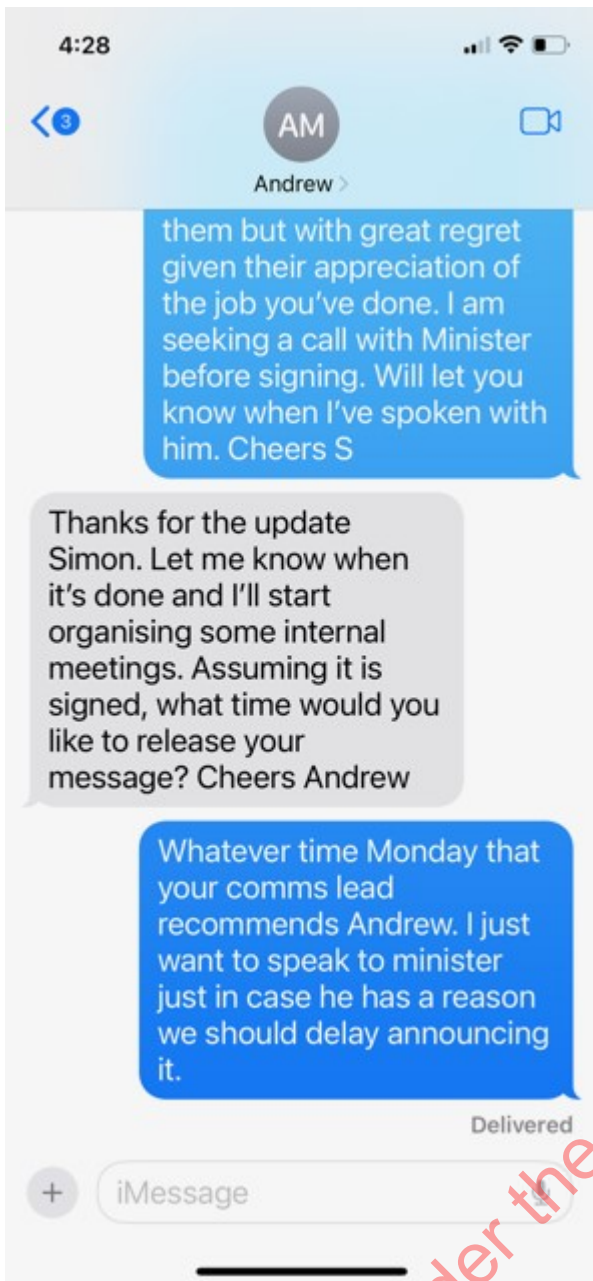


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Sent from my iPhone

From: [Simon Moutter](#)
To: [Andrew McKenzie](#)
Cc: [Simon Moutter](#)
Subject: Communications Documents
Date: Sunday, 30 June 2024 4:07:21 PM
Attachments: [External KO Announcement.docx](#)
[Internal KO Announcement.docx](#)

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Hi Andrew,

Here are the communications documents that we worked on together. They are now in a form ready to go to your Comms Team. The wording is important so please discourage them from making material changes and if they do feel changes are necessary, I'd like to approve them before release please.

I have advised the key stakeholders of the pending announcement tomorrow. My recommendation would be to release it mid-morning but I will be guided by your Comms Team if they have a different view on timing.

So from here, would you please:

- Make your heads-up calls to those people you wish to, this evening or early tomorrow morning.
- Forward these communication documents to your Comms Team so they can get everything prepared.
- Set a time for the release and give me a quick call prior to release tomorrow morning to confirm that everything is ready to go and no unexpected issues have emerged which would alter the timing or approach.

Kind regards,
Simon

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Kāinga Ora Chief Executive to Leave

I have today announced to staff at Kāinga Ora that its Chief Executive, Andrew McKenzie, will be leaving at the end of October.

The government has made a number of significant changes to Kāinga Ora's role in the wider housing system through its Budget 2024 and signalled further changes in response to the Independent Review that will reduce the breadth and level of activity the organisation undertakes.

These changes are material to the Chief Executive role, reducing its scale and accountabilities significantly, and that was not what Mr McKenzie signed-up for when he agreed with the Board to extend his employment contract last year. As a result, Mr McKenzie and I have agreed that he will leave the organisation at the end of October this year and that his departure will be treated as a redundancy consistent with the terms of his employment agreement due to a material reduction in the accountabilities of his role. I have asked Mr McKenzie to stay on until October to complete some important current change processes as Chief Executive and then move across to assist me and the Board with preparing the new Plan that must be delivered to the government in November.

Mr McKenzie has done an excellent job as Chief Executive of firstly Housing New Zealand and then Kāinga Ora over the last eight years. During that time he established the new Kāinga Ora organisation, lead it through COVID, improved tenant outcomes, built New Zealand's largest housing construction programme and delivered land that will see tens of thousands of new homes built over the next decade. I wish him well for his career beyond Kāinga Ora.

Note: Mr McKenzie will be receiving his contractual entitlements when he leaves, including a payment totalling six months of his base salary as compensation for notice and redundancy.

Simon Moutter
Chairman, Kāinga Ora – Homes and Communities

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Kāinga Ora Announcement – 1 July 2024

Hello everyone. This is the first time I have written to you all since joining Kāinga Ora as Chairman of the Board a month ago. Yesterday was the last day of service for five outgoing Board members and this week the government will announce the new Board members who will be joining me in governing the organisation over the next few years. I'd like to acknowledge Philippa Howden-Chapman, Sir John Hansen, Campbell Roberts, Robin Hapi and Nicole Anderson for their service and the significant contribution they have each made to Kāinga Ora during their time on the Board.

From my short time involved, it is clear to me already that the environment Kāinga Ora works within has changed markedly over the last few months. The government has made a number of changes to Kāinga Ora's role in the wider housing system through its Budget 2024 and signalled further changes that will reduce the breadth and level of activity the organisation undertakes in response to the Independent Review of Kāinga Ora, which released its report in March.

I have been discussing the implications of this with our Chief Executive, Andrew McKenzie, and concluded that the changes are material to his role, reducing its scale and accountabilities significantly, and that was not what he signed-up for when he agreed with the Board to extend his contract last year. As a consequence, Andrew and I have agreed that he will leave the organisation on 31 October 2024. During the next four months, Andrew will complete some important change processes as Chief Executive and then move across to assist me and the Board with preparing the new Plan that must be delivered to the government in November. I will update you on new leadership arrangements as decisions are made about those over the next few weeks.

We will more fully acknowledge and thank Andrew for his contribution closer to his finishing date, but for now the Board and I do want to recognise the enormous contribution he has made in his eight years as Chief Executive as well as the calm and professional leadership he is providing at this time of significant change. While Andrew will be missed, he will leave the organisation well set up to respond to the changes ahead.

Simon Moutter
Chairman, Kāinga Ora – Homes and Communities

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4:30



Chris >



Sunday 9:39 AM

Good morning Chris, is there a convenient time I could give you a quick call today please? Will only need 10mins. I'll be making an announcement at KO that I'd like to give you a heads-up about. Will only need 10mins. Cheers, Simon Moutter

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From: [Andrew McKenzie](#)
To: [CPAP](#)
Subject: Resignation
Date: Monday, 1 July 2024 10:32:56 AM

Hi all,

I am writing to let you know that this morning I have told the organisation that I will be leaving it on 31 October this year. Given the change in responsibilities and volume of work this Government has made and signalled, Simon Moutter and I have agreed that it is not the role I extended my contract to do last year.

Thank you to all of you for the support you have provided over the last four plus years. It has been a great experience learning from such talented and considered people, built more important has been the collegiality and humanity you have provided. I have been fortunate to receive that from all of you.

We are still working on details for handovers/interim arrangements, I will let you know when I have more information.

Kind regards
Andrew McKenzie

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From: [Andrew McKenzie](#)
To: [Bridgman, Andrew](#); [Andrew Clark](#); [Andrew Coster](#); [Andrew Crisp](#); [Andrew Hampton](#); [Andrew Kibblewhite](#); [Audrey Sonerson](#); [Ben King](#); [Carolyn Tremain](#); [Chappie Te Kani](#); [Christine Stevenson](#); [Dave Gawn](#); [Dave Samuels](#); [Debbie Power](#); [Diana Sarfati](#); [Gaye Searancke](#); [Gerardine Clifford-Lidstone](#); [Grainne Moss](#); [Heather Baggott](#); [Iona Holsted](#); [James Palmer](#); [LIGHTFOOT, Jeremy \(PONEKE\)](#); [Karen Chang](#); [Katrina Casey](#); [Kellie Coombes](#); [Anderson, Lillian](#); [Mac Leauanae](#); [Margie Apa](#); [Mark Sowden](#); [Megan Main](#); [Mervin Singham](#); [Nicholas Pole](#); [Nicole Rosis](#); [Paul James](#); [Paula Tesoriero](#); [Penny Nelson](#); [Peter Chrisp](#); [Peter Mersi](#); [Ray Smith](#); [Rebecca Kitteridge](#); [Renee Graham](#); [Richard Hawke](#); [TAYLOR, Rob \(DS EMA\)](#); [Tony Davies](#); [Una Jagose](#)
Cc: [Joshua Blackmore \(Joshua.Blackmore@publicservice.govt.nz\)](mailto:Joshua.Blackmore@publicservice.govt.nz)
Subject: Leaving Government
Date: Monday, 1 July 2024 10:41:15 AM
Attachments: [image001.jpg](#)
[image002.png](#)

Dear colleagues

I am writing to let you know that I have today let Kāinga Ora employees know that I will be leaving the organisation on 31 October 2024. Given I am based in Auckland I may not get a chance to see some of you before I leave, so wanted to acknowledge and thank you as a group for your collegiality and support over the last eight years. It has been a great experience working in government with so many skilled and dedicated professionals tackling some of society's thorniest issues.

I wish all of you all the best for the future.

Kind regards

Andrew McKenzie



Andrew McKenzie (he/him)

Chief Executive

Mobile: s 9(2)(a)

Email: Andrew.McKenzie@kaingaora.govt.nz



Freephone: 0800 801 601 | Kāinga Ora – Homes and Communities

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