

The Treasury

New Zealand Aluminium Smelters (NZAS) Information Release

September 2013

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information, or who is the subject of the information
- [3] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [4] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [5] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 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
- [8] 9(2)(h) – to maintain professional legal privilege

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [3] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

File Note

This is a file note of a phone discussion between the Hon Bill English and Phil Baker, CFO of Pacific Aluminium that took place on 11 July 2013. Treasury and DPMC officials along with Office staff were present for the discussion.

This file note records:

- The offer made in the phone call.
- Other points of interest raised in the discussion.

Key Points

- Minister English formally refused the proposal that Pacific Aluminium had put on the table with respect to electricity pricing and transmission charging. He outlined why these proposals were unacceptable to the New Zealand Government.
- Acknowledging the difficult state of the Aluminium industry and the progress that had been made in the negotiations between Pacific Aluminium and Meridian the Minister put forward an alternative offer of a \$30 million lump sum signing bonus to be paid to NZAS on signing off of the offer currently proposed by Meridian.
- This offer is on the table until Friday 19 July 2013.
- Phil undertook to take the proposal to the owners of the smelter in London and Tokyo (Rio Tinto and Sumitomo Chemical).
- Phil also asked for clarification on how the payment would be made and why the amount had been chosen.
- Minister English responded that the payment would be from the Crown (not Meridian) to NZAS and the amount was based off the offer that the Prime Minister had made to Rio Tinto directly in March.
- There was also a question and clarification on Transmission charging and the position that the smelter would still be liable for increases in this area was established.