

The Treasury

Solid Energy Information Release

March 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 protect the commercial position of the person who supplied the information, or who is the subject of the information; to enable the Crown to carry out commercial activities without disadvantage or prejudice; and 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] Information is out of scope or not relevant.

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

Treasury Report: Solid Energy AGM & SCI

Date:	27 November 2012	Report No:	T2012/2986
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Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Bill English)	None	N/A
Associate Minister of Finance (Hon Steven Joyce)	None	N/A
Minister for State Owned Enterprises (Hon Tony Ryall)	Sign the attached letter	Friday 30 November 2012

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
[4]	Analyst, Commercial Transactions Group	[1]	✓
Chris White	Manager, Commercial Transactions Group	[1]	

Actions for the Minister's Office Staff (if required)

Send the signed letter.

Enclosure: **Yes**

[\(Letter to Solid Energy - third extension of time for 2012/15 SCI:2496121\)](#)

Treasury Report: Solid Energy AGM & SCI

1. Solid Energy has not yet submitted a final SCI to you for tabling in Parliament. Due to the challenging circumstances that the company finds itself in, two extensions to the original deadline of 30 June have been given. The most recent extension was to 1 December 2012.
2. The new chair of Solid Energy has indicated that he is uncomfortable signing off on an SCI in time to meet the 1 December deadline. We understand that the major points of contention are the commercial valuation of the company and its ongoing strategy. Given that the chair has just appointed an investigating accountant to assist with getting a stronger understanding of the company's finances, we can understand his reluctance in signing off on a valuation until he receives their report.
3. While it is highly undesirable to extend the timeframe out for the SCI further, we think that the circumstances are exceptional enough that it is warranted. It is arguable that an SCI that is finalised so late in the financial year won't be of much use, but it is still required under the State Owned Enterprises Act. A letter for you to send to the company to grant them the further extension is attached.

Annual General Meeting

4. The Chair of Solid Energy has indicated to us that he would prefer not to have a physical Annual General Meeting (AGM) this year and instead meet the requirements of the Companies Act via minute. This was the common practice of SOEs prior to a change in policy in preference of physical AGMs in 2010. Given that the company has had a lot of board turnover recently and has big challenges to resolve we are supportive of this approach. We continue to have regular engagement with the company on its current business challenges, including a significant engagement with senior management in the week prior to the AGM.

5.

Recommended Action

We recommend that you:

- a **sign** the attached letter on behalf of shareholding Ministers granting Solid Energy a further extension of time to submit their SCI until 28 February 2013, and

Agree/disagree

Minister for State Owned Enterprises

- b **note** that Solid Energy intends to conduct its AGM by minute rather than have a formal meeting.

Chris White

Manager, Commercial Transactions Group

Hon Bill English

Minister of Finance

Hon Steven Joyce

Associate Minister of Finance

Hon Tony Ryall

Minister for State Owned Enterprises



Office of Hon Tony Ryall

Minister of Health

Minister for State Owned Enterprises

Mark Ford
Chair
Solid Energy Limited
PO Box 1303
CHRISTCHURCH 8013

Dear Mr Ford

Extension of deadline for submitting Solid Energy's 2012 SCI and Business Plan

In August I wrote to your predecessor to extend the deadline for submitting Solid Energy's revised Business Plan and Statement of Corporate Intent (SCI) to 1 December 2012. I understand that given your relatively recent appointment to your role and the continued uncertainty around the company's operating environment, it has not been possible to finalise an SCI before this date.

Consequently I am extending the deadline for Solid Energy to submit a finalised SCI to **28 February 2013**.

I expect that the company will continue to engage constructively with officials in the development of the SCI and Business Plan.

Yours sincerely

Hon Tony Ryall
Minister for State Owned Enterprises
On behalf of Shareholding Ministers