

# **The Treasury**

## **Mixed Ownership Model for Crown Commercial Entities: Treasury Advice Information Release**

**4 September 2012**

### **Release Document**

**[www.comu.govt.nz/publications/information-releases/mixed-ownership-model](http://www.comu.govt.nz/publications/information-releases/mixed-ownership-model)**

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)(h) - to maintain professional legal privilege
- [6] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice, or
- [7] Information is out of scope or not relevant.

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.

## **EXTENDING THE MIXED OWNERSHIP MODEL**

To: Minister of Finance (Hon English)  
Minister for State Owned Enterprises (Hon Ryall)  
Associate Minister of Finance (Hon Joyce)

From: John Crawford, Deputy Secretary, Commercial Transactions [1],  
Andrew Blazey, Manager, Commercial Transactions [1]

### **Progress Report on Preparations – Fortnight Ending 15 September 2011**

#### **Work Programme and Timetable**

- We have posted a tender on the government electronic tender system (GETS) for an independent advisor. This tender is for three sets of services:
  - Complete independent quality assurance of Deutsche Bank's advice on a sales programme
  - Assist with negotiating the appointment of a sales syndicate
  - Oversee Deutsche Bank in an execution phase – only for the functions where Deutsche may face an actual or perceived conflict of interest
- We have completed the appointment of a legal panel and identified Bell Gully as the lead provider during the preparatory stage of work. Bell Gully is providing initial advice on:
  - Statements Ministers can make pre-election and pre an IPO
  - Requirements for indemnities and insurance
  - Regulatory issues eg. possible restrictions on related parties
  - Issues from the scoping studies
- Scoping study advisors have completed preliminary reports on each SOE. These reports confirm that each advisor is on track for completing the studies by 7 October. The reports do not alter the assessment of issues and risks we reported to you [T2011/1963 refers].

#### **SOE and Air New Zealand Monitoring**

- All five companies identified for mixed ownership have reported their end of year financial results. We reported to Ministers on the financial results. [T2011/2007 refers].
- Reported to Ministers in an aide memoire on the \$150 million in debt notes raised by Air New Zealand.
- Air New Zealand's AGM is on 28 September.

## **Policy Issues**

- Reported to Ministers with an update on issues and risks [T2011/1963 refers].
- Reported to Ministers on options regarding a framework for board appointments [T2011/1972 refers].
- We are scheduled to meet Ministers on 28 September to report on progress. We propose to use that meeting to discuss how we prepare advice for the government after the election and legislative options for giving effect to a mixed ownership model.

## **Other Matters**

- The Chairs of the four SOEs are scheduled to meet Ministers on 6 October. We will seek views from the chairs on an agenda and brief you prior to that meeting.
- Following Treasury's changes to its organisational structure, the membership of the steering committee on mixed ownership comprises:
  - Andrew Kibblewhite (chair), Deputy Chief Executive
  - John Crawford, Deputy secretary, Commercial Transactions
  - Jeremy Salmond, Chief Legal Advisor
  - Vicky Robertson, Deputy Secretary, Growth and Public Services
  - Paul Bains, Treasury Board Member
  - Ivan Kwok, Principal Advisor.
- The committee is meeting on a fortnightly basis and overseeing the preparatory work.