

The Treasury

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

4 September 2012

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)(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 14 November 2011

Work Programme and Timetable

- The Crown Advisor, Deutsche Bank, has completed its report on the sales programme. The advice supports implementing the mixed ownership policy. We are reviewing the advice and have asked the Independent Advisor, Lazard, to commence the independent quality assurance.
- We have drafted a paper for Cabinet for you to review. [6]
[6] The draft paper and a Treasury report will be delivered to your office on Friday 18 November for you to review.
- We have discussed with Cabinet Office the caretaker convention in relation to taking decisions immediately after the election. Cabinet Office is preparing advice for the PM and you on this matter.
- We are preparing tender documents for release after the election should the next government decide to implement mixed ownership. These tenders are for a sales syndicate, communication advisors and an IT/web designer. These services are on the critical path for completing an IPO in the first half of next year. Bell Gully will act as legal advisor and Peter Castle as probity advisor for these processes.
- We have met the Office of the Ombudsmen to discuss complaints regarding withheld information relating to mixed ownership. The Ombudsman is likely to issue her preliminary view by 18 November. Our assessment is that she will agree the material should be withheld, or advise that part of the information be released. It is unlikely that she will conclude that all the information be released.
- We have given feedback to the parties that were unsuccessful in becoming the independent advisor. The feedback completes our obligations under the public sector procurement guidelines for that appointment.
- We have met with a number of regulators and other agencies to discuss aspects of the potential transactions including the Takeovers Panel on related party issues, the Financial Markets Authority on potential exemptions, NZX on listing processes and the Office of the Auditor General on the role of auditors in due diligence processes.

SOE and Air New Zealand Monitoring

- We undertook the shareholder responsibilities on your behalf at the Meridian and Mighty River Power annual general meetings.
- We have indicated to SOEs that we are not likely to contact them until after the election.

Policy Issues

- No issues to report.

Other Matters

- Reported to Ministers on 4 November on the findings of the scoping studies of the four SOEs [T2011/2366 T2011/2367 T2011/2373 T2011/2374 refer].