

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.

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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.

20 December 2011

To: Minister for State Owned Enterprises
Minister of Finance

FIRST MEETING WITH MIGHTY RIVER ON IMPLEMENTING MIXED OWNERSHIP

On 21 December, Treasury will hold an initial meeting with Joan Withers, chair of Mighty River Power (MRP), to discuss the implementation of mixed ownership. This note is to advise you of the agenda and issues the chair may raise with Ministers following the meeting.

Agenda items	Issues MRP may raise with Ministers
Governance <ul style="list-style-type: none">Discuss an IPO protocol between Crown and MRP on responsibilities, communication and disputes.Directors fees, indemnities and insuranceDiscuss contact with Ministers	<p>We have suggested that Ministers write to the Chair with expectations regarding the IPO [T2011/2561 refers]. The meeting is a preparatory step to developing the expectations.</p> <p>We will ask the Chair to estimate a fees allowance which can be passed to Ministers with advice from Steve Rich (COMU). We are preparing advice on indemnities and insurance.</p> <p>MRP is likely to ask Ministers to attend a board meeting in the New Year and establish regular meetings with Ministers.</p>
Project and risk management <ul style="list-style-type: none">Confirm a structure for meetings, membership, locationsDiscuss cost sharingDiscuss major risks and ways of managing them	<p>No issues</p> <p>MRP wishes to pay for direct costs only. We consider MRP should pay a reasonable contribution to share costs on items where it receives a benefit or has an incentive to minimise expenditure. Cost sharing occurred for the float of Contact and Auckland Airport.</p> <p>No issues</p>
Due diligence <ul style="list-style-type: none">Discuss format for the first meetingUnderstand the extent to which MRP has undertaken IPO preparationsIdentify a work programme for the due diligence committee	<p>No issues</p>
Procurement <ul style="list-style-type: none">Update on appointment processes	<p>No issues. The purpose is to understand potential conflicts of interest from firms applying to advise the Crown and MRP.</p>

We will prepare advice for Ministers following the meeting with Mighty River.

Andrew Blazey, Manager, Commercial Transactions, [1]