

# **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.

30 January 2012



To: Minister of Finance  
Minister for State Owned Enterprises

Cc: Associate Minister of Finance (Hon Joyce)

## **Aide Memoire: Progress Report 30 January 2012**

This is the first of a weekly progress report you will receive from Treasury on the implementation of the mixed ownership model. The preparation of this report coincides with meetings by the IPO Steering Committee so you are kept aware of emerging issues.

### **Procurement**

Below is the status of Treasury's procurement activities to contract service providers:

- *Joint Lead Managers (JLMs):* The successful parties from the public tender are First New Zealand Capital, Goldman Sachs and Macquarie. These three firms are also member of the JLM panel. Other successful firms on the panel are Deutsche Bank/Craigs Investment Partners, Forsyth Barr, and UBS. You will receive a separate report on the appointments.
- *Crown Legal Advisor:* Bell Gully has been appointed from the legal panel.
- *Technology and Logistics:* A preferred party has been selected and negotiations are likely to commence from 30 January and conclude by 3 February.
- *Marketing, Design and Communication Services:* Preferred parties have yet to be selected. Clarifications are being sought from some of the shortlisted respondents to help inform the selection of preferred respondents. [4]  
care is being taken with the probity arrangements to ensure the selection process is fair to all parties.
- *Communication Director:* Interviews are complete. The next steps are to confirm a preferred party and to negotiate terms.

The next phase of Treasury's procurement is to appoint a probity advisor through an open tender process. The JLMs will also make appointments on Crown's behalf. These appointments will be completed using the public sector procurement guidelines.

Mighty River Power has also made good progress with appointing advisors, namely: Chapman Tripp for legal services, Ernst Young for audit and investigating accountancy services, Becca for diligence on generating assets, Cowper Campbell for diligence on environmental consents and Paul Oldfield to adviser directors on legal matters.

## Due diligence

On 26 January 2012 the JLMS met representatives of Mighty River Power to commence work on due diligence and project planning. A presentation by management is scheduled for 2 February and site visits are planned for 15 – 16 February.

Bell Gully and Chapman Tripp are completing the Due Diligence Planning Memorandum which will be tabled at the meeting of 2 February. The OAG has been consulted on the role of the auditor in the due diligence process.

## Auckland Project Room

Treasury has set up a project room in the Auckland offices of the New Zealand Superannuation Fund. It will be operational from 2 February. The room is a more cost efficient way of engaging with the parties implementing the IPO than flying them to Wellington. The project room is a secure area separate from the Super Fund.

## Consultation and Legislation

Last week we finalised the meeting schedule, announced the programme, organised the initial advertising and made significant progress on the consultation document. This week we will finalise and release the consultation document and invite the targeted attendees.

On 20 January we briefed Ministers on the options for the passage of legislation. We would welcome any feedback you have on how Ministers propose to approach the legislation so we can plan accordingly.

## Upcoming meetings

On 31 January shareholding Ministers are meeting Treasury to discuss progress. On 2 February, shareholding Ministers are meeting the chair of Mighty River Power. You will receive a separate report regarding this meeting. These meetings are scheduled to occur approximately every four weeks.

## Reports completed

Date	Title	Type
25/1/2012	MRP - Delay in Receipt of 2011/12 Half Year Report	Report T2012/90
22/1/2012	MOM consultation with Māori – material for Cabinet on Wednesday 25 January and decisions required on Tuesday 24 January	Aide Memoire
20/1/2012	Mixed Ownership Model Bill - Timing and options for progressing the Mixed Ownership Model Bill through the legislative process	Aide Memoire
19/1/2012	Ministers Roles in, and timetable for, Consultation with Maori	Aide Memoire
18/1/2012	Meeting with Iwi Leaders on the Mixed Ownership Model on 19 January	Aide Memoire

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