

Treasury Report: Mixed Ownership Model - Form of Legislation

Date:	20 December 2011	Report No:	T2011/2577
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Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Bill English)	Agree the preferred form of legislation to implement the mixed ownership model	Thursday 22 December 2011
Minister for State Owned Enterprises (Hon Tony Ryall)	Agree the preferred form of legislation to implement the mixed ownership model	Thursday 22 December 2011

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Chris White	Manager, Commercial Transactions Group	890 7256 (wk)	[Withheld under s9(2)(a)] ✓
Adam Wood	Senior Solicitor	890 7212 (wk)	

Minister of Finance's Office Actions (if required)

None.

Enclosure: No

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Executive Summary

This report provides advice on the form of legislation to be adopted to implement an extension of the Mixed Ownership Model.


Background

Cabinet has recently agreed in principle (Cab Min (11) 43/2 refers) that legislation implementing the MOM programme include:

1. The removal of the SOE MOM companies from schedules 1 and 2 of the State Owned Enterprises Act
2. The continued application of sections 22 to 30 of the Act, which sets out the process for the transfer of assets and land to SOEs
3. The removal of Solid Energy New Zealand Ltd from schedule 1 of the Official Information Act 1982, and potentially the removal of all the MOM companies from the Ombudsmen Act 1975
4. Consequential or related amendments to other legislation, including the continued application of the Public Records Act in respect of old records
5. A restriction on reducing the Crown's shareholding in the MOM companies below 51 per cent, and
6. A maximum size limit on non-Crown individual entity shareholdings of ten per cent.

Parliamentary Counsel Office (PCO) is currently considering the form of legislation that will be required to give effect to the above.

[Withheld under s9(2)(h)]



Recommended Action

We recommend that you:

- a **note** the contents of this report, and
- b **agree** that the preferred form of legislation to implement the MOM programme is Option 2 described above

Agree/disagree.
Minister of Finance

Agree/disagree
Minister for State Owned Enterprises

Chris White
Manager, Commercial Transactions Group

Hon Bill English
Minister of Finance

Hon Tony Ryall
Minister for State Owned Enterprises