

## Costs incurred in preparing for the Government share offers

| <b>Summary of Spending</b>         | <b>Total to<br/>31 December<br/>2012 (\$m)*</b> | <b>Total to<br/>31 March 2013<br/>(\$m)*</b> |
|------------------------------------|---|--|
| Spending by the Treasury           | 16.018  | 19.666                                       |
| Spending directly by the companies | 8.363   | 10.617                                       |
| <b>Total</b>                       | <b>24.381</b>                                   | <b>30.283</b>                                |

Source: the Treasury

| <b>Spending by the Treasury</b>            | <b>Total to<br/>31 December<br/>2012 (\$m)*</b> | <b>Total to<br/>31 March 2013<br/>(\$m)*</b> |
|--|---|--|
| Spending on advertising and communications | 3.076   | 4.782  |
| Spending on other outsourced services      | 8.727   | 10.103                                       |
| <b>Total outsourced services spending</b>  | <b>11.803</b>                                   | <b>14.885</b>                                |
| Treasury internal costs                    | 4.215   | 4.781  |
| <b>Total</b>                               | <b>16.018</b>                                   | <b>19.666</b>                                |

Source: the Treasury

Spending by the Treasury is against the Mixed Ownership Model appropriations in Vote Finance. Spending to date includes:

- costs of policy advice on the Mixed Ownership Model incurred in the pre-election scoping phase
- costs of policy advice on the companies, which would have been required regardless of the Government share offers
- supporting Ministers during the Select Committee process for the passing of the Mixed Ownership legislation
- consulting iwi regarding the Mixed Ownership Model in February 2012
- direct costs to the Crown of defending the Maori Council's unsuccessful water rights claim. This comprises the cost of legal advice and representation in respect of the Waitangi Tribunal urgency hearing, the stage 1 Waitangi Tribunal hearing, the High Court case and the appeal to the Supreme Court, and the cost of the "shares plus" consultation prescribed by the Waitangi Tribunal. These costs totalled approximately \$1.55 million and are included as components in the totals above.

| <b>Spending directly by the companies</b> | <b>Total to<br/>31 December<br/>2012 (\$m)*</b> | <b>Total to<br/>31 March 2013<br/>(\$m)*</b> |
|---|---|--|
| Genesis Energy                            | 0.765   | 0.829  |
| Meridian Energy                           | 0.693   | 1.282  |
| Mighty River Power                        | 6.733   | 8.334  |
| Solid Energy                              | 0.172   | 0.172  |
| <b>Total</b>                              | <b>8.363</b>                                    | <b>10.617</b>                                |

Source: Genesis Energy, Meridian Energy, Mighty River Power, Solid Energy

Spending directly by the companies:

- includes any external advice specifically commissioned by the companies for this purpose
- includes any staff hired specifically to work on preparing the company for the Government share offers, or existing staff working on preparing the company for the Government share offers, where their existing roles have been backfilled
- includes any additional costs for existing staff specifically related to preparing for the Government share offers
- excludes salary costs for existing staff who as part of their normal duties may have spent time working on matters related to the share offers, on the grounds that this is not an additional cost of the Government share offers

\* all figures in this report are cumulative totals for the whole project to the point in time outlined