

Government Share Offers Costs Release for quarter ending June 2013

Revenue from the Programme	Total to 30 June 2013 (\$m)*
Mighty River Power Share Offer	1,686.105
Total	1,686.105

Source: the Treasury

Total revenue is the gross revenue received by the Crown for the sale of shares as part of the Government Share Offers programme.

Cost of Individual Transactions	Total Cost (\$m)*
Mighty River Power	
Treasury Costs directly related to Mighty River Power	28.005
Company Costs (as disclosed below)	12.828
Total for Mighty River Power transaction	40.833

Source: The Treasury and Mighty River Power

- Treasury costs directly related to Mighty River Power excludes costs that relate to the programme as a whole, such as Waitangi tribunal litigation and the pre-election scoping work (therefore this number is a subset of the total costs incurred by Treasury below). Where expenses relate to both the programme as a whole and individual company sales they have been apportioned based on an estimate of effort between the two.
- Treasury costs related to the Mighty River Power transaction equate to 1.7% of proceeds.

Total Programme Spending to 30 June 2013

Summary of Programme Spending (including transaction spending)	Total to 31 March 2013 (\$m)*	Total to 30 June 2013 (\$m)*
Spending by the Treasury	19.666	41.120
Spending directly by the companies	10.617	17.828
Total	30.283	58.948

Source: the Treasury

Programme Spending by the Treasury (including transaction spending)	Total to 31 March 2013 (\$m)*	Total to 30 June 2013 (\$m)*
Spending on advertising and communications	4.782	6.510
Spending on other outsourced services	10.103	29.611
Total outsourced services spending	14.885	36.121
Treasury internal costs	4.781	4.999
Total	19.666	41.120

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

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

- 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.
- The cost of preparing for the Mighty river power IPO as disclosed above.

Spending Directly by the Companies	Total to 31 March 2013 (\$m)*	Total to 30 June 2013 (\$m)*
Genesis Energy	0.829	1.344
Meridian Energy	1.282	3.484
Mighty River Power	8.334	12.828
Solid Energy	0.172	0.172
Total	10.617	17.828

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