

The Treasury

Release of Submissions: Mixed Ownership Model Consultation with Māori

Release Document

March 2012

www.treasury.govt.nz/publications/reviews-consultation/mixed-ownership/submissions

Key to sections of the Official Information Act 1982 under which information has been withheld.

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[1] 9(2)(a) - to protect the privacy of natural persons, including deceased people.

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, an [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

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18 February 2012

Mixed ownership consultation

The Treasury

Dear Sir

The National government shouldn't be allowed to sell off New Zealand owned assets like the four power companies. A government's job is to abide by the wishes of the majority of the people it was elected to represent. To go against the wishes of the majority of the people and sell off these assets is wrong. The reason the majority of people are against the selling of these assets is that by past experience of selling off other assets it hasn't worked. Look at what happened to the railways and Air New Zealand, the government ended up having to buy them back. New Zealand banks were sold off to overseas owners who in the last year alone have made 3 billion dollars at New Zealand expense because a lot of this money will go to offshore shareholders instead of staying in the New Zealand economy. That's one of the problems we are facing now is we have sold off so many assets it's affected the governments income ability.

Asset sales are only a short term fix; they make the government in power for that 3 year period look good because all of a sudden the government's books look good, but after a period of time things start going backwards again as profits continue to head offshore. It's a bad long term business decision because it's fundamentally flawed. If you sell off your money making assets and have nothing better to replace them with you eventually go broke.

The government should be doing more to help New Zealand exporters. Also changing the rules so overseas speculators can't keep pushing our dollar so high etc. It's like selling off the family silver. It's just an easy way to make short term money.

These power companies are returning a good regular long term income for the government now. They are a sound investment for the government because everybody needs power and it's limited where you can get it from. If overseas companies get a share of these power companies it's only natural they will want to put the price of power up to get a better return for their share holders back home. The more expensive power is the harder it is for New Zealand companies to remain profitable and it would deter overseas companies from setting up here.

Mum and Dad investors already own these companies through the government. If it is such a good money making idea to sell off your assets then how come China and other countries are doing the opposite. The government doesn't appear to know for sure how much money it's going to make by selling parts of these assets and how much of the assets it can afford to sell. For example in the judicial review of the Crafar farms an independent judge found there was not as much economic benefit to New Zealand by selling farms to overseas people as the government was stating because the government wasn't taking into account the negative effects of profits going offshore.

Yours sincerely

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K Neal