

# **The Treasury**

## **Release of Submissions: Consultation on the Waitangi Tribunal's “Shares Plus” Proposal**

### **Release Document**

**November 2012**

**[www.treasury.govt.nz/publications/reviews-consultation/sharesplus/submissions](http://www.treasury.govt.nz/publications/reviews-consultation/sharesplus/submissions)**

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Memo: 4 October 2012

Hon Bill English - Minister of Finance  
Hon Tony Ryall - Minister for State Owned Enterprises  
Hon Christopher Finlayson - Attorney-General.

***Mixed Ownership Model Companies: Consultation on 'Shares Plus' proposal.***

'Shares Plus' Consultation submission  
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The Treasury  
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Thank you for the opportunity to comment on the 'Shares Plus' proposal.

This is an individual submission because any future negotiations that may arise between the government and Waikato in relation to the Waikato River will impact on all members of Waikato. Therefore it is important that individuals respond.

In addition none of these persons (Tuheitia Paki, Tuku Morgan and Tom Roa – each of whom claim to represent and speak for Waikato) attended the Hui in Hamilton. They all failed to circulate this letter and or provide any information relating to the 'shares-plus' proposal.

**General observation**

The '*shares-plus*' concept offers variables which include possible royalties, regulatory influence or inclusion in new joint ventures or a special governance status within the SOEs.

***Response to Q 01:***

What is not identified is specific analysis relating to a transfer of powers and the management of resources held by regional councils under the RMA 1991.

***Response to Q 02:***

The capacity of government is not questioned. It has the constitutional right to negotiate and legislate its decisions.

For different reasons I do not agree that outcomes should automatically be replicated after an IPO by other means. Government would want to 'bed-down' its first IPO arguing 'certainty'. The government would want to establish a benchmark and not wish to amend it. Axiomatically it may wish to amend the policy to reflect changes in policy and market value.

***Response to Q 03:***

The capacity of government is not an issue. See above response.  
The government must retain that capacity. It cannot be transferred to the 49 per cent buyers. Whether the mechanism for providing Maori with voice and/or commercial interests in the relevant resources - is effective is dependent on the value of the resource at market.

**Response to Q 04:**

It is encouraging the government has not closed its mind to the concept. It may wish to retain the concept for future IPO should hapu and iwi change their views on this matter given they had a very limited period of time to read, absorb and then digest that material before meeting independently to meet and examine and consider the worth / effects / benefits of 'shares-plus' proposal.

**Response to Q 05:**

Given that directors will be appointed / replaced (by both government and Maori) to MOM new skills, analysis, knowledge and understanding will be brought to the table. They may wish to revisit the 'shares-plus' concept and recommend its application in future proposed sales.

The option to providing rights recognition and redress will not change as stated earlier as that capacity is to remain with the government.

**Observation: [O = observation. R = response].**

The application of '*shares-plus*' could negatively impact on all New Zealanders as:

**O 01:** Government submitted that shares in a company are not an appropriate way of recognising Maori rights.

**R 01:** But the government allocated shares to Maori in the Sealord settlement.

**O 02:** It may allow Maori to force the SOE to pay them more for water:

**R 02:** These payments would be better addressed under a proper royalty regime.

**O 03:** It may force the SOE to adopt environmental practices more sensitive to Maori concerns:

**R 03:** economical management of resources would be better addressed under a wider environmental regulatory framework.

**O 04:** It may force the SOE to pay higher dividends to Maori to address Maori economic needs:

**R 04:** Benefits would be better delivered by allocating a number of shares directly to Maori rather than the creation of a special class of shares.

Submission from:  
Miss D C WEBSTER

Dated 5 October 2012.