The Treasury
Solid Energy Information Release
March 2013
Release Document

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

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

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

[2] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information, or who is the subject of the information

[3] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials

[4] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions

[5] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice

[6] 9(2)(j) - to protect the commercial position of the person who supplied the information, or who is the subject of the information; to enable the Crown to carry out commercial activities without disadvantage or prejudice; and to enable the Crown to negotiate without disadvantage or prejudice

[7] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied

[8] Information is out of scope or not relevant.

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, a [3] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.
Date: 21 August 2012

To: Minister of Finance (Hon Bill English)
    Associate Minister of Finance (Hon Steven Joyce)
    Minister for State Owned Enterprises (Hon Tony Ryall)

Aide Memoire: Meeting with John Palmer on 21 August 2012

You are meeting with John Palmer, the Chair of Solid Energy and Air New Zealand, at 8pm today, Tuesday 21 August.

Attached to this aide-memoire is our most recent report on Solid Energy.

We expect Mr Palmer is meeting with you to give shareholding Ministers a “no surprises” update on the steps that Solid Energy is taking to deal with the difficult financial circumstances it faces. In particular it is possible that, amongst other things, Mr Palmer will inform you that the board has decided to “mothball” the Spring Creek mine. This is likely to involve significant redundancies.

New Chair for Solid Energy

Mark Ford has been approached for the Solid Energy Chair’s role and is keen to be appointed. [5]

Although he is busy, Mr Ford steps down as Chair of the Auckland Transport Agency at the end of September. He could start as Solid Chair on 1 October. [4]

[1]

If agreed, Mr Ford’s appointment would most likely be announced late next week or early the week after.
Investigating accountant

Our previous advice discussed the proposal to appoint an “investigating accountant” to support the Board and provide an independent stream of advice. We suggest you discuss this with Mr Palmer, indicating that shareholding Ministers think an “investigating accountant” would provide shareholders and directors with an independent view of the state of the business and an assessment of the achievability and viability of the business plan management are working to.

You could also indicate that the incoming Chair is likely to require such a report and it would be preferable that it was completed before he formally takes up the role rather than commissioning such a report on his arrival. We suggest you indicate your preference would be that Treasury work with the Board in setting the terms of reference for such an exercise.

In a similar vein, you could indicate that your preference would be that any major decisions the Board is taking over the next month be discussed first with Treasury and Mr Ford.

John Crawford, Deputy Secretary, Commercial Transactions, [1]
Chris White, Manager, Commercial Transactions Group, [1]

Attached: Aide Memoire: Solid Energy: next steps [Returned from Finance (Hon Bill English)] (Treasury:2421543v3)