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.
FYI – Here is the response from Solid Energy to yesterdays email regarding the Annual Report. I have made aware of the stance Solid Energy is taking.

Regards

Analyst | The Treasury
l@treasury.govt.nz

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From: Don Elder [mailto:don.elder@solidenergy.co.nz]
Sent: Wednesday, 21 September 2011 10:36 a.m.
To: [4]
Subject: RE: Solid Energy Annual Report

Hi

First, can I note that for some reason your email did not come through to me even though it appears you have my email address correct. Vicki and I checked my inbox, deleted box etc but no sign of it. Anthony also thought you may have copied me on an email to him yesterday or Monday but I didn’t receive that one either. I have no explanation for that. Perhaps to be safe you should copy Christine my EA whenever you include me on an email.

Regarding the matter below, I spoke to John Palmer about this. He confirmed that he and the Board have reviewed and considered carefully the wording in the Annual Report, including this section in particular, and that is the wording they wish to use and they would not want to change it. It is fully consistent with the wording that has been used by Solid Energy, John and me on a number of occasions over the past 2 years or so.

I think the point here is that we are commenting on a fundamentally important economic issue for NZ and NZers, which we believe we are better positioned to comment on with respect to our business than anyone else. It follows John Palmer’s discussion with the (previous) shareholding minister that we would continue to push out for national discussion the issues we believed were very important relevant to our business and we wouldn’t shy away from these. Our comment refers to a national strategy and policy option that NZ could take, and has considered, but so far has chosen not to take, even though most other countries in the world are discussing and pursuing it, even including Australia. As such the message is not at all a direct criticism of any current government but it is a comment on collective national thinking past and present. It transcends politics (politicians can only respond to national moods) and in fact it provides a clear context for why Solid Energy is pursuing the options we are pursuing - because we see these options ultimately best meet our mandate under the SOE Act. Our comments therefore are about why value for the shareholder, for the country, could be but is not being maximised.

- We do not see that this is unhelpful to the MOM process (in fact we can easily present the opposite case, that if considered properly it could significantly enhance the MOM process)
- It is not about energy policy at all – resources in NZ include everything from land to water to coal to iron sands
- While we appreciate that some may regard the comments as controversial, we don’t believe avoiding hard potentially controversial issues is a relevant objective for us, especially not in the resources sector we are in

I hope this helps.

Best regards

Don
Did you get this??
V

Good afternoon Don and Vicki

Thanks for sending us a copy of your draft Annual Report.

I notice that this year’s report has a new section being “2011 Strategy” (pages 11-14). We recognise that the Annual Report is Solid Energy’s document and represents the views of Solid Energy. However, given the current work on the Mixed Ownership Model (MoM), we don’t think the following wording (from the bottom of page 12) is particularly helpful. At the most extreme interpretation, it could be viewed as openly criticising the government’s energy policy, even if that is not the intention.

“However, unless New Zealand adopts a clear, coherent and proactive strategy to accelerate resource development in ways that maximise value for New Zealand, while meeting New Zealanders’ environmental and sustainability expectations, most of these significant economic benefits will never be realised – or will be handed to offshore investors.”

We think that, even if this is Solid Energy’s view, this could be expressed differently and in a less controversial manner. For example:

“Solid Energy considers that a proactive strategy to accelerate resource development in ways that maximise value for New Zealand, while meeting New Zealanders’ environmental and sustainability expectations, would increase the realisation of economic benefits for New Zealand”.

In addition we note that there is a typographical error on the y axis of the graph at the top of page 12.

We would appreciate if you could consider this amendment and more generally whether Solid Energy’s comments regarding energy policy are expressed appropriately.

I would be grateful if you could let me and the Minister for SOEs’ Office know what you decide to do.

I’m happy to discuss if need be.

Thanks and Regards

[4] @treasury.govt.nz

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Thankyou.

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