The Treasury

Solid Energy Information Release

May 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.
Hi,

As discussed – the attached letter to John Palmer, Chair of Solid Energy, provides an extension to 30 September 2011 to provide a final SCI suitable for tabling in the House of Representatives.

To date Solid Energy is yet to provide a complete draft SCI and Business Plan for comment. The documents that have been received have significant gaps such as the Board’s estimate of the commercial value of Solid Energy and some of the financial performance metrics (which SOEs have previously been requested to include).

However, the documents that have been received do show a significant improvement with respect to dividends currently forecasts $50m in 2011/12,[2] in 2012/13 and[2] in 2013/14. Last year’s plan included a dividend of [2] for each of these years. Solid Energy has also significantly reduced its CAPEX to $167m in 2011/12 and [2] in 2012/13; previously it was $263m and [2] respectively.

Solid Energy has already been provided an extension to 1 September 2011 (for the final rather than the draft SCI). The Solid Energy Board is due to consider the final draft SCI on 30 August. The additional time will allow COMU to provide advice to shareholding Ministers and provide formal comment on the SCI, when it is received.

Happy to discuss

[1]  ⌦ [4]
31 AUG 2011

Mr John Palmer
Chair
Solid Energy New Zealand Ltd
PO Box 1303
CHRISTCHURCH 8140

Dear Mr Palmer

Draft 2011/12 Statement of Corporate Intent (SCI) and Business Plan

Thank you for submitting, on 22 August 2011, the Solid Energy draft 2011/12 SCI and Business Plan. Shareholding Ministers appreciate the time and effort that has gone into producing the company’s planning documents.

I note that the draft SCI and Business Plan received are incomplete in areas such as the directors’ estimate of the current commercial value of Solid Energy and the complete set of standard SOE Financial Performance Measures. I understand that the Solid Energy Board is due to consider the final draft SCI on 30 August 2011. I would appreciate if, subsequent to the Solid Energy Board meeting, the complete SCI and Business Plan are provided for formal shareholder comment as soon as possible thereafter.

As you are aware, on 5 May 2011, I wrote to you providing an extension to 1 September 2011 for Solid Energy to provide its final SCI for tabling in the House of Representatives. To allow sufficient time for Ministerial consideration of your SCI shareholding Ministers agree to further extend the deadline for Solid Energy to submit its final SCI to 30 September 2011.

Yours sincerely

Hon Tony Ryall
Minister for State Owned Enterprises
On behalf of shareholding Ministers

cc Dr Don Elder, CEO, Solid Energy New Zealand Ltd