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 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] 9(2)(h) – to maintain professional legal privilege

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.
File Note

This is a file note of a meeting between Treasury, Pacific Aluminium and Sumitomo representatives that took place on 12 March 2013.

In attendance were:

- Phil Baker, David Bloor, Lesley Silverwood (Pacific Aluminium), Ryan Cavanagh (NZAS), Masahiko Shinada, Waichiro Arai (Sumitomo)
- John Crawford, Chris White, Juston Anderson (Treasury)

Key Points

Mr Baker spoke on behalf of PA and Sumitomo:

- opened by saying that NZAS’s accounts would be made public soon and would show a $60m cash loss for the 2012 year, and that Rio Tinto had written down its investment in NZAS to zero. He also mentioned Rio Tinto’s change of CEO.
- The meeting with Meridian today had been encouraging
- NZAS’ owners had a time imperative and wanted to make significant progress in the next few days
- They would be reporting to London and Tokyo on the likelihood of a deal with Meridian, and if not a “strategic review” was the probable next step - as had been done for Gove, which resulted in state and Federal assistance
- Rio is keen to move ahead with its plan to divest PA in the second half of this year; which means preparatory steps to be completed by the first half of the year. Rio needs certainty regarding the smelter, and wants a deal to be signed by the end of May. Conscious that this is not far away
- Still a gap to bridge with Meridian
- Aluminium prices are now around $1,900/tonne, after a “false dawn” last year when they had risen to around $2,100/tonne

[2]

- were not counting on aluminium prices recovering – the contract structure needed to be “based on fearing the worst”
- raised the issue of high wholesale prices for electricity requiring NZAS owners to put [2,5] to [2,5] of security deposits with the NZX. NZAS owners found this hard to understand
• raised the increase in transmission charges from [2] at present to [2] shortly as being an issue. The current charges “were unusually high for regulated charges”

• The EA’s proposed TPM was not a net benefit for NZAS; was highly complex and therefore the impact was uncertain; would not take effect until 2015 at the earliest; and may not go ahead anyway

• acknowledged that the “nature of the negotiations” had changed recently, for the better [4]

• repeated that they wanted to move quickly, before NZAS’s ultimate owners “lost tolerance”

• wanted to approach Transpower or the Government to seek relief on transmission charges

• were keen to meet the Minister if he was available

• would want to meet the Minister to give him an announcement of a strategic review before it became public, if things went that way

• are flying out tomorrow afternoon, but can stay longer if discussions with Meridian are looking good and/or if a meeting with the Minister is possible

John Crawford committed to calling PA as soon as possible tomorrow regarding a meeting with the Minister