The Treasury

New Zealand Aluminium Smelters (NZAS) Information Release

September 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 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.
At the 4pm meeting yesterday Minister Joyce asked about the news item below. Meridian advise that the cost of each transformer (including installation) for the smelter is likely to be $10 to $15 million.

http://www.stuff.co.nz/southland-times/business/7682238/Smelter-to-spend-big-on-new-transformer

Saturday 15/09/2012

The cash-strapped Tiwai Point aluminium smelter is continuing with plans to purchase a new transformer, with management saying yesterday the company was committed to securing a viable future.

The Southland Times understands a specialist power engineer from the smelter will travel to South Korea in the next two weeks to buy the new multimillion-dollar transformer.

NZAS general manager Ryan Cavanagh declined to comment. However, his spokeswoman, community relations officer Andrea Carson, said in a statement:

“NZAS is losing money . . . We are working very hard on this front, but we also need to ensure that the plant can maintain reliability and sustainability for the future. This includes replacing the final of our three original 1971 potline transformers.”

In February a 165-tonne multimillion-dollar power transformer was delivered to the smelter and installed during a six-week period.

When asked by The Southland Times if the latest transformer would be the same size as the one installed in February, Ms Carson said it was, but it would be sourced from a different supplier.

The transformer had not yet been paid for but she declined to say how much it would cost, citing commercial confidence.

When asked to comment on suggestions the smelter would not close because it was investing money on equipment, the smelter responded with an emailed statement that says:

"At this stage, there are no plans for closure. Tough times will continue in aluminium in the short term and the business will continue to focus on innovation, flexibility and adaptability to try and remain viable."