

This is a final summary report of the hui as recorded by Te Puni Kokiri. It is not a full transcript or a full record of the hui. Names and personal information of attendees have been removed from the transcript under section 9(2)(a) of the Official Information Act 1982 to protect the privacy of natural persons.

HUI NOTES REPORT: The Government's Proposed Genesis Energy Share Offer

Kaupapa	To discuss the proposed change in status of Genesis Energy Limited from a State Owned Enterprise to a Mixed Ownership Model company, and the subsequent sale of a minority shareholding by the Crown.		
Location	The Narrows Landing, Tamahere, Hamilton		
Date	14 November 2013		
Start time	10:00am	Finish time	11:30am (approx)
Facilitator/Chair	Rahui Papa (Co Chair, Ngāti Koroki Kahukura Trust)		
Presenter and officials	Office of the Deputy Prime Minister	Hon Bill English Amohaere Houkamau	
	The Treasury	Chris White Rachel Robson Simon Carey	
	Te Puni Kokiri	Koroneihana Cooper Gail Campbell Maea Marshall Kirstin Te Amo	
Note taker	Kirstin Te Amo (Te Puni Kokiri)		
Attendance	Approximately 14 people.		
Format	<ul style="list-style-type: none"> ▪ Morning tea ▪ Whakatau ▪ Outline of the proceedings ▪ Presentation from the Minister ▪ Response and discussion ▪ Closing comments ▪ Karakia Whakamutunga <p>Hard copies of the presentation were made available.</p>		
Presentation	[See attached electronic copy of the presentation slides]		
Questions / discussion	<p>[Speaker] Does the ownership cap of 10% apply to organisations and trusts?</p> <p>Response from Minister English Yes. A maximum of 49% of Genesis would be floated on the stock exchange and available for purchase and the Crown will remain the majority shareholder – minority shareholdings will be limited to 10% for any shareholder.</p>		

	<p>[Speaker]</p> <p>Can iwi access funds to invest in Genesis on-account after the company is floated?</p> <p>Response from Minister English and Chris White</p> <p>No, the mechanism is in place to allow iwi to participate in the IPO, but the Crown could purchase shares for iwi on the market at a later date, if that was deemed to be an appropriate element of their settlement redress.</p> <p>The mechanism for yet-to-settle iwi has had the added advantage of assisting non-settled iwi to achieve mandate sooner.</p> <p>[Speaker]</p> <p>Have any universities or other educational institutions invested in MRP or Meridian?</p> <p>Response from Minister English</p> <p>Not to my knowledge.</p> <p>[Speaker]</p> <p>What kind of influence does the Government have in terms of covering capital costs or helping Genesis with its resource consents?</p> <p>Response from Minister English</p> <p>Genesis is accountable to the Government over its capital structure, but doesn't get involved in directing its investment decisions. If floated, the Crown will legally have to maintain its 51% majority shareholding, which may mean some form of investment if Genesis decide to issue more shares.</p> <p>Generally, the Government considers that it is not best-placed to make commercial decisions on behalf of companies. If Solid Energy had been partially privatised three years ago it may not be facing the same issues it currently is, as there would have been greater scrutiny from shareholders. The market could have regulated activity through the share price.</p> <p>[Speaker]</p> <p>How will the Government ensure that enough power is generated in future?</p> <p>Response from Minister English</p> <p>Demand for electricity has been relatively flat/declining recently, and in the last couple of years companies have cancelled plans for new generation capacity because they are no longer required or too expensive to run relative to power prices.</p> <p>We don't give people advice about what will happen in the future we just provide them with the facts. Everything is outlined in the prospectus. Government is obliged to give honest facts in these prospectuses, including any material risks.</p>
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	<p>[Speaker]</p> <p>What proportion of the proceeds from the Government Share Offer Process will be going to each of the assets you have mentioned?</p> <p>Response from Minister English</p> <p>Money raised will be invested into assets, schools, Canterbury University, prisons, hospitals and other ongoing infrastructure needs.</p> <p>The Government hopes to raise \$5-7 billion to reduce outstanding debt. It prefers to raise this money through New Zealand investors, rather than further borrowing. Remember that this is only a tiny proportion of the ~\$250 billion the government owns.</p> <p>[Speaker]</p> <p>Will the money raised from the sale be invested proportionally to the areas where the company operates?</p> <p>Response from Minister English</p> <p>No, as this doesn't necessarily fit with the way funding is allocated across government, or with the Government's priorities. The Waikato expressway is an example – this was partly funded by road user charges. But new Waikato schools could be funded from the share offer proceeds.</p>
<p>Closing remarks</p>	<p>Any outstanding queries from the hui to be referred to Gael Campbell (Regional Director, Te Puni Kokiri Waikato).</p> <p>Closed with karakia.</p>