



Reference: 20190598

24 September 2019

s9(2)(a)

Dear s9(2)(a)

Thank you for your Official Information Act request, received on 2 September 2019. You requested the following:

*"I would like to request the following under the OIA:*

*Treasury Report T2019/1517: Letter to the Chairs of the listed companies regarding director fees dated June 5, 2019."*

**Information being released**

Please find enclosed the following document:

Item	Date	Document Description	Decision
1.	5 June 2019	T2019/1517: Letter to the Chairs of the listed companies	Release in part

I have decided to release the document listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- personal contact details of officials, under section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons,
- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.
- Information under section 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

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams.

1 The Terrace  
PO Box 3724  
Wellington 6140  
New Zealand  
tel. +64-4-472-2733

<https://treasury.govt.nz>

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Maureena van der Lem  
**Manager, Commercial Performance**

# OIA 20190598

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## COMMERCIAL-IN-CONFIDENCE



TE TAI ŌHANGA  
THE TREASURY

**Treasury Report:** Letter to the Chairs of the listed companies regarding  
Director fees

<b>Date:</b>	5 June 2019	<b>Report No:</b>	T2019/1517
		<b>File Number:</b>	SE-0-0

**Action Sought**

	<b>Action Sought</b>	<b>Deadline</b>
<b>Minister for State Owned Enterprises</b> (Rt Hon Winston Peters)	Note contents	21 June 2019
<b>Minister of Finance</b> (Hon Grant Robertson)	<b>Sign</b> both the attached letters	21 June 2019
<b>Associate Minister for State Owned Enterprises</b> (Hon Shane Jones)	<b>Sign</b> the attached letter to the three electricity companies then <b>send</b> to the Minister of Finance's office for his signature	21 June 2019

**Contact for Telephone Discussion** (if required)

<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st Contact</b>
Juston Anderson	Principal Advisor, Commercial Performance	s9(2)(k)	s9(2)(a) ✓
Maureena van der Lem	Manager, Commercial Performance		N/A (mob)

**Actions for the Minister's Office Staff** (if required)

**[Minister of Finance's office]** Email the letter to the Chairs, cc to the company secretaries  
Return the signed report to Treasury.

Note any  
feedback on  
the quality of  
the report

**Enclosure:** Yes (attached)

**COMMERCIAL-IN-CONFIDENCE****Treasury Report: Letter to the Chairs of the listed companies regarding Director fees**

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Following the Commercial Performance State of Play as at 9 May 2019, you requested we draft a letter to the Chair of <sup>s9(2)(ba)(i)</sup> heading off potential consultation on a proposal to increase directors fees at this year's Annual Shareholders Meeting (ASM). For consistency and equal treatment, we recommend shareholding Ministers write to the Chairs of all four majority Crown-owned listed companies, with the letters copied to the company secretaries.

Two identically worded letters are attached for your consideration and signature, if you agree: one to the three electricity companies, to be signed by both shareholding Ministers, and one to Air New Zealand, for the Minister of Finance to sign as he is the only shareholding Minister.

**Recommended Action**

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We recommend that the Minister of Finance **signs** both attached letters and the Associate Minister for SOEs **signs** the letter to the three electricity companies.

Maureena van der Lem  
**Manager, Commercial Performance**

Rt Hon Winston Peters  
**Minister for State Owned Enterprises**

Hon Grant Robertson  
**Minister of Finance**

Hon Shane Jones  
**Associate Minister for State Owned Enterprises**

Barbara Chapman  
Chair  
Genesis Energy

s9(2)(a)

Joan Withers  
Chair  
Mercury NZ

s9(2)(a)

Chris Moller  
Chair  
Meridian Energy

s9(2)(a)

Dear Barbara, Joan and Chris

We are writing to you regarding Directors fees for your companies. Although none of you have sought any changes to Directors fees this year, we thought it would be helpful if we set out the Government's position.

Your companies are all performing well, and shareholding Ministers have confidence in you as Chair, and in the other Directors of your companies. We also recognise that Directors have important jobs that carry a lot of responsibility, and they deserve to be fairly paid for the work that they do.

However, as you know this Government is committed to raising pay levels for those on low and middle incomes and we, and the public, expect restraint on Director remuneration. Given this, shareholding Ministers do not support any increases in Director remuneration for your companies during this term of Parliament.

We would only consider supporting an increase in Director remuneration if there was a significant change in the current environment, or some other exceptional circumstance, where a strong case for change could be made. We would also support an increase in the size of the Directors fees pool if that was required because of an increase in the number of Directors, and it did not result in an increase in fees for any individual Director.

The Minister of Finance, as the sole shareholding Minister in Air New Zealand, has sent an identical letter to Tony Carter, the Chair of Air New Zealand.

Yours sincerely

Hon Grant Robertson  
**Minister of Finance**

Hon Shane Jones  
**Associate Minister for State Owned Enterprises**

cc: Matthew Osborne, Genesis Energy

s9(2)(a)

Howard Thomas, Mercury NZ

s9(2)(a)

Jason Stein, Meridian Energy

s9(2)(a)

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

Tony Carter  
Chair  
Air New Zealand  
s9(2)(a)

Dear Tony

I am writing to you regarding Directors fees for Air New Zealand. Although you have not sought any changes to Directors fees, I thought it would be helpful if I set out the government's position.

Air New Zealand is performing well, and I have confidence in you as Chair, in Dame Therese as the Chair-designate, and in the other Directors. I also recognise that Directors have important jobs that carry a lot of responsibility, and they deserve to be fairly paid for the work that they do.

However, as you know this government is committed to raising pay levels for those on low and middle incomes and we, and the public, expect restraint on Director remuneration. Given this, I do not support any increases in Director remuneration for Air New Zealand during this term of Parliament.

I would only consider supporting an increase in Director remuneration if there was a significant change in the current environment, or some other exceptional circumstance, where a strong case for change could be made. I would also support an increase in the size of the Directors fees pool if that was required because of an increase in the number of Directors, and it did not result in an increase in fees for any individual Director.

The Associate Minister for State Owned Enterprises and I have sent an identical letter to Barbara Chapman, Joan Withers and Chris Moller, the Chairs of Genesis Energy, Mercury NZ and Meridian Energy.

Yours sincerely

Hon Grant Robertson  
**Minister of Finance**

cc Jennifer Page, Company Secretary, Air New Zealand  
s9(2)(a)