

# House of Representatives

# Supplementary Order Paper

Thursday, 14 June 2012

## Mixed Ownership Model Bill

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*Proposed amendments*

Dr Russel Norman, in Committee, to move the following amendments:

*Clause 16*

In *clause 16*, after *new section 45Q* (after line 15 on page 7), insert:

*Prohibition of foreign ownership*

**45QA Prohibition of disposal or issue of shares to foreign person**

No person who is a shareholder in a mixed ownership model company may—

- (a) sell or otherwise dispose of any shares in the company held in that person's name, unless the purchaser is resident in, or incorporated in, New Zealand; or
- (b) permit shares in, or other securities of, the company to be allotted or issued to any person, unless that person is resident in, or incorporated, in New Zealand.

In *clause 16*, after *new section 45X* (after line 6 on page 11), insert:

*Restriction on sale of certain assets*

**45Y Restriction on sale of certain assets**

- (1) A **power-generating mixed ownership model company** may not sell an energy-generating asset located in New Zealand that has a fair value of more than \$1 million, unless the purchaser of the asset is—
  - (a) the Crown; or
  - (b) a Crown entity, as defined in the Crown Entities Act 2004; or
  - (c) a State enterprise, as defined in the State-Owned Enterprises Act 1986.

- (2) For the purposes of this section, a **power-generating mixed ownership model company** means any of the following companies:
- (a) Genesis Power Limited:
  - (b) Meridian Energy Limited:
  - (c) Mighty River Power Limited:
  - (d) Solid Energy New Zealand Limited.
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### Explanatory note

The purpose of this Supplementary Order is to place sensible limits around the Government's proposal to partially privatise State-owned energy companies and better protect the interests of all New Zealanders in these assets.

*New section 45QA* will prevent foreign ownership of Genesis, Meridian, Mighty River Power, and Solid Energy. Shares in these companies will only be able to be sold to persons resident in, or incorporated in, New Zealand.

The Mixed Ownership Model Bill, as currently drafted, does not stop partially privatised State-owned energy companies from selling significant energy-generating assets—like dams and wind turbines—into foreign ownership. *New section 45Y* will protect any significant energy-generating asset with a fair value of \$1 million or more from sale and complete privatisation.

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