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Media Release

Shared ownership of public assets

The New Zealand Chambers of Commerce is pushing for the incoming government to adopt a policy to allow New Zealanders to have shared ownership in commercial assets currently owned and controlled by central and local government.

“Allowing New Zealanders to invest in the nation’s strategic commercial assets would provide a safe alternative to continuing to invest in property,” said Michael Barnett, spokesman for the New Zealand Chambers of Commerce.

“It is win-win,” said Mr Barnett

“It would free up capital for government to invest in critical infrastructure, while giving ordinary New Zealanders the opportunity to invest in productive New Zealand-owned assets and bolster their retirement nest egg.

The core concept is ‘shared ownership’ of assets by New Zealand organisations and individuals under an arrangement in which government retains majority (at least 51% of) ownership.

Current Government policy is limited to a controlled three-to-five year programme from 2012 to sell off minority shares to New Zealanders in four energy companies (Mighty River Power, Meridian, Genesis and Solid Energy), and to scale back the existing shareholding in Air New Zealand.

The Chamber’s proposal gives the next government the opportunity to show it is seriously committed to a policy of promoting all New Zealand’s strategic commercial assets to playing a key role in securing our economic prospects. It can show this commitment by extending the shared ownership asset policy to all central and local government commercially owned and controlled organisations.

We believe a controlled asset sell down to New Zealanders of minority shares in a range of other selected commercial assets would not only help secure the target of a return to a fiscal surplus by 2015, fund the rebuild of Christchurch and enable faster delivery of critical infrastructure, but create the opportunity for New Zealanders to have some shared ownership (and direct participation) in securing our economic prospects.

“It is positive for New Zealand and New Zealanders, and because New Zealanders will have some direct ownership will help keep those managing the assets on their toes,” suggested Mr Barnett.

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