SELLING OFF OUR ASSETS

And why we're all worse off

The National Government's determination to push ahead with selling off state-owned assets was driven by two things: pure ideology, and vested interests in the financial sector with close ties to the National Party.

Selling off our assets – a financially smart idea?
Not according to Treasury figures...

Genesis Energy **Meridian Energy** **Mighty River Power** **Air New Zealand**

= Taxpayers worse off by **$145 million** each year

Who were the winners? Not the "mums and dads"

Rembember the sales?

NZ RAIL
Asset-stripped and run down costing $4 billion to fix

TELECOM
Huge profits paid out to new owners, competition stymied, govt left to fund broadband

AIR NZ
Bankrupted by private owners

Dams were built to save Kiwis money. Now the sales line the pockets of private enterprise.

NZ Rail was built using our taxes, for efficient and economical goods and passenger transport, keeping big trucks off the roads.

Kiwibank was started as real competition to the big Australian banks and brought back the idea of local branches.

They were built with our taxes, for the common good.

NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

Find out more: http://union.org.nz/election2014

Authorised by Helen Kelly, NZCTU, Level 7, 178 Willis Street, Wellington

NOT JUST SELLING-OFF THE EXISTING FAMILY SILVER; NATIONAL IS SELLING OUT THE FAMILY'S FUTURE TOO!

Asset sales and public-private partnerships

You might think that the transfer of key assets from public to private hands finished with the Government's flogging-off of Genesis shares earlier this year. You would be wrong. National is planning a whole new raft of initiatives to enable private investors to profit at taxpayers' expense.

- Charter school promoters are queuing up to collect tens of millions of taxpayer dollars diverted from the already-under-resourced public school system
- Private-Public Partnerships are still being considered for new hospital buildings
- Contracting-out of services formerly provided within the public sector is roaring ahead

This creeping "privatisation by stealth" is just as big a threat to the quality, integrity and cost of public services as the more open, barefaced looting of the public estate by private speculators, finance-sector operators and corporate opportunists during the great privatisation drives of 1988-1999 and 2010-2014.

The National Government's determination to push ahead with selling off state-owned assets in the past three years has been driven by two things:

- pure ideology (a distaste for government enterprises in general, combined with a blinkered vision of the purposes for which they exist), and
- powerful vested interests in the financial and investment community with close ties to the National Party.

The vested-interest pressure comes from those who organise the sales (collecting fees and bonuses along the way) and from those who hope to turn a quick profit at the taxpayers' expense by buying shares cheaply and then selling them off on a rising market. Neither of these groups has any interest in the public good. Both are motivated by private greed.

The Government's argument that selling assets was a financially smart move to enable it to spend more on schools and hospitals does not hold up because the sales actually <u>weakened</u> the budget by about $145 million a year. That means fewer schools and hospitals, not more. (This figure is the Treasury's forecast of the amount by which the asset sales will increase the annual budget deficit, or reduce the surplus, going forward, thereby reducing the ability of future governments to fund new services.)

The total cost of carrying out the sales was at least $140 million paid out in fees, commissions and payment for other services provided by private brokers, advertising agencies, and consultants of various sorts. In a nutshell, taxpayers paid out $140 million for the privilege of being made worse off to the tune of $145 million per year.

In principle, selling off public assets can be a way to raise funds to pay off government debt, or pay for spending that would otherwise have to be borrowed. But before going down that route, the real issue to be addressed is the public benefits that state ownership of the assets provides. Governments exist precisely to do what the profit-driven private sector cannot and will not do; the neoliberal argument that government has no business running businesses simply ignores the real reasons for government participation in the market economy.

What should be done

1. Hold onto, or restore, full state ownership for functions that are unrelated to and incompatible with the private profit motive
2. Amend the SOE Act to give more explicit weight to the non-financial values provided by state-owned enterprises
3. Stop the expansion of the public-private partnership model and go back to fully-state-funded provision of essential services under full social control.

DETAIL

Principles

State owned assets have multiple functions, the balance of which will differ in each case. They include:

- Preventing profiteering in important services with little competition: e.g. electricity, Kiwibank
- Ensuring essential services are provided equitably and affordably, e.g. water, education, health, electricity, welfare, superannuation
- Providing security of services e.g. electricity, coastal shipping, public transport
- Sustaining social solidarity through the ethic of collective provision of public goods
- Supplying services which are more efficient to provide universally: e.g. ACC, health
- Providing services in the public interest which the private sector is unlikely to provide;
- Assisting in economic development;
- Providing additional income to the government.

The last of those is the least. Productive assets are owned by the state not principally to make a financial return but to fulfil a range of non-market needs. Their main value is their "use value" which, depending on the asset, may address social, cultural, environmental and economic objectives. The debate over privatisation cannot be reduced solely to one over the financial returns from the assets, no matter how sophisticated the definition of financial return might be.

For example, the state historically developed the electricity system because of the inability of the private sector to do so, and continued to own it to provide low cost electricity for residential consumers and to support industry. Electricity is an essential for households and its price is a significant factor in New Zealanders' health and living standards. Allowing the unregulated market and the profit motive to replace the public-service objectives of the former publicly owned electricity system has driven a large number of New Zealanders unnecessarily into energy poverty.

In electricity as in many other areas of state activity, public services should meet the needs of citizens, and provide socially-relevant value for money ("public value") which does not reduce simply to commercial profit. Though cost is an important consideration, there should not be a narrow focus on obtaining services at the least cost. We should look at the full value to society, and the economy, of providing public services, and the consequences of them not being provided.

The critical issue in asset sales is therefore control, and our ability to take action in the public interest to address the multiple needs of New Zealanders in order to make improvements in our economy, environment and society, often in the face of powerful forces in the market which can take advantage of their position.

Even partial privatisation of a publicly owned operation may do almost as much damage as full privatisation, if the only public benefit that remains is the flow of profits from the company to the public purse. That is not to be dismissed, but it may be a far smaller benefit than what would have been achievable if the operation were run to optimise the wider benefits to New Zealand.

Financial outcome of the 2011-2014 sales programme: failure

The *2014 Budget Economic and Fiscal Update* released by the Treasury on 15 May 2014 and available at http://www.treasury.govt.nz/budget/forecasts/befu2014 sets out the economic results of the asset sales programme. This information, combined with some other figures from earlier financial statements, yields the following tables:

Table 1: Proceeds from the asset sales programme

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	% sold	**Gross proceeds $m**	**Cost of sales $m**	**Net proceeds $m**	**Book value of assets sold**	**Gain/ (loss) on sale $m**	**Impact on Crown residual cash/net debt $m**
Mighty River Power	48.2	1,686	44	1,642	1,471	167	1,663
Meridian Energy	49.0	1,884	58	1,826	2,251	-422	1,234
Air New Zealand	20.1	365	1	364	312	52	364
Genesis Energy	47.6	733	37	696	880	-180	722
Totals		**4,668**	**140**	**4,528**	**4,914**	**-383**	**3,983**

Sources: Columns 1-4 from Treasury, *Budget Economic and Fiscal Update 15 May 2014* http://www.treasury.govt.nz/budget/forecasts/befu2014/befu14-4of11.pdf p.40.

Columns 5-7 assembled from *Financial Statements of the Government of New Zealand for the year ended June 2013*, p.9 (Mighty River Power); *Financial Statements of the Government of New Zealand for the five months ended November 2013* p.33 (Meridian and Air New Zealand), *Financial statements of the Government of New Zealand for the ten months ended 30 April 2014* p.4 (Genesis). (Book value of Air New Zealand assets sold is calculated as proceeds minus gain on sale.)

Table 2: Estimated fiscal impact of the Government Share Offer programme

Estimated fiscal impact of the Government Share Offer programme		
	Notes	Actual to date and forecast
Forecasts		
Cash impact		
Forecast foregone dividends	1	$336 million p.a.
Estimated finance cost savings	1	$191 million p.a.
Note: 1 Based on an average of the fiscal forecasts subsequent to the programme being completed		

Source: extract from Table 2.13 p.41 of 2014 *Budget Economic and Fiscal Update* http://www.treasury.govt.nz/budget/forecasts/befu2014/befu14-4of11.pdf

In summary the sales of shares in the four SOEs raised $4.5 billion in cash which was $384 million less than the value of the assets in the government's books. Dividends foregone are forecast as $336 million per year, while the reduction in the cost of financing Crown debt is forecast as $191 million. The government's annual budget has thus been weakened to the tune of $145 million p.a.[1] All the talk about increasing the Government's ability to fund new schools, hospitals etc was pure fiction.

This failure of the asset sales to stack up financially was obvious from the outset and anticipated by many of the critics. The Government's position – that selling-down assets was better than raising an equivalent amount of debt to fund schools, hospitals and so on – could have made sense only if the Government's ability to borrow was severely constrained – which it was not and is not. New Zealand Government debt is low by international standards and there would have been no problem borrowing the extra $3.7 billion (at annual cost of $191 million) while retaining the assets and collecting the $336 million of dividends, assuming that dividend payouts by SOEs remain high.

1 On an accruals basis the Treasury's estimate of the reduction in OBEGAL is $99 million. The discrepancy is not explained.

Public purposes

Regardless of the financial detail, making profits and paying dividends is not the primary purpose of state-owned enterprises. If profits were the only thing that mattered, the case for state ownership would be greatly weakened and narrowed. In fact the most valuable and genuinely productive state activities generally do not and should not return the sort of profits sought by the private sector, precisely because the state fills socially-useful market gaps that the private sector finds unprofitable – that is, activities whose returns are enjoyed collectively by society at large without being monetised into revenue and profit.

Precisely which activities should be undertaken by the government (as distinct from the private sector) depends on the particular circumstances of time and place, and the appropriate border between state activities and private ones will shift over time. Privatisation *per se* is therefore not automatically right or wrong – and the same is true for nationalisation. The case for public ownership and control of a particular asset rests on the nature and use of the particular asset, and on the weight given to the various benefits – an inherently political judgement. Where proposals are made for assets to be acquired or disposed of by the state, the decision should be made on the wide issues – not just narrow financial calculations, unless it is agreed that the assets have no other purpose than commercial profit.

The 2014 election will be fought partly over National's desire to keep winding back the state sector and expanding the private sector's scope for making profits on the back of a secure underwrite from taxpayers. Private profit at public risk is the policy plank.

Some history

New Zealanders have had appalling experiences with privatisation. The sale of New Zealand Rail and Air New Zealand went so wrong that renationalisation was an imperative. Some of the worst examples of inept privatisation, driven by neoliberal ideology rather than the wider public interest, have been:

- New Zealand Rail and Telecom were sold for a song, then made huge profits for their mainly overseas owners.
- The Rail owners asset-stripped and ran down the system leaving an estimated $4 billion bill to fix the system.
- Telecom failed abjectly to develop our telecommunications system while extracting monopoly profits, most of which went overseas with little reinvestment. To keep those profits flowing to private shareholders, competition was resisted tenaciously, regulators were fought to a standstill by sheer corporate muscle, and government was left to fund broadband development.
- Air New Zealand was bankrupted by its private owners before being bought back by the government.
- The scandalous bargain-basement sale of the Government Printing Office kick-started the business empire of New Zealand's wealthiest man, Graeme Hart.
- A duopoly situation in private commercial radio was created by the sale of Radio New Zealand's commercial stations.
- Huge potential for timber processing industries was thrown away by the sale of forestry cutting rights.
- The New Zealand-owned part of the banking system was transferred to the Australian banks through the sale of the Trustee Savings Banks, the Bank of New Zealand and Postbank, only marginally remedied to date by the creation of Kiwibank. BNZ and Postbank, once privatised, failed to provide the services we need.
- Contact Energy, having picked up a third of the old ECNZ electricity assets, was slow to expand capacity but fast to raise prices; the other electricity SOEs have similarly gouged their defenceless small customers and repeatedly up-valued their assets, earning the super-profits that private speculators sought to get their hands on through part-privatisation.

To give just two detailed examples of the effect of privatisation on New Zealand's liabilities:

- The Ameritech/Bell Atlantic/Fay-Richwhite/Gibbs-Farmer syndicate bought Telecom for $4.25 billion in July 1990, when the company had shareholder funds of $2.5 billion. Shareholder funds declined over the next several years despite cost-cutting because of large capital payments to its shareholders, who walked out of the company from 1997 with a realised capital profit of $7.2 billion, in addition to a share of over $4.2 billion in dividends[2] – adding approximately $10 billion to New Zealand's international liabilities. Between 1990 and 1998 the company's shareholder funds halved to $1.1 billion by when it was heavily in debt. In the decade from 1995 to 2004, Telecom paid out dividends of $6.7 billion from net earnings declared in New Zealand of $5.4 billion, of which approximately $5.0 billion went overseas[3] . New Zealand taxpayers are now effectively subsidising Telecom's offspring Chorus to build a broadband infrastructure that Telecom could and should have built out of its monopoly profits.

- The New Zealand Rail sale in 1993 was organised by Faye Richwhite who then proceeded to benefit from it hugely by taking a substantial shareholding – a conflict of interest fit for a post-Soviet state. The main shareholders of the purchaser, TranzRail, were Faye Richwhite, Berkshire Fund and Wisconsin Central of the US, and Alex van Heeren. They bought a company which had been freed of debt by a $1.6 billion injection by the government. The price was $328 million, of which they paid only $107 million and borrowed the rest. According to Brian Gaynor they "were responsible for stripping out $220.9 million of equity in 1993 and $100 million in 1995"[4]. By the time they had sold out, they had made total profits of $370 million, mainly tax free because of the lack of capital gains tax, and darkened by accusations of insider trading[5]. Under Wisconsin's management the safety record was appalling (by 2000, fatal accidents for employees were eight times the national average) and reinvestment and maintenance were abysmal, leaving the operation in a crippled state. They sold out to Toll of Australia who similarly failed to maintain the system, and who then sold it back to the government in two tranches for a total of over $700 million plus ongoing costs to the government of several hundred million dollars to repair the rail network and replace the antiquated rolling stock. It is difficult to estimate the total costs to the country, but the total cost to the government will be almost $4 billion, greatly magnified by the neglect of the private owners. The Labour Government was accused of paying too much to buy back the rail company in 2008, and they probably did, but that was just one element of the huge financial and opportunity losses to the people of New Zealand as a result of the privatisation that were evident well before the renationalisation. The story starkly illustrates the difficulty and cost in reversing privatisation once committed[6].

Public-private partnerships (PPPs)

The latest neoliberal strategy for rolling back the borders of the state, and making all other public objectives subservient to profit, is the public-private partnership model for funding provision of public services. In the usual model this involves private investors funding the construction of assets such as schools and hospitals, and entering into contracts to run them, pocketing any operating profits and capital gains while the risks and downsides are borne by taxpayers. In the UK where these programmes are called "private finance initiatives" (PFIs), a series of scathing parliamentary committee reports have laid bare the rampant profiteering and disregard for the public interest exhibited by the large transnational corporations that have moved in on the opportunity to profit with a taxpayer underwrite. More than half of all British Government spending now goes through private sector contractors like Serco, A4E, S4C and ATOS[7].

Serco is now moving towards a takeover of the New Zealand prison system (see below). Serco's website claims that it "specializes in service delivery excellence ... [helping] our customers deliver vital services more efficiently, while increasing the satisfaction of their end customers."[8] The reality is that the company has racked up an appalling track record of scandals and profiteering at taxpayer expense in numerous jurisdictions.

In Western Australia the company struck a $4.3bn, 20-year-deal to provide most non-clinical services at the new tertiary Fiona Stanley Hospital. The $2bn facility was due to open in April 2014 but because of project delays will not be fully operational until April 2015. Meantime Serco is to be paid $118m under its contract to "run" the hospital during 2014 with no patients. Of those wasted taxpayers' funds, $53m is simply being paid to Serco as compensation because the hospital is not open and hence the anticipated rivers of operational revenue to Serco are yet to flow. The Western Australian Health Minister has confessed that he is paying Serco for over 200 people to work at the site: 150 "operational staff" and an 80-person "pre-operational project team" engaged in cleaning, conducting safety checks, maintaining the gardens, moving furniture, and performing a "welcoming service" that

2 "Testing years ahead for Telecom", by Brian Gaynor, *New Zealand Herald*, 26 May 2001.

3 Susan Newberry, "Telecom: What a winner!", financial report on winner of the 2004 Roger Award, Sue Newberry, available at http://canterbury.cyberplace.org.nz/community/CAFCA/publications/Roger/Roger2004.pdf p.7.

4 "Investment: Track record costly to public", by Brian Gaynor, *New Zealand Herald*, 21 October 2000.

5 "A tough case ... and a long one", by Brian Gaynor, *New Zealand Herald*, 16 October 2004.

6 "Government Toll buy a sad indictment", by Brian Gaynor, *New Zealand Herald*, 10 May 2008.

7 Austin Mitchell MP writing in *The Guardian* 17 April 2014.

8 http://www.serco-na.com/

includes providing directions and managing site events. All for a hospital that has not a single patient.[9]

“Why was the Barnett government in such a rush to award this $4.3 billion contract to Serco before it had given it appropriate scrutiny?” Mark McGowan, the leader of the West Australia Labor party demanded in a media statement. “This is a financial scandal of the highest order that has created a massive loss of taxpayers’ money.”[10] McGowan, along with SercoWatch (a citizen-run organization) argues that the company’s contract with the Western Australian Government was effectively drawn up by a Serco-funded “think tank”, the Serco Institute, whose former director had close links to the Liberal Party[11].

This is not the first time that the privatization of West Australian hospitals have been criticized. The Royal Perth Hospital and the Sir Charles Gairdner Hospital have been accused by the Health Services Union of West Australia of providing low quality care, inefficient management, greater work for reduced wages, and overall lower hospital standards after services were privatized[12].

In the UK, Serco has come under continual and growing criticism for cost overruns, poor performance, and profiteering. Privatization in 2011 of pathology services at two major UK hospitals, under the care of Serco and a joint venture named GSTS, was followed by financial losses and major clinical “incidents” such as inaccurate kidney damage readings and a patient receiving “inappropriate blood.” Budget mismanagement caused GSTS to go over-budget by £5 million ($8.1 million) while Serco as a whole continued to profit.[13] Margaret Hodge, the UK MP who chairs the UK Parliament’s powerful Public Accounts Committee has said “Serco has proved it is good at bidding but not at delivery”[14]. Hodge speaks of “the inability of government to contract-out in a way that protects the taxpayer’s interest”, in relation to a medical contract that led to “... an absurd situation where you had a company seemingly lying about what it was doing, but there was nothing in the contract that could allow you to terminate it – indeed, they still appeared to be eligible for their bonus payments.”

Subsequently, a UK community has been faced with the loss of their hospital as Serco walks away from the contract because it is not profitable enough[15].

Along with its rival G4S (famous for its failure to meet its contractual obligations to provide security for the London Olympics, which meant army troops had to do the job instead)[16], Serco in late 2013 was forced to refund £68.5 million to the UK Government after invoicing the Ministry of Justice for tagging work that was never carried out, in some cases because the offender was dead.[17] The firm issued a profit warning for 2014 as a result of the costs of becoming embroiled in that electronic tagging scandal. In May 2014 a poll found that 63% of respondents thought Serco should be banned from bidding for any new public contracts after the firm was investigated for overcharging on government contracts[18].

Here in New Zealand, Serco runs the “Mount Eden Corrections Facility” which was transferred to it by the National Government from the Department of Corrections in 2011[19], under a ten-year contract worth $300 million to the company.[20]

The Auckland prison had been privately run from 2000 to 2005 before the Labour Government prohibited the practice. National reinstated private-run prisons, with a law change in 2009 that allowed them on a case-by-case basis.

---

9 Roger Cook, “Serco and the Western Australian hospital with no patients”, http://www.theguardian.com/commentisfree/2014/feb/13/serco-fiona-stanley-hospital-perth 13 February 2014.

10 http://www.markmcgowan.com.au/news/fiona-stanley-scandal-barnett-must-explain-330million-loss-of-taxpayers-money-and-serco-contract-bungle-615

11 http://www.parliament.wa.gov.au/Parliament/commit.nsf/%28Evidence+Lookup+by+Com+ID%29/0953AB1DC865D1BF4825793D0014D355/$file/Submission+06+from+Serco+Watch.pdf

12 https://web.archive.org/web/20140125111310/http:/inpublichands.com.au/index.php/component/jdownloads/finish/2/12

13 http://www.corpwatch.org/article.php?id=15790

14 “Margaret Hodge slams Serco after it pulls out of GP cover contract”, *The Independent* 14 December 2013. http://www.independent.co.uk/news/business/news/margaret-hodge-slams-serco-after-it-pulls-out-of-gp-cover-contract-9003055.html

15 “Braintree Community Hospital’s future feared as Serco cuts contract”, BBC News 5 February 2014 http://www.bbc.com/news/uk-england-essex-26049360

16 “Soldiers’ fury at ‘stupidity’ of G4s”, *The Independent* 16 July 2012.

17 The Independent 10 January 2014.; “Sick of Serco: Meet the Protesters Outside the Outsourcing Giant’s London AGM”, *International Business Times*. 8 May 2014, http://www.ibtimes.co.uk/sick-serco-meet-protesters-outside-outsourcing-giants-london-agm-1447747

18 “Bucking the trend: Poll shows huge opposition to privately run public services “Politics.co.uk. 8 May 2014, http://politics.co.uk/news/2014/05/08/bucking-the-trend-poll-show-huge-opposition-to-privately-run .

19 http://www.corrections.govt.nz/about_us/contact_us/our_locations/mt_eden_corrections_facility.html

20 “Serco says Mt Eden prison contract worth $300M”, *BusinessDesk* 1 February 2011.

Of 37 targets Serco was to meet in the nine months to April 2012, half weren't met. Serco was fined $150,000 after prisoner Aaron Forden escaped in February 2012. The firm was fined $25,000 for releasing one inmate early and $50,000 for failing to file progress reports. The percentage of sentenced prisoners with an appropriate plan in place within required timeframes was only 28 per cent - two thirds lower than the 90 per cent target.[21] Corrections Minister Ann Tolley resisted calls for the company to be stripped of its contract. In October 2013 it was reported that 12 out of 20 new recruits at Mount Eden had walked off the job in protest at Serco's cost cutting, which the Corrections Association said had reduced staffing levels to 100 fewer than the minimum required to run the prison safely.[22] The company's contract with the Corrections Department did not stipulate any minimum staffing levels[23] - a local echo of its contracting practices in Britain and Australia.

In January 2014 Serco belatedly issued an apology to Kim Dotcom for his treatment when detained at Mount Eden in early 2013. Anne Tolley again backed the company and said she had been advised that Serco's failure to provide properly for Dotcom on his arrival, and its initial inability to find any record of a complaint on its files, were "human errors".[24]

In 2012 Serco won the contract to build a new private prison at Wiri[25], which is expected to yield $30 million annually in revenue to the company[26] and is to open in 2015 as the first full-fledged "public-private partnership".

The National Party is also expanding PPPs in the public health sector. In papers from the 2013 Budget, Treasury said that "the Minister of Health has indicated that no additional capital funding will be made available in the 2013 Budget other than for the Canterbury DHB's redevelopment and public private partnerships (PPPs)"[27]. Decisions on West Coast hospitals since then have considered and rejected PPPs, so it is far from the case that they are off the table. Meantime five charter schools are opening this year and the Transmission Gully road project is moving forward as a PPP.[28]

The Government's argument for these so-called "partnerships" is much the same as that made for the SOE part-privatisations, that attracting private investment to replace public funding will reduce the overall long-term cost of providing the relevant public services. On the record to date there is no reason to believe that this will turn out to be the case - and plenty of reasons to anticipate yet another round of financial scandals and exploitative contracts as opportunistic private interests find new ways to milk the public purse.

---

21 Kirsty Johnson, "Serco failing to meet Mount Eden prison targets", http://www.stuff.co.nz/national/politics/7227769/Serco-failing-to-meet-Mt-Eden-prison-targets ; "Serco Failures Highlight Private Prison Folly – PSA", PSA press release 24 April 2012.

22 "Union says SERCO forcing staff into dangerous working conditions" Radio New Zealand Newswire 10 October 2013.

23 Private Corrections Working Group, 'New Zealand Hall of shame', http://www.privateci.org/shame_NZ.html

24 "Serco 'did right thing' to apologise", *Dominion Post* 16 January 2014.

25 "New private prison at Wiri given green light", *The New Zealand Herald*, 8 March 2012 h ttp://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10790653

26 Radio New Zealand, 'Serco expects $30m revenue from Wiri prison', 17 September 2012, http://www.radionz.co.nz/news/national/116008/serco-expects-$30m-revenue-from-wiri-prison

27 "Treasury Report: Health Capital Envelope", 15 October 2012, Report no. T2012/2612, p.5, released July 2013, available at http://www.treasury.govt.nz/downloads/pdfs/b13-info/b13-2463779.pdf.

28 Chris Hipkins MP, press statement "Privatisation by stealth – the John Key way", *Scoop* 25 February 2014.