

Income from State Asset Sales as at May 2014

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Historical information on the sale price and background to New Zealand Government asset sales as at May 2014.

Expand the Table Below

Business	Sale Price (\$ million)	Settlement Date	Purchaser	Notes
New Zealand Steel	327.224	22.03.88	Equiticorp	
Petrocorp	801.059	31.03.88	Rosspoint Investments Ltd	
Health Computing Service	4.250	07.11.88	Paxus Information Services	
DFC	111.280	18.11.88	National Provident Fund (80%) & Salomon Brothers (20%)	
Post Office Bank	665.400	28.02.89	Australia and New Zealand Banking Group Limited	
	13.078	31.10.89		
Shipping Corporation	18.500	03.04.89	ACT (NZ) Limited	
	15.059	19.03.90		
	-1.825	12.10.93		[1]
		23.12.93		
Air New Zealand	660.000	17.04.89		[2]
Landcorp Financial Instruments	15.740	20.03.89	Mortgagors	
	34.260	05.10.89	Mortgagors	
	27.000	05.02.90	Mortgagors	
Rural Bank - Clawback	550.000	31.10.89	Magnetron Holdings Limited	
	137.500	30.09.92		[3]
Government Printing Office	20.000	1989/90	Various	[4a]
	18.156	1990/91	Rank Group	[4b]
	0.425	31.03.93	Rank Group	[4b]
National Film Unit	1.500	23.03.90	TVNZ	
	1.000	21.09.90		
Communicate NZ	0.064	08.12.90	DAC Group Limited	
State Insurance Office	735.000	28.06.90	Norwich Union	
Tourist Hotel Corporation (THC of NZ Ltd)	71.850	15.06.90	Southern Pacific Hotel Corporation NZ Ltd	[5]
New Zealand Liquid Fuel Investment Ltd	-203.000	06.07.90	Fletcher Challenge Canadian Investments Ltd	
Maui Gas	240.000	06.07.90	Generate Development Ltd	[6]
	14.000	06.07.90	Benhar Holding Ltd	[6]
Synfuels Stocks & Current Assets	29.158	06.07.90	Fletcher Challenge Ltd	
- Clawbacks 1991/92	91.847		Fletcher Challenge Ltd	[7]
1992/93	45.571			
1993/94	35.262			
1994/95	2.096			
1995/96	2.120			
Telecom	4,250.000	12.09.90		[8] [9]
Forestry Cutting Rights	102.000	24.07.90	Ernslaw One Ltd	[10]
	262.000	24.07.90	Fletcher Challenge Ltd	[10]
	382.900	30.08.90	Carter Holt Harvey	[10]
	0.305	30.08.90	Consortium of NZ Investors	[10]
	115.000	18.09.90	Wenita Forestry Ltd	[10]
	40.550	19.09.90	Juken Nissho	[10]
	26.800	19.09.90	Baigents/Shell (NZ) Ltd	[10]
	0.150	19.09.90	Golden Bay Forest	[10]
	41.500	19.09.90	Juken Nissho Ltd	[10]
	43.500	24.10.90	Juken Nissho Ltd	[10]
	0.350	26.10.90	Waimea Sawmills	[10]
	12.000	26.10.90	Winstones	[10]
NZ Timberlands Ltd	366.000	15.05.92	ITT Rayonier	[10]
Export Guarantee Office Ltd	17.781	24.06.93	State Insurance Office	
	2.000	31.08.94		
	0.500	20/12/96		
Government Supply Brokerage Corporation (NZ) Ltd	3.200	30.01.92	Professional Services Ltd	
Housing Corporation Mortgages	29.684	25.11.91	TSB Bank Limited	
	420.352	27.07.92	Postbank/Mortgage Corp	
	46.000	28.09.92		
	12.877	Oct - Nov 92		
	7.929	Feb-93	TSB Bank	
	7.137	09.03.93	Tower Corp	

Business	Sale Price (\$ million)	Settlement Date	Purchaser	Notes
	99.465	29.03.93	Postbank/Mortgage Corp	
	280.584	29.03.93	Mortgage Corp	
	34.000	30.01.95	Ichthus	
	4.000	29.02.95	ANZ Banking Group	
	10.900	30.03.95	ANZ Banking Group	
	185.500	30.4.95	ANZ Banking Group	
	45.100	30.5.95	Countrywide Bank	
	44.500	01.07.95	ANZ Banking Group	
	80.000	11.09.95	ANZ Banking Group	
	8.200	18.09.95	Countrywide Bank	
	183.100	30.01.96	Countrywide Bank	
	18.100	25.03.96	Countrywide Bank	
	5.900	03.05.96	ANZ Banking Group	
	3.500	06.05.96	Countrywide	
	30.100	27.05.96	IHC	
	74.100	17.06.96	ANZ Banking Group	
	521.700	24.06.96	Westpac	
	5.900	28.07.96	ANZ Banking Group	
	17.300	23.09.96	ANZ Banking Group	
	177.400	21.09.98	WestpacTrust	
	61.100	22.1.99	WestpacTrust	
Taranaki Petroleum Mining Licences	118.840	06.04.92	Petrocorp/Southern Petroleum	[11]
- Clawback 1992/93	2.296	31.08.92	Nomeco	
		01.03.93	Bligh Carpentaria	
Bank of New Zealand	849.946	09.11.92	National Australia Bank	[12]
New Zealand Rail	328.191	30.09.93	Wisconsin Central, Berkshire Partners, III L.P., Fay Richwhite	[13], [14]
Wrightsons Rights	3.449	25.11.93	Domestic and International Institutions	
Fletcher Challenge Limited Ordinary Division and Forest Division Shares	418.059	23.12.93	Domestic and International Institutions	
GCS Limited	46.991	18.11.94	EDS Holdings (NZ) Limited	
Waikato Regional Airport Limited	2.125	29.3.96	Hamilton City Council, Matamata/Piako District Council, Otorohanga District Council, Waikato District Council, and Waipa District Council	
Oamaru Airport	0.040	30.06.96	Waitaki District Council	
Te Kuiti Airport	nominal	30.09.96	Waitomo District Council	
Timaru Airport	nominal	1.05.97	Timaru District Council	
Masterton Airport	nominal	1/05/98	Masterton District Council	
Tauranga Airport	1.061	1/05/98	Tauranga District Council	
Hokitika Airport	nominal	1/07/98	Westland District Council	
Rotorua Regional Airport Limited & Palmerston North Airport Limited	2.500	1/02/99	Central Avion Holdings Limited	
Auckland International Airport Limited (incl a special dividend of \$69.66ml)	459.832	28/07/98	Public Share Float	
Wellington International Airport Limited	96.380	14/08/98	Consortium led by Infratil NZ Ltd	[15]
Māori Development Corporation	20.930	17.6.96	Māori Development Corporation	
The Radio Company Limited	89.000	10.7.96	New Zealand Radio Network Limited	
Forestry Corporation of New Zealand Ltd	1,600.000	27.9.96	Fletcher Challenge Forests (37.5%), Brierley Investments Ltd (25%) and Citifor Inc (37.5%)	[16]
Works and Development Services Corporation (NZ) Limited	108.000	8.11.96	Civil Construction to Downer and Co Ltd, and Consultancy Services to Kinta Kellas PLC	[17]
Capital Properties New Zealand Limited (CPNZ) First instalment	59.700	27.11.98	Public Share Float	
Contact Energy Limited - 40% cornerstone	1,208.000	14.5.99	Edison Mission Taupo Limited	
Contact Energy Limited - 60% float	1,123.000	14.5.99	Public Share Float	
VTNZ	19.200	21.9.99	Motor Trade Association Investments Limited	
Mighty River Power	1,686.105	14.5.13	Public Share Float for 49% of the company	[19]
Meridian Energy	1,883.805	30.10.13	Public Share Float for 49% of the company	[20]
Air New Zealand	365.205	19.11.13	New Zealand sharebrokers (on behalf of their clients) and New Zealand and some offshore institutions	[21]
Genesis Energy	733.480	16.4.14	Public Share Float for 49% of the company	[22]
Total	23,790.67			[18]

Notes

[1] The Crown paid a total \$1.825 million to SCNZ over 1993 to finalise the Conference Pool Accounts.

[2] Air New Zealand's initial ownership after sale was:

BIL 65%

Qantas 19.9%

Japan Air Lines Limited 7.5%

American Airlines Limited 7.5%

30% of BIL's holding is now held by the public and Air New Zealand staff.

[3] The Crown received a further \$137.5 million on 30 September 1992 from a clawback on the Rural Bank's surplus loan loss provisions.

[4a] From sale of sundry assets, including its main building in Mulgrave Street.

[4b] Part proceeds of sale of the business - \$0.425 million was received on 31 March 1993.

[5] The Sale and Purchase Agreement referred to a sales price of \$73.85 million, however, the resolution of the settlement accounts have resulted in the Crown receiving \$2 million less. Prior to the sale and as a condition of the sale, the Crown assumed THC's term liabilities which had a book value of about \$73 million at the time.

[6] In addition to the Maui Gas sale proceeds, the Government receives profits under the Electricorp gas contract:

1991/92 34.3 million

1992/93 51.0 million

1993/94 34.2 million

1994/95 37.5 million

1995/96 38.6 million

1996/97 38.9 million

1997/98 39.5 million

1998/99 39.1 million

[7] There are two clawbacks included in the synfuels sale: gasoline price clawback and withholding tax clawback. The net total of NZLFI, Maui and Synfuels is \$257.054 million.

[8] Payment was made in lump sum payments of US\$ and NZ\$ on 12 September 1990 and six monthly installments of NZ\$ commencing on that date, to avoid disruption to financial markets. The US\$ portion has not been converted to NZ\$ as it is being used to offset US\$ debt. The NZ\$ installments include interest to compensate for deferred payment. The value of the proceeds for debt reduction equates to NZ\$4.25 billion.

[9] Initial sale of 100% to American Information Technologies Corporation (Ameritech) and Bell Atlantic Corporation, with a requirement to on-sell shares over three years.

[10a] Contracted sale price.

[10b] Signing date. Payment terms vary. \$1,027 million was received in 1990/91 fiscal year.

[11] The Crown has a clawback arrangement whereby the joint venture pays further money to the Crown should oil prices be above benchmark levels or if reserves be above the present midpoint reserve estimate. The Crown does not pay the joint venture if prices or volumes are less than forecast. The Crown received \$2.296 million in the 1992/93 financial year and zero in the 1993/94, 1994/95, 1995/96 and 1996/97, 1997/98 financial years.

[12] In addition to the amount received for its BNZ shares, the Government received from BNZ an amount of \$36,966 million on the unwinding of Adbro Investments Limited (the company established in 1990 to participate in the BNZ's non-performing loans). The Crown has a facility to receive a share of excess Adbro recoveries. Recoveries to date have totalled \$29,233 million.

[13] The announced sale price of \$400 million was the 'enterprise value' of the business. This is the going concern value Wisconsin placed on the business. Once the debt of NZ Rail is deducted from the enterprise value, the final sale proceeds to the Crown are \$328.191 million.

[14] The Government announced the sale of NZ Rail on 20 July 1993. The settlement period was set at a maximum of 90 days. Wisconsin elected to settle the transaction early by paying the balance of the purchase price on 30 September 1993.

[15] NZAL is a consortium controlled by Infratil NZ Ltd. The shares in the consortium at purchase were Infratil NZ Ltd (40%); Foreign Colonial Special Utilities Investment Trust (20%) and Alliance Life Common Fund (40%).

[16] The sale proceeds for the Crown's shares in FCNZ were US\$1,091.889 million. This equates to \$1,600 million based on the exchange rate of 5 August 1996 when the price for the transaction was agreed by Cabinet. Settlement of the \$US amount took place on 27 September 1996.

[17] Settlement for Works Civil Construction took place on 24 September 1996. Settlement for Works Consultancy Services took place on 8 November 1996.

[18a] The total records proceeds received from asset sales. The Crown continues to deal with some residual liabilities from the time when assets were owned by the Crown.

[18b] This total includes the income from the clawbacks on the sale of Synfuels and the Petroleum Mining Licenses.

[19] The Crown sold 49% of the shares in Mighty River Power via a public share offer (including loyalty bonus shares to be transferred to eligible investors in May 2015)

[20] The Crown sold 49% of the shares in Meridian Energy via a public share offer. The proceeds were payable in two instalments; the first instalment of \$1,255.87 million was received in October 2013 and the second instalment of \$627.94 million is due in May 2015

[21] The Crown sold approximately 20% of the shares in Air New Zealand via an off-market sale to New Zealand sharebrokers (to on-sell to their clients) and to New Zealand and some offshore institutions. The transaction reduced the Crown's ownership of Air New Zealand from approximately 73% to approximately 53%

[22] The Crown sold 49% of the shares in Genesis Energy via a public share offer (including loyalty bonus shares to be transferred to eligible investors in April 2015)

Page top

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