

Mixed Ownership Model – Consultation with Māori

Statement from the MANA Movement

February 2012

In respect of proposals to sell shares in assets held by the government on behalf of all New Zealanders, the MANA Movement wishes to make two statements:

1) Treaty of Waitangi Protections:

MANA opposes any removal of existing Treaty of Waitangi protections (Section 9 of the State Owned Enterprises Act) from new legislation. MANA also opposes the drafting of new Treaty clauses that further limit or reduce the authority of the Treaty and the rights of Māori to exercise tino rangatiratanga over freshwater and geothermal, coal, gas, and oil resources that it affirms.

Section 9, which says that “*Nothing in this Act shall permit the Crown to act in a manner inconsistent with the principles of the Treaty of Waitangi*”, provides the only avenue for Māori to apply to the courts to assert our Treaty rights to what are claimed to be state owned assets. Section 9, the Treaty clause, was specifically included in the State Owned Enterprises Act to ensure Maori rights under Te Tiriti o Waitangi would have some protection in regards to any development of state owned assets. In this instance, it also provides some cover for all other New Zealanders with an interest in ensuring state owned assets remain in the hands of the state, and not in the hands of foreign investors.

Treasury advice that “*the main ‘harm’ from keeping the Treaty of Waitangi clause for electricity privatisation is that foreign investors would not understand it, which would ‘create uncertainty and have a negative effect on investment in the companies’*” confirms what many Māori and non-Māori already know: wiping out the Treaty clause is to make the share offer more appealing and acceptable to overseas investors.

Removing Section 9, or drafting new legislation that reduces its protections, is therefore unacceptable. Instead, and because Section 9 provides only a minimal protection of Treaty rights in relation to state owned assets, the long term solution must include constitutional transformation and proper recognition of Te Tiriti o Waitangi in order to fundamentally change the way in which decisions are made about such assets.

2) Mixed Ownership Model of partial privatisation:

MANA opposes the sale or partial privatisation of state assets. We do so for the following reasons:

- Proposals to sell assets that include lands, waters and other resources such as geothermal, oil, gas, and coal yet to be settled through the Treaty of Waitangi claims settlement process should not proceed until such claims have been properly concluded.
- Assets owned by the state on behalf of all New Zealanders should not be sold to pay off a debt that was created not by New Zealand citizens, but by inadequate governance and a devotion to neo-liberal economic values that has eroded our autonomy, self-sufficiency and economic resilience.
- Assets whose value has been created through the hard work of generations of New Zealanders, many of whom were Maori, should not be put up for sale where their value can be taken up by cash-rich overseas investors whose primary objective is not the public good but private profit.
- Electricity assets should be held in trust by the government on behalf of all New Zealanders, for the benefit of all New Zealanders – ensuring that electricity is supplied at prices we can afford, and with 100% reliability. This ideal has already been seriously undermined by requiring power companies to operate as semi-commercial enterprises. If sold, the nation's 51% shareholding held by the government will be reduced to being a majority shareholder in a commercial enterprise geared to maximising profit. Profits will flow from a reduction in costs through staff cuts and/or wage cuts, reduced investment in maintenance, and an increase in prices. Electricity prices will rise exponentially as a result.
- The above issues will not in any way be resolved or minimised by indications that iwi corporates may buy shares. It will not mean that Māori will somehow benefit from the sales. In fact, the reverse is the case. Iwi corporate investors buy shares for the same reason as other corporate investors – to make profit. And when that profit comes from price rises, the people who will be hurt the most will be those who are suffering ever-greater levels of poverty, be they Pākehā, Pacific, or Māori.

I stand alongside the majority of New Zealanders in opposing government plans to privatise state owned assets, and I urge the Maori Party to join in that opposition by walking out on a government that continues to deny Maori aspirations and destroy Treaty dreams.

Heoi anō

Hone P Harawira
Leader, MANA Movement