

INTRODUCTION COPY

Hon. Clive Matthewson

CRISIS MANAGEMENT INVESTIGATION

ANALYSIS

Title	5. Report by Commission
Preamble	6. Proceedings of Commission
1. Short Title and commencement	7. Power to award costs
2. Interpretation	8. Commissions of Inquiry Act 1908 to apply
3. Commission of Inquiry established	
4. Membership of Commission	

A BILL INTITULED

An Act to establish a Commission of Inquiry to investigate the management of crisis within Government generally, and in relation to energy in particular, and to make recommendations to the House of Representatives

WHEREAS the Minister of Finance, responding to fiscal pressure, required an increase in the rate of return from Electricorp: And whereas the winter of 1991 was unusually cold and dry: And whereas Cabinet is briefed quarterly on Electricorp: And whereas Electricorp used 500 GWH of storage between October and December 1991: And whereas the Minister of Finance announced a deficit blowout in December 1991: And whereas the Government received a record interim dividend in December 1991: And whereas the Prime Minister combined his media and policy advice streams in December 1991 with the appointment of Michael Wall: And whereas the Minister for State Owned Enterprises was briefed in February 1992 that Huntly was running three generators on a 24 hour basis: And whereas the Minister for State Owned Enterprises was briefed in March 1992 that power was being shifted south: And whereas the Ministers of Local Government, of Social Welfare and for State Owned Enterprises represent drought affected areas: And whereas the Minister for State Owned Enterprises briefed Cabinet in May 1992 and Cabinet did not

act: And whereas Electricorp warned the Prime Minister of low inflows in May 1992 and the Prime Minister did not act: And whereas the Minister of Finance briefed Cabinet in May and the Cabinet did not act: And whereas the Prime Minister referred questions on the issue to highly paid Electricorp officials: And whereas the Minister for State Owned Enterprises omitted to tell the House of Representatives of a particular meeting in his statement: And whereas the Minister of Energy has not fulfilled his responsibilities with regard to advice on energy supply: And whereas the Ministers of Finance and for State Owned Enterprises have not fulfilled their responsibilities as shareholders on behalf of New Zealanders, this Commission shall address these concerns and make recommendations as to policies and administrative procedures to avoid a similar response to future crises:

BE IT THEREFORE ENACTED by the Parliament of New Zealand as follows:

1. Short Title and commencement—(1) This Act may be cited as the Crisis Management Investigation Act 1992.

(2) This Act shall come into force on the 15th day of August 1992.

2. Interpretation—In this Act, unless the context otherwise requires,—

“Commission” means the Commission of Inquiry established under section 3 of this Act:

“Electricorp” means the Electricity Corporation of New Zealand Limited.

3. Commission of Inquiry established—There is hereby established a Commission of Inquiry to inquire into and report to the House of Representatives on the following matters:

- (a) The dates and essence of all reports received by Ministers and decisions taken on by Ministers relating to the Crown’s relationship with Electricorp in 1991 and 1992:
- (b) Such measures as may be appropriate to improve the information systems and energy use planning of Government, policy advice to and administrative systems for Ministers and other related matters.

4. Membership of Commission—(1) The Commission shall consist of three members who, *inter alia*, have expertise in energy planning, financial management and policy advice

systems appointed by the Prime Minister with the agreement of the Leader of the Opposition.

(2) One member of the Commission shall be appointed as Chair.

5 **5. Report by Commission**—(1) The Commission shall report to the House of Representatives its findings and opinions on the matters specified in **section 3** of this Act, together with such recommendations as the Commission thinks fit to make in respect of those matters by the **1st day of December 1992**.

10 (2) Subject to **subsection (1)** of this section, the Commission may report its proceedings and findings from time to time to the House if the Commission judges it expedient to do so.

15 **6. Proceedings of Commission**—(1) Subject to this Act, the Commission may make and conduct any inquiry in such manner and at such time and place within New Zealand as it thinks fit.

(2) The Commission may adjourn from time to time or place to place, and resume any inquiry whether or not so adjourned.

20 (3) The powers of the Commission shall not be affected by any vacancy arising in the Commission, nor by the absence at any time of any member of the Commission.

25 **7. Power to award costs**—Notwithstanding the Commissions of Inquiry Scale of Costs Rules 1903 (as published in *Gazette*, 1904, Volume I, at page 491), the Commission may order such sum as costs to be paid by any of the parties to the inquiry as in its opinion the Commission considers appropriate.

30 **8. Commissions of Inquiry Act 1908 to apply**—Subject to the provisions of this Act, the provisions of the Commissions of Inquiry Act 1908 shall, as far as they are applicable and with the necessary modification, apply as if the Commission were a Commission of Inquiry appointed under that Act.