



---

## Decision Summary

### Case: 200910039

---

<b>Decision</b>	Consent granted Section 12(b) Overseas Investment Act 2005 Section 13(1)(a) Overseas Investment Act 2005
<b>Decision Date</b>	26 February 2009
<b>Investment</b>	<p>An overseas investment in sensitive land, being the Applicant's acquisition of rights or interests in 100.0% of the Shares of Powerco NZ Holdings Limited which owns or controls:</p> <ul style="list-style-type: none"><li>– a freehold interest in 0.2022 hectares of land at 11 Main Road, Tairua (Sh 25); and</li><li>– a freehold interest in 0.9233 hectares of land at 40 Alach St, Gate Pa.</li></ul> <p>An overseas investment in significant business assets, being the Applicant's acquisition of rights or interests in 100.0% of the Shares of Powerco NZ Holdings Limited, the consideration of which exceeds \$100m.</p>
<b>Consideration</b>	\$423,460,120
<b>Applicant</b>	<b>QIC Private Capital Pty Limited</b> Australia (100.0%)
<b>Vendor</b>	<b>Babcock &amp; Brown Infrastructure Networks (New Zealand) Limited</b> Australia (98.21%), New Zealand (1.41%), Various (0.38%)
<b>Background</b>	<p>On 3 February 2009, Ministers granted consent for the Applicant to give effect to the indirect acquisition of rights or interests in 50% of the Shares of Powerco NZ Holdings Limited.</p> <p>The Applicant now proposes to make a supplemental investment in Powerco NZ Holdings Limited by the QIC Power Trusts by acquiring an additional 8% of the shares of Powerco NZ Holdings Limited.</p> <p>Babcock &amp; Brown Infrastructure Networks (New Zealand) Limited ("BBI") owns Powerco Limited, Powerco Transmission Limited and Independent Transmission Services Limited (together being "the Powerco Group"). BBI requires further capitalisation to enable the Powerco Group to fulfil its business plan.</p> <p>The investment benefits the Powerco Group in terms of financing capacity i.e. an improvement in the ability to obtain debt finance and additional equity.</p> <p>The Applicant is ultimately managing the investment on behalf of the Queensland superannuation schemes and the Queensland State Government. As such, the Applicant has long-term investment horizons and seeks investments to which it can add value. As an asset class, energy distribution is perceived as a good return and the Applicant considers the investment is consistent with its investment aims.</p>

The overseas investment transaction has satisfied the criteria in sections 16 and 18 of the Overseas Investment Act 2005. The 'benefit to New Zealand' criterion was satisfied by particular reference to the following factors:

- Overseas Investment Act 2005
  - 17(2)(a)(i) – Creation/Retention of jobs
  - 17(2)(a)(iv) – Added market competition/Productivity
- Overseas Investment Regulations 2005
  - 28(b) – Key person in a key industry
  - 28(c) – Affect image, trade or international relations
  - 28(f) – Advance significant government policy or strategy

**More information**    Adrien Hunter  
Chapman Tripp (Auckland)  
PO Box 2206  
AUCKLAND 1140