

The Minister indicates that he is comfortable with the progress made to date by 14 of the 17 SOEs (**pages 3 – 5**).

ECNZ is effectively exempt from the CSE framework because it is a residual company in the process of being wound up. ONTRACK is in transition and has given insufficient attention to CSR due, in part, to its focus on safety issues and urgent capital replacement issues. Timberlands is in the process of being wound up.

Baseline Implications	None.
Legislative Implications	None.
Timing Issues	None.
Announcement	None.
Consultation	The Minister for State Owned Enterprises indicates discussion is not required with the government caucuses or with other parties represented in Parliament.

Paper prepared by CCMAU. Treasury has been consulted.

The Minister for State Owned Enterprises recommends that the Committee:

- 1 note that in October 2007 Cabinet:
 - 1.1 agreed to a Corporate Social Responsibility (CSR) framework for State Owned Enterprises (SOEs) following Mercury Energy's disconnection of power to the home of Mrs Folole Muliaga, and Solid Energy's use of paid informants;
 - 1.2 invited shareholding Ministers to report back to the Cabinet Policy Committee on progress with implementing the CSR framework, by 31 August 2008;

[CAB Min (08) 38/8]
- 2 note that:
 - 2.1 fourteen SOEs have shown adequate progress toward implementing the CSR framework;
 - 2.2 the three SOEs (i.e. ECNZ, Timberlands and ONTRACK) that have made inadequate progress to date with implementing the CSR framework are all in transition, and each has legitimate reasons for their relatively slow progress;

- 3 note that the Minister for State Owned Enterprises will continue to monitor the CSR performance of all SOEs, and encourage SOEs to apply CSR in a more integrated, consistent and transparent manner.

for Secretary of the Cabinet
