



Metiria Turei MP Co-Leader



Green
Green Party of Aotearoa New Zealand

24 April 2012

Dear Ms Provost,

I am writing to ask that you initiate an investigation into the Expressions of Interest (EOI) process for proposals to establish an international convention centre in Auckland.

The choice of SkyCity as the preferred bidder for the centre is now a matter of significant public interest.

The Green Party believes that the processes that lead to the choice of SkyCity breached a number of guidelines and rules for ministry procurement.

SkyCity had an unfair advantage over other bidders for the convention centre in that Prime Minister John Key offered the casino significant legislative change that would enable it to bid without seeking public contribution from the Government. This aspect of the bid is identified by the Government as the major advantage of the SkyCity proposal.

This offer appears to have been under discussion in November 2009, prior to the opening of the EOI process in March 2010, and therefore rendered the process unfair to the other bidders under the guidelines and rules outlined below.

These include, but are not limited to:

Part 2.3 of the Controller and Auditor General's *Best Practice Guide for Procurement for Public Entities* which states: "Public entities have a general public law obligation to act fairly and reasonably. Public entities must be, and must be seen to be, impartial in their decision-making."

and;

The policy principles in *The Policy Guide for Purchasers*, issued by the Ministry of Economic Development, that state: "the principles of best value for money over whole of life; open and effective competition; and full and fair opportunity for domestic suppliers" must be applied.

and;

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The Mandatory Rules for Procurement by Departments, point 4: "The Government continues to expect its departments to conduct all their procurement within the framework of the policy principles set out in the "Policy Guide for Purchasers" issued by the Ministry of Economic Development, and the good practice guidelines set out in "Procurement: a Statement of Good Practice" issued by the Office of the Auditor-General."

And under point 43: "Departments must receive, open and evaluate all tenders under procedures that guarantee the fairness and impartiality of the procurement process."

In addition, we question whether all appropriate costs were included in the choice of SkyCity as preferred tenderer.

For example, we have been unable to establish whether the Ministry or the Ministers involved considered the economic costs of gambling harm that may result from the legislative changes to increase gaming opportunities that are part of the SkyCity bid.

We note that the policy principles in the Guide for Purchasers above require a successful bid to offer the best value of the "whole of life" of the proposed centre and suggest this connotes a long term view of all costs, including the economic costs of legislative change that form part of the SkyCity bid.

I request that you audit the decision of the Ministry of Economic Development to select SkyCity Casino as the preferred bidder for a proposed convention centre.

I also request you examine the involvement of the Prime Minister and Economic Development Minister in the process and whether this compromised principles of fairness and equity inherent in the above guidelines or relevant others, and in rules around Ministerial influence outlined in the Cabinet Manual.

I have attached a timeline of events relating to the Skycity convention centre, that includes reference sources.

Please don't hesitate to contact me if you require further information.

Yours faithfully,



Metiria Turei

Co-leader, Green Party