

Aurora Energy Submission

I am not in favour of selling Aurora for the following reasons;

1. The DCC has stated “We are advised that energy companies are a regulated industry and have price protection and reliability, so consumers should be protected.”

This is a naïve point of view as we have a government with a Coalition partner - ACT that is wanting us to be a less regulated society.

2. If Aurora is sold, whoever buys it will want to make maximum returns for the shareholders and power prices will rise substantially.
3. Examples from overseas suggest selling off essential infrastructure has poor outcomes eg Thames Water in England is just one example.
4. In the ODT article by Councilor Barker it states “People are concerned about foreign ownership and that owner running down the assets to make profit; worries about selling Aurora because owning it means we’ve a strong asset base to borrow against, and could impact on our credit rating — which means an increased cost of council borrowing.”
5. Should we have another share market crash, investment funds are at high risk.
6. I support this statement “assets with a strategic value, be it cultural, economic or environmental, should be subject to the democratic oversight and control that only public ownership brings.”
7. Should essential infrastructure pay a dividend? It should strive to cover costs including maintenance. But the background belief that essential services should pay a dividend to the council to subsidise other council business is deeply flawed.

Outsourcing the provision of essential services to private companies requires that those essential services cost more to the community/ consumer/ society because a private company’s main objective is not to provide the service, it’s to make a profit to pay its shareholders.

8. Another commentator has stated, “I don’t think Aurora should be expected to make unrealistic profits beyond its own needs to run the business effectively and to maintain and service its assets. Public ownership should ensure that it is not used as a cash-producing entity for the benefit of either the DCC or potential private owners and investors. Has Aurora been required to pay excessive dividends to the DCC? Has this resulted in the company not having sufficient funds to maintain the network properly?”
9. I support this letter to the ODT, “We need a new model of ownership for Aurora as a public trust which is directly responsible to the whole community. I understand this occurs elsewhere in New Zealand.”

Yours sincerely, Penelope Scott.

[Redacted Signature]