

## Sale of Aurora Energy

To decide if we can view this proposal positively we have to acknowledge some unequivocal facts and evaluate some assumptions that the proposers have made. It is a fact that the infrastructure to deliver electricity is a critical asset for the survival of any community. Electricity enables delivery of critical life sustaining / saving medical care, fuels our modern lifestyles from cooking food and heating homes to powering the internet and electronic communication.

Since this proposal talks about a service that literally determines our life and death, we must now understand the weight of this proposal and evaluate it very robustly, lest we face the day of judgment, having to explain our decision to our children.

This proposal is talking about selling our critical life sustaining infrastructure to balance our financial accounts in the short term. So, the questions to debate here are:

1. How will disenfranchising our community by taking away control of Aurora energy and selling it to an organisation interested in profit making, with shareholders who potentially will not live in Dunedin, help safeguard the life and wellbeing of our community in the long term?
2. The proposal also states that the financial gains from the sale will be put into a fund for sustainable development.

How confident can we be in the fund management capabilities of the council which has a chequered track record of managing finances in the past - reason why we are contemplating the sale of Aurora Energy in the first place?

3. Aurora Energy has an 850-million-dollar investment plan over the next decade to modernise our electricity infrastructure. This is critical to the continued sustainable operation of our electricity grid and therefore critical to the survival of our community.

How can we get and enforce any guarantee from a potential purchaser of Aurora Energy that this long-term investment plan will be delivered and not discontinued in favour of short term profiteering?

Note that I was part of the budgeting process for this investment plan and know that the original estimate for the investment requirement was more than a billion dollars and it was cut down to 850 million.

Finally, we have to question the assumption that retaining the ownership of Aurora Energy is not sustainable for our community. This proposal is being marketed by the statement that Aurora energy will not be able to pay dividends for the next few years and its level of debt (projected at 576 million) may be unsustainable. Both these facts must be seen in light of the fact that Aurora Energy is in a fairly stable financial condition for its business environment with a Funds from operation to debt ratio of 5%. The expectation of dividends from Aurora energy in the short term is unfair because we will need to pay for the infrastructure modernization plan which is merely making up for the gross under investment in our city's infrastructure over the past 20 years.

Selling Aurora Energy to any outside investor will be a massive mistake and will only encourage the chronic under investment in our infrastructure. This will completely handicap the future growth and development of our community. We should overwhelmingly reject this short-sighted proposal to sell out the future of our city to satisfy the short-term greed of a few. The goal of a sustainable and bright future for our city can only be achieved when we remain the masters of our own destiny. The future of our children is not for sale.