

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Dunedin City Council will be held on:

Date: Wednesday 20 March 2024
Time: 1:00 p.m.
Venue: Council Chamber, Dunedin Public Art Gallery, The Octagon,
Dunedin

Sandy Graham
Chief Executive Officer

Council
PUBLIC AGENDA

MEMBERSHIP

Mayor
Deputy Mayor

Mayor Jules Radich
Cr Cherry Lucas

Members

Cr Bill Acklin	Cr Sophie Barker
Cr David Benson-Pope	Cr Christine Garey
Cr Kevin Gilbert	Cr Carmen Houlahan
Cr Marie Laufiso	Cr Mandy Mayhem
Cr Jim O'Malley	Cr Lee Vandervis
Cr Steve Walker	Cr Brent Weatherall
Cr Andrew Whiley	

Senior Officer

Sandy Graham, Chief Executive Officer

Governance Support Officer

Lynne Adamson

Lynne Adamson
Governance Support Officer

Telephone: 03 477 4000
governance.support@dcc.govt.nz
www.dunedin.govt.nz

The meeting will be live streamed on the Council's YouTube page.

Note: *Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.*

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1 OPENING

George Lethbridge will open the meeting with a prayer on behalf of the Muslim community.

2 PUBLIC FORUM

There is no public forum.

3 APOLOGIES

At the close of the agenda no apologies had been received.

4 CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Councillor Register of Interest - Current as at 6 March 2024				
Councillors are members of all committees				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Mayor Jules Radich	Shareholder	Izon Science Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Taurikura Drive Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Golden Block Developments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Cambridge Terrace Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Southern Properties (2007) Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Arrenway Drive Investments Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Golden Centre Holdings Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	IBMS Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Raft Holdings Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Otago Business Coaching Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Effectivise Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Athol Street Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Allandale Trustee Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Aberdeen St No2 Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Road Safety Action Plan	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	100% Shareholder/Director	Panorama Developments Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Hospital Local Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Council of Social Services (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Sector Steering Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Member	Dunedin Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.	
Member	Local Government New Zealand (Zone 6 Committee) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.	

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Connecting Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Bill Acklin	Shareholder/Director	Dunedin Brokers Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	APRA - AMCOS	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Entertainer	Various functions	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Strath Taieri Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Casual Employee	Insulmax	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Craigieburn Reserve Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Sophie Barker	Director	Ayrméd Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Property Owner	Residential Property Owner - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Beneficiary	Sans Peur Trust (Larnach Castle)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Mentor	Business Mentors NZ	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Southern Heritage Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Friends Otago Museum	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Peninsula Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Orokonui Ecosanctuary	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Volunteer	Blue Penguins Pukekura	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Vegetable Growers Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Committee Member	Otago Anniversary Day Dinner	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Dunedin Heritage Fund (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Gasworks Museum Trust (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Otaru Sister City Society (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Member	Hereweka Harbour Cone Trust (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.	

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Te Ao Tūroa Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Connecting Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr David Benson-Pope	Owner	Residential Property Ownership in Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee and Beneficiary	Blind Investment Trusts	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Yellow-eyed Penguin Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Christine Garey	Trustee	Garey Family Trust - Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Women of Ōtepoti	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member (alternate)	Grow Dunedin Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Sophia Charter (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Study Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Ashburn Hall Charitable Trust Board	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	St Paul's Cathedral Foundation (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Theomin Gallery Management Committee (Olveston) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Kevin Gilbert	Owner	Gipfel Limited - Bakery	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Schlubert Trust - Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Schlup Family Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	BNI	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Business South	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Shareholder	Air New Zealand	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Kevin Gilbert and Esther Gilbert Partnership - Residential Rental Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Biddies Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Advisors	Ronald McDonald House Supper Club Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Fair Trading Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand (Zone 6 Committee) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member (alternate)	Otago Regional Transport Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Settlers Association (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Saddle Hill Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Industry Advisors Group Food and Beverage (Workforce Development Council)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Connecting Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Carmen Houlahan	Owner	Residential Property - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Rental Property - North Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Part Owner	Adobe Group Ltd, Wanaka	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Institute of Directors	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Property Investors Association	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Creative Dunedin Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	KBCLR Family Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Theatre Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Cr Marie Laufiso	Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Moray Place Community Building Trust - Trust Owner of Property 111 Moray Place	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Otago Mental Health Support Trust	Potential grants applicant which would result in pecuniary interest. Duty to Trust may conflict with duties of Council Office	Do not participate in consideration of grants applications. If the meeting is in public excluded, to leave the room.
	Member	Women of Ōtepoti Recognition Initiative	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Family Member	Staff member a relative	Potential conflict depending on level of staff member involvement	Managed by staff at officer level if a perceived conflict of interest arises.
	Secretary	Brockville Improvements and Amenities Society (BIAS)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Corso Ōtepoti Dunedin Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in public excluded leave the room. Seek advice prior to the meeting.
	Member	Dunedin Manufacturing Holdings Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Secretary	BIAS Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Dunedin Branch Treasurer	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party of Aotearoa New Zealand	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Abrahamic Interfaith Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Refugee Steering Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Social Wellbeing Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.	
Chairperson	Grants Subcommittee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.	
Cr Cherry Lucas	Trustee	Otago Farmers Market	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago A & P Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Henderson Lucas Family Trust - Residential Dunedin Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Institute of Chartered Accountants	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Chinese Garden Advisory Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

REPORTS

POTENTIAL SALE - AURORA ENERGY LIMITED - STATEMENT OF PROPOSAL AND COMMUNICATION AND ENGAGEMENT PLAN

Department: Legal Services and Finance

EXECUTIVE SUMMARY

- 1 Aurora Energy Limited (Aurora) is an electricity distribution business that owns and operates regulated electricity distribution networks in Dunedin, Central Otago (including Wānaka) and Queenstown Lakes.
- 2 Aurora is 100% owned by Dunedin City Holdings Limited (DCHL), and DCHL is 100% owned by Council.
- 3 DCHL recommends a sale of Aurora, with the proceeds being used:
 - a) to repay Aurora's debt (forecast to be \$576 million by mid-2025); and
 - b) to establish a diversified investment fund worth hundreds of millions of dollars (Fund).
- 4 DCHL recommends the sale for many reasons, including:
 - a) to increase income to Council by having a more consistent and sustainable income stream.
 - b) to reduce DCC Group debt by paying down Aurora's debt.
 - c) to avoid the DCC Group's debt increasing to fund Aurora's future capital requirements.
 - d) to reduce risk through having a more diversified portfolio.
- 5 The capital in the Fund would be protected and inflation adjusted, so that the fund is not eroded over time. Council would receive the income from the Fund. The Council would need to plan how to apply revenue received in future long term and annual plans. This could include such things as paying down debt or offsetting rates.
- 6 Interest in purchasing Aurora is expected to be high, which could generate a price premium.
- 7 Consumer rights would continue to be protected by the Commerce Commission and Electricity Authority under any new ownership.
- 8 DCHL cannot sell Aurora without Council's approval as 100% shareholder.
- 9 On 12 March 2024, Council decided:

- a) to consult the public on a potential sale of Aurora;
 - b) to use the special consultative procedure for the consultation; and
 - c) that Council's preferred option for consultation is to sell Aurora and to use the proceeds of any sale to repay Aurora's debt and use the remainder to generate income through a diversified investment fund.
- 10 DCC staff have now prepared a draft:
- a) statement of proposal (consultation document); and
 - b) communication and engagement plan.
- 11 The purpose of this report is to seek Council's approval to the draft statement of proposal and draft communication and engagement plan.

RECOMMENDATIONS

That the Council:

- a) **Adopts** the statement of proposal (consultation document) referred to in this report.
- b) **Approves** the communication and engagement plan referred to in this report.
- c) **Decides** that a further summary document to summarise the statement of proposal is not required under section 83(1)(a)(ii) of the Local Government Act 2002.
- d) **Delegates** to Council's Chief Executive Officer the authority:
 - i) To make any amendments to the statement of proposal and/or communication and engagement plan as are requested by Council.
 - ii) To make minor editorial changes to the statement of proposal.
 - iii) To amend the communication and engagement plan if the Council's Chief Executive Officer considers that further or different consultation would assist in the consultation process.

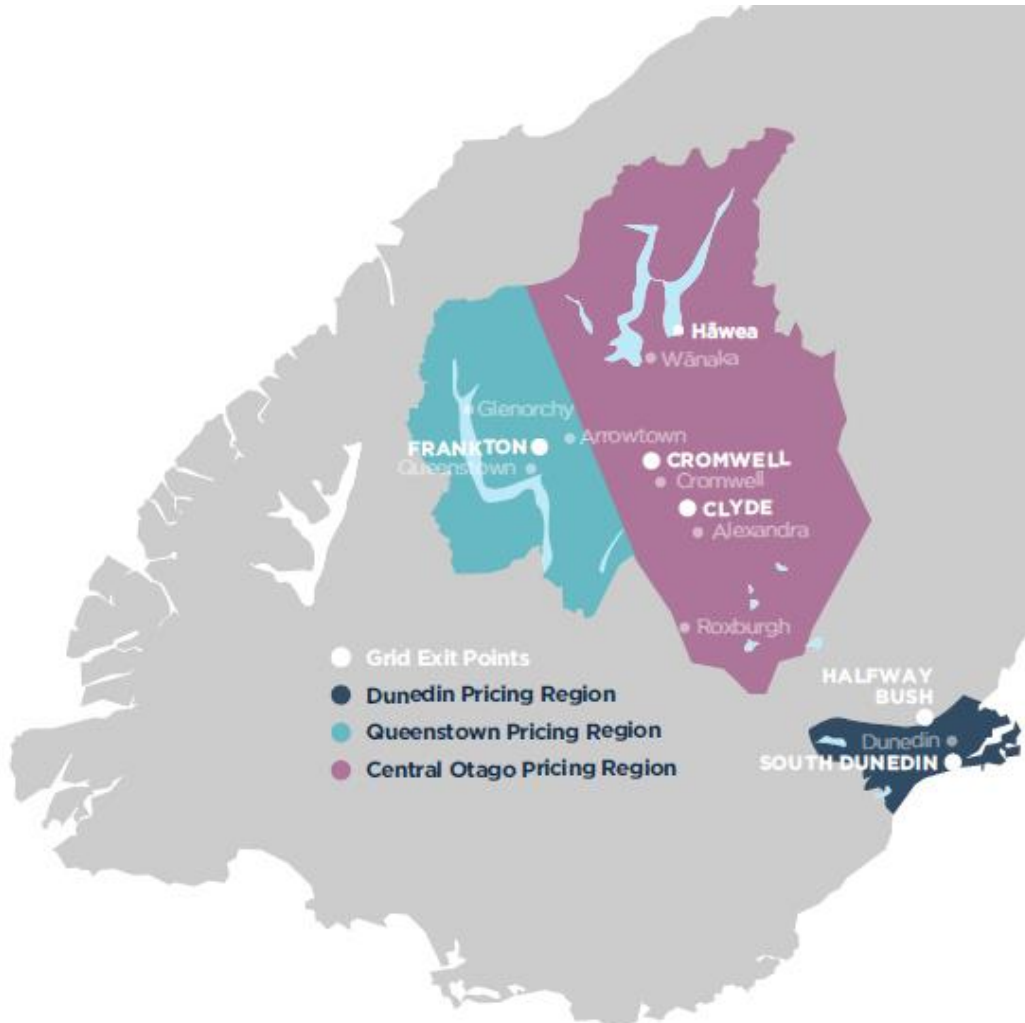
BACKGROUND

Ownership of Aurora

- 12 Aurora is 100% owned by DCHL and DCHL is 100% owned by Council.
- 13 Under the Companies Act 1993 and DCHL's Statement of Intent, DCHL can only sell Aurora if it obtains Council's prior approval. This is because a sale of Aurora would constitute a major transaction for DCHL under the Companies Act 1993, which requires shareholder approval (by a Special Resolution). The sale also requires Council's approval under DCHL's Statement of Intent, which requires DCHL to obtain Council approval before disposing of any shares exceeding \$5 million in value.

About Aurora

- 14 Aurora owns and operates the regulated electricity distribution networks for Dunedin, Central Otago (including Wānaka) and Queenstown Lakes.



- 15 Aurora’s electricity network was largely built in the 1950s and 1960s. It now requires significant capital investment to renew aged assets, build resilience in its network, meet population growth in Central Otago and meet greater demand for electricity due to decarbonisation.
- 16 Aurora agreed a Customised Price Quality Path (CPP) with the Commerce Commission in 2021 to enable higher prices to be charged to customers than under the default price quality path (DPP), allowing funding of Aurora’s capital programme to improve the network. However, even with that funding, it is expected that significant capital expenditure requirements will consume operating cash flows and require more debt.

Dividends from Aurora

- 17 Aurora has not generated any dividends since 2017.
- 18 Aurora may be able to deliver dividends in the future, but there is high uncertainty around the amount of the dividends due to inherent uncertainties in Aurora’s capital reinvestment requirements, regulatory settings and ordinary business risks.

Option One – Recommended Option – Adopt the Statement of Proposal (consultation document) and approve the Communication and Engagement Plan

39 Under this option, Council would:

- a) adopt the statement of proposal (consultation document) referred to in this report.
- b) decide that a further summary document to summarise the statement of proposal is not required under section 83(1)(a)(ii) of the Local Government Act 2002.
- c) approve the communication and engagement plan referred to in this report.
- d) delegate to Council’s Chief Executive Officer the authority:
 - i) to make any amendments to the statement of proposal and/or communication and engagement plan as are requested by Council.
 - ii) to make minor editorial changes to the statement of proposal.
 - iii) to amend the communication and engagement plan if the Council’s Chief Executive Officer considers that further or different consultation would assist in the consultation process.

Advantages

- b) By proceeding to consultation, this will give the public an opportunity to consider the proposal, to make submissions and to be heard.
- c) The statement of proposal (consultation document) and communication and engagement plan comply with the statutory requirements for a SCP.

Disadvantages

- d) None identified.

Option Two – Adopt the Statement of Proposal (consultation document) and approve the Communication and Engagement Plan, with amendments

40 This is the same as Option One, but with any amendments specifically recorded in Council’s resolutions.

NEXT STEPS

41 Once the statement of proposal (consultation document) and communication and engagement plan is adopted, then:

- a) DCC staff will:
 - i) arrange for the consultation document to be printed and distributed as per the communication and engagement plan; and
 - ii) arrange all other steps set out in the communication and engagement plan.

- b) The intention is to run the Aurora consultation process concurrently with the Annual Plan 2024/25 process. However, although concurrent, they will be two separate processes.
- c) Following the close of submissions hearings will be held.
- d) A report will then be prepared summarising submissions and the feedback received from the community for Council to consider when it deliberates in public on whether it wants to approve a sale of Aurora, or not.
- e) If Council decides to approve a sale of Aurora, then at that time, Council would set a minimum price in non-public. The sale could not proceed unless the minimum price is achieved.

Signatories

Author:	Karilyn Canton - Chief In-House Legal Counsel Carolyn Allan - Chief Financial Officer
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
↓A	Section 83, Local Government Act 2002	29
B	Consultation Document 2024/25 (<i>Under Separate Cover 1</i>)	
↓C	Aurora Energy Proposal Communications and Engagement Plan	32
D	Non-Text Format Illustration of Consultation Document	32

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision promotes the social, economic, environmental and cultural well-being of communities in the present and for the future. This decision also enables democratic local decision making and action by, and on behalf of communities as the proposal is subject to consultation through the special consultative procedure.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

A sale of Aurora would generate sufficient funds to allow for the repayment of Aurora’s debt and a substantial diversified investment portfolio. The principal in the diversified investment fund would be protected (like with the Waipori Fund), with the income applied to things such as repayment of debt or reducing rates for example.

Māori Impact Statement

The communication and engagement plan identifies that there will be engagement with mana whenua and mātāwaka regarding the proposal.

Sustainability

Given the regulated nature of lines companies, sustainability issues are likely to be the same or similar whether Aurora is retained or sold.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

The next Long Term Plan (the 9 Year Plan 2025-34) will be updated to reflect any decisions made by Council in regard to Aurora.

The Aurora consultation will be run alongside but separate from the Annual Plan 2024/25 process.

SUMMARY OF CONSIDERATIONS

Financial considerations

Both Aurora and Council are capital intensive.

If Council approves a sale of Aurora, then this would have a significant impact on DCC’s finances and the DCC Group’s finances. It would allow for the repayment of Aurora’s debt (forecast to be \$576 million as at mid next year) and for the creation of a diversified investment fund worth hundreds of millions of dollars. The capital in the fund would be protected and inflation adjusted to ensure that it is an intergenerational asset, and its value is not eroded over time. The income from the fund would need to be planned for, for example to reduce debt or offset rates.

If Council does not approve a sale of Aurora, then the value in Aurora would increase over time. However, Council would need to continue to borrow to invest in Aurora’s electricity network and a regular income to Council is uncertain. Income from an Aurora dividend would likely be a result of balance sheet borrowing based on the increased capital value of Aurora (i.e. it would likely be debt funded).

The cost of the consultation will be met within existing Council budgets.

Significance

Decisions regarding a potential sale of Aurora are considered high in terms of Council’s Significance and Engagement Policy. Given the high significance, a special consultative procedure is being used for consultation on the proposal to sell Aurora, and to use the proceeds to repay Aurora’s debt and create a diversified investment fund worth hundreds of millions of dollars.

Engagement – external

Both DCHL and DCC engaged a range of external advisors as part of the process of considering the proposal to consult on the sale of Aurora.

Engagement - internal

There has been internal engagement with the Executive Leadership Team, Finance Team, Legal Services Team, Civic Team and the Business and Community Engagement Team.

Risks: Legal / Health and Safety etc.

None identified. Council is carrying out a special consultative procedure in accordance with the Local Government Act 2002.

Conflict of Interest

There are no known conflicts of interest. The directors of DCHL have confirmed that they do not act for and will not act for any parties in connection with any future transaction, if there is one, involving the DCC Group of companies.

Community Boards

Community Boards will be given copies of the statement of proposal (consultation document) and postcards with a QR code on them. There will be face-to-face drop-in sessions before Community Board meetings.

- 8 It is recommended that Council follows a mixed method engagement approach, as used for the previous annual and long-term plans. The mixed method approach to engagement utilises both online digital content and print based engagement practices.

DISCUSSION

- 9 Council wishes to understand community sentiment in relation to the draft 2024/25 Annual Plan (the draft Plan). The draft Plan is an update of year four of the 10 year plan 2021-31 and proposes no significant changes to the 10 year plan 2021-31.
- 10 Engagement provides an opportunity to inform the community on what Council is proposing in its draft Plan, and to seek feedback on community opinions and aspirations. This is an opportunity to update the community about what is planned, the costs, the funding mechanisms (rates, debt, fees, etc) and the progress of projects currently underway, while also setting the scene for the 9 year plan 2025-34.
- 11 The attached Annual Plan 2024-25 communication and engagement plan outlines the engagement approach which meets the requirements of section 82 of the Act, and will enable Council to reach a wide cross section of our community, encouraging them to express their views.

Engagement approach

- 12 Staff are proposing a mixed method approach, which has proven successful in recent Long Term and Annual Plan consultations, and which has reached a wider and more diverse section of our community.
- 13 A mixed method engagement approach requires different engagement tools for different engagement purposes and for different community stakeholders.
- 14 In planning the engagement approach, staff took into consideration our partnership with mana whenua, as well as community diversity and approaches to reach underrepresented stakeholder groups.
- 15 Staff also considered accessibility of both print media and online social media platforms.

Engagement activities

- 16 The communication and engagement plan builds on what has previously proved successful and reaches different parts of the community. The key elements during the consultation period are outlined in the attached communication and engagement plan and include:
- a) Digital content on the DCC Website
 - b) Content in DCC e-newsletters and FYI
 - c) Social media presence
 - d) Media releases
 - e) Advertising in print media and online
 - f) In-person engagement opportunities

- g) Material provided to Community Boards for distribution

Themes and key messages

- 17 Key messages will provide context and update the community on planned delivery, projects, and finances, noting there are no engagement topics requiring specific feedback. The engagement material will encourage people to express their views to Council, in relation to the Annual Plan 2024/25.
- 18 The consultation material will convey an acknowledgement of change and uncertainty as well as the underlying sentiment of responsible investment, listening to community, and delivering Council’s activities and services.

Capturing community feedback

- 19 The consultation period is from 28 March until 12 noon on 24 April 2024.
- 20 The plan will encourage online submissions via an online form. There will be QR codes and links in all promotional material that directs people to this form. There will also be the option to provide feedback through printed/hard copy submission forms. Written submissions received via post or email will also be accepted.
- 21 Comments on social media will not be treated as formal submissions, although sentiment will be tracked by staff and a general summary will be included in a report for Council consideration.
- 22 Hearings will be held for people to speak directly to Council. These are scheduled for the week commencing 6 May 2024.
- 23 Submission feedback will be collated, analysed, and reported to Council for consideration at the deliberations meeting scheduled for the week starting 27 May 2024.

OPTIONS

- 24 There are no options.

NEXT STEPS

- 25 If the communication and engagement plan is approved by Council, staff will produce Annual Plan engagement material and deliver the elements included in the attached plan.

Signatories

Author:	Jasmin Lamorie - Senior Corporate Planner
Authoriser:	Leanne Mash - General Manager Business and Community Engagement

Attachments

	Title	Page
↓A	Annual Plan 2024/25 Communication and Engagement Plan	41

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

The Annual Plan contributes to all of the objectives and priorities of the strategic framework and provides a focus for decision making and coordination of the Council’s resources, as well as a basis for community accountability.

Māori Impact Statement

The adoption of Te Taki Haruru – Māori Strategic Framework signals Council’s commitment to mana whenua and to its obligations under the Treaty of Waitangi. Engagement with mana whenua and mātāwaka is included in the Annual Plan 2024/25 communication and engagement plan.

Sustainability

Engagement in the context of the Annual Plan will provide an opportunity for the community to express their views of the DCC’s work towards sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

Engagement in the context of developing the Annual Plan is an opportunity for the community to express their views.

Financial considerations

Engagement costs will be met from within existing budgets.

Significance

Consultation and engagement will be delivered in alignment with the principles outlined in the Significance and Engagement policy.

Engagement – external

This report discusses an approach for external engagement on the Annual Plan.

Engagement - internal

Engagement planning has been prepared with input from staff including community engagement practitioners, across DCC.

Risks: Legal / Health and Safety etc.

There are no identified risks with the recommended approach.

SUMMARY OF CONSIDERATIONS

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Online resources and engagement material will be available for use by Community Boards.

