Date: Thursday 16 April 2020  
Time: 10.00am  
Meeting Room: This meeting was held remotely and can be viewed on the Auckland Council website at https://councillive.aucklandcouncil.govt.nz/  
Venue: 

Te Kāhui Ngārahu / Emergency Committee  

OPEN MINUTE ITEM ATTACHMENTS  

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Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
## Attachment A

### Item 5.1

<table>
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<th>Auckland Council</th>
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<tr>
<td></td>
<td>Years</td>
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<td>Average</td>
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<td>Total Change</td>
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Jo Holmes – Spokesperson, Auckland Ratepayers’ Alliance  
Jordan Williams – New Zealand Taxpayers’ Union  

Q&A  

www.ratepayers.nz
Accessible Streets Regulatory Package – Auckland Council submission
Emergency Committee – 16 April 2020

Accessible Streets

- Collection of changes to the Road User Rules
- Intended to:
  - make footpaths, shared paths, cycle lanes and cycle paths safer and more accessible
  - accommodate the increasing use of micro-mobility devices like e-scooters
  - encourage active modes of transport
  - make social and economic opportunities more accessible
  - make buses and active transport such as walking and cycling safer and more efficient
Proposal 1

Change vehicle and device definitions

- Support
- However, seek further legislative change to provide a clear and fit-for-purpose regulatory framework

Proposal 2

Change who is allowed on footpaths and introduce conditions that users need to follow when using the footpath

- Support the new conditions for footpath use, except suggest changing the speed limit from 15km/h to 10km/h
- Partially support the alternative proposal from Waka Kotahi allowing cyclists up to the age of 16 to ride on the footpath, subject to amendments to allow over 65s and caregivers to also use footpaths
Proposal 3

Clarify who is allowed on shared paths and cycle paths and introduce the conditions they need to follow

- Partially support
- Seek changes to:
  - the default speed limit so that it is not tied to the adjacent roadway. A default of 25km/h for shared paths and 50km/h for cycle paths is proposed
  - give priority to cyclists over users of powered transport devices
  - require speed limit signs where the speed limit differs from the default

Proposal 4

Allow transport devices to use cycle lanes and paths

- Support
Proposal 5

Introduce lighting and reflector requirements for powered transport devices at night

- Partially support
- Support the consistency of approach between powered transport devices and cycles but raise some points for consideration

Proposal 6a and b

Change the priority of road users by:

a) Allowing cycles and transport devices to travel straight ahead from a left turn lane

b) Allowing cycles and transport devices to carefully pass slow-moving vehicles on the left, unless a motor vehicle is indicating a left turn
Proposal 6c

Give buses, cycles, e-scooters etc priority over turning traffic when they’re travelling through an intersection in a separated lane
- Support

Proposal 6d

Give priority to footpath, shared path and cycle path users over turning traffic where the necessary traffic control devices are installed
- Partially support
- Seek that this be extended to apply to all intersections without markings
Proposal 7

Mandate a minimum overtaking gap

- Partially support
- Seek changes so that:
  - the gap applies to motor vehicles passing users of cycle lanes, and
  - the 1.5m gap applies at all speeds

Proposal 8

Clarify what is needed for road controlling authorities to restrict parking on berms

- Partially support
- Propose expanding the definition of footpath to include the berm
Proposal 9

Require road users to give way to signalling buses pulling out of bus stops
- Support
- Seek that it is extended to apply to buses merging from bus/priority lanes

Local board feedback

- Feedback received from:
  - Puketāpapa
  - Ōtara-Papatoetoe
  - Papakura
  - Henderson-Massey
AT submission

- Working to different timeframes – still under development
- Draft submission generally aligned, but more focussed on details
- Some difference in:
  - Proposal 6d – Seeking a staged introduction, primarily in speed management areas rather than a blanket introduction
  - Proposal 8 – Proposed changes to the proposal itself, the aim is to achieve the same result

Thank you
Memorandum
Thursday 16 April 2020

To: Mayor, Councillors and IMSB Emergency Committee members

Subject: Extraordinary business - Auckland International Airport Limited equity raising

From: Councillor Chris Darby

Purpose
1. To provide the Emergency Committee with background information to consider the extraordinary business item - Auckland International Airport equity raising.

Summary
1. Auckland International Airport (AIA) has notified a $1.2 billion equity raising.
2. Council’s 22.4% shareholding in AIA is the largest single shareholding and identified as a strategic stake in council’s Auckland Airport Shareholding Policy (Attachment A).
3. The policy contains the key objective: ‘maintain a strategic stake in Auckland Airport as an important national and regional asset’.
4. The policy further states ‘The council will decide whether or not to participate in rights and securities issues on a case by case basis’.
5. Councillors and IMSB members have not been provided any information or advice from management on the equity raising.
6. No decisions have been made by the Emergency Committee.

Context
1. Due to the serious impact Covid-19 is having on its business, AIA decided to promptly strengthen the company balance sheet by way of a quick fire equity raising.
2. AIA chose to raise up to NZ$1,200 million via the issuance of ordinary shares, comprising an NZ$1,000 million fully underwritten placement (Placement) and a NZ$200 million share purchase plan (SPP).
3. AIA chose not to issue a renounceable rights issue, where all shareholders can take up or sell those rights in an equitable way, as is more common.
4. AIA proceeded with a bookbuild for the Placement in a compressed 24 hour period, with the SPP closing 24 April 2020.
5. The Placement and SPP severely disadvantages Auckland Council. It does not appear that AIA has given any consideration to Auckland Council as its most significant shareholder. There is no evidence that AIA respected council’s property rights or enquired early with council to establish our placement capacity, as it most likely did with financial institutions.
6. Prior to the equity raising Auckland Council held approximately 22.4% of the shares in AIA. Post the equity raising council’s shareholding will be eroded to just under 20%.
Discussion

1. With no representation on the board of AIA, council’s less agile position appears not to have been represented or considered by AIA.

2. Council staff learned of the Placement and SPP through media on the morning of 6 April and not through any communication directly from AIA. Mayor Goff received an informal courtesy call from the AIA chief executive the evening prior to market notification, though without much detail.

3. Staff made a rushed decision on behalf of the council to notify AIA that it would not participate in the Placement, due to time constraints and our own obvious financial pressures.

4. Council staff did not seek any external financial services advice on options it could explore prior to making a decision not to entertain the Placement and SPP. Decisions were made internally by management.

5. One option could have been to have a discussion with a third party buyer, e.g. NZ SuperFund or ACC, whereby council would on-sell and make a reasonable gain on its entitlement without bearing the estimated $250m outlay.

6. Council could also have considered selling down its current shareholding in the $4.95 - $6.00 price range, within which AIA has traded since last Wednesday, and bought in at the advantageous placement price of $4.66.

7. Council has been a long standing cornerstone shareholder of AIA since 1998. Just the concept of being given 24 hours to make a call when the people of Auckland have stood by AIA for 22 continuous years is somewhat offensive.

8. The constraint of time has proven to be a major barrier to council participating in the Placement and SPP and enabling it to maintain its shareholding.

9. Council staff do not appear to have considered the Auckland Airport Shareholding Policy when arriving at their decisions not to proceed with the equity raising offer, nor have they communicated the offer with councillors and IMSB members.

Next steps

Draft recommendations:

That the Emergency Committee;

(i) Record that prior to this extraordinary business item councillors and IMSB members have not received any advice from management on the Auckland International Airport (AIA) Placement and Share Purchase Plan (SPP), and have made no decisions related to either.

(ii) Request the chief executive provide a comprehensive briefing on the Placement and SPP, as soon as possible, including examination of options whereby council could maintain or improve its strategic holding, including making a formal request to AIA seeking a second opportunity to take up a proportionate share of the Placement at the placement price of $NZ4.66.
(iii) That council officials provide a report to the Governing Body within two months, addressing the need for Auckland Council to exercise improved oversight of AIA, including consideration of seeking a director position on the AIA board.

(iv) That the Auckland Airport Shareholding Policy be reviewed, taking into account lessons from AIA’s equity raising, with a report brought to the Finance Committee for consideration.

(v) That the Mayor write to the chair and chief executive of AIA expressing council’s concern for the apparent failure to properly consider and safeguard Auckland Council’s long standing strategic shareholding in AIA, when arriving at their preferred equity raising plan.

Attachments

A. Auckland Airport Shareholding Policy


Chris Darby
Councillor | North Shore
Auckland Council