

Strategy, Planning and Development Committee Agenda

Date: Thursday, 18 March, 2021

Time: 9:00 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Cr Shelley Deeming (Chairperson)
Her Worship the Mayor Sheryl Mai
Cr Gavin Benney
Cr Vince Cocurullo
Cr Nicholas Connop
Cr Ken Couper
Cr Tricia Cutforth
Cr Jayne Golightly
Cr Phil Halse
Cr Greg Innes
Cr Greg Martin
Cr Anna Murphy
Cr Carol Peters
Cr Simon Reid

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

1. Declarations of Interest	
2. Apologies	
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Recommendations contained in the agenda are not the decisions of the meeting.

Please refer to minutes for resolutions.

Strategy, Planning and Development Committee – Terms of Reference

Membership

Chairperson Councillor Shelley Deeming

Members Her Worship the Mayor Sheryl Mai
 Councillors Gavin Benney, Vince Cocurullo, Nicholas Connop, Ken Couper, Tricia Cutforth, Jayne Golightly, Phil Halse, Greg Innes, Greg Martin, Anna Murphy, Carol Peters, Simon Reid

Meetings Monthly

Quorum 7

Purpose

To oversee planning, monitoring and enforcement activities, and guide the economic and physical development and growth of Whangarei District.

Key responsibilities

- Regulatory and compliance
 - Environmental health
 - General bylaw administration
 - Animal (dog and stock control)
 - Hazardous substances and new organism control
 - Parking enforcement (vehicles registrations and warrant of fitness)
 - Noise control
 - Food Act
 - Land use consents
 - Building Act
- Building Control
 - Property Information and Land Information Memoranda
 - Consents and inspections
- Resource Consents
 - Subdivision, land use and development control
 - Development contributions
- District Plan
 - Plan changes
 - District Plan administration
- Strategic Planning
 - Place based strategies (city centre), functional strategies (climate change)
 - Growth planning

- Urban design
- Reporting strategic trends and analysis
- Economic Development
 - District marketing and promotions
 - Developer engagement
- Commercial Property
- Marinas
- Airport
- Forestry
- Reporting on service delivery, including operational financial performance.
- Reporting on capital projects.
- Operational reporting for the Strategy and Democracy, Planning and Development, and Corporate groups within Council.
- Procurement – general procurement relating to the areas of business of this committee, within delegations.
- Shared Services – investigate opportunities for Shared Services for recommendation to council.
- Council Controlled Organisations (CCOs) – monitoring the financial and non-financial performance of CCOs whose functions would otherwise fall under the scope of this committee. Includes trading CCOs (CCTOs) and those CCOs exempted under the LGA. Responsibilities include:
 - advising on the content of annual Statement of Expectations to CCOs
 - agreement of the Statement of Intent
 - monitoring against the Statement of Intent
 - for exempted CCOs, monitoring and reporting as agreed between Council and the organisation

CCOs accountable to this committee:

- Whangarei District Airport – CCO
- Local Government Funding Agency (LGFA) - CCO

Delegations

- (i) All powers necessary to perform the committee's responsibilities, including, but not limited to:
 - a) approval of expenditure of less than \$5 million plus GST.
 - b) approval of a submission to an external body
 - c) establishment of working parties or steering groups.

- d) adoption of strategies and policies relating to the key responsibilities of this committee (except for those that cannot be delegated by Council under Clause 32(1)(f) of Schedule 7 of the LGA).
- e) power to establish subcommittees and to delegate their powers to that subcommittee.
- f) the power to adopt the Special Consultative Procedure provided for in Section 83 to 88 of the LGA in respect of matters under its jurisdiction (this allows for setting of fees and bylaw making processes up to but not including adoption).
- g) the power to delegate any of its powers to any joint committee established for any relevant purpose under clause 32, Schedule 7 of the Local Government Act 2002.

Item 3.1
Strategy, Planning and Development Committee Meeting Minutes

Date: Thursday, 18 February, 2021
Time: 9:00 a.m.
Location: Council Chamber
 Forum North, Rust Avenue
 Whangarei

In Attendance

 Cr Shelley Deeming (Chairperson)
 Her Worship the Mayor Sheryl Mai
 Cr Gavin Benney
 Cr Vince Cocurullo
 Cr Nicholas Connop
 Cr Ken Couper
 Cr Tricia Cutforth
 Cr Phil Halse
 Cr Greg Innes
 Cr Greg Martin
 Cr Carol Peters
 Cr Simon Reid

Not in Attendance

 Cr Jayne Golightly
 Cr Anna Murphy

Scribe

 N. Pestana (Team Leader Democracy)

1. Declarations of Interest

There were no declarations of interest made.

2. Apologies

Cr Jayne Golightly and Cr Anna Murphy (absent), Cr Vince Cocurullo (late arrival).

Moved By Cr Tricia Cutforth

Seconded By Cr Phil Halse

That the apologies be sustained.

Carried

3. Confirmation of Minutes of Previous Strategy, Planning and Development Committee Meeting

3.1 Minutes Strategy, Planning and Development Committee 16 December 2020

Moved By Cr Greg Innes

Seconded By Cr Greg Martin

That the minutes of the Strategy, Planning and Development Committee meeting held on Thursday, 16 December 2020, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried

4. Decision Reports

4.1 New Road Name Application - Morgan - SD1700132

Moved By Cr Tricia Cutforth

Seconded By Cr Ken Couper

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Boundary Road Tikipunga as Watercourse Way.

Carried

Cr Nicholas Connop and Cr Vince Cocurullo arrived at 9.02am during Item 4.1.

4.2 New Road Name Application - Suvalko and Baldwin - SD1700068

Moved By Cr Ken Couper

Seconded By Cr Carol Peters

That the Strategy, Planning and Development Committee:

1. Approve the name of the private road (ROW "A") off Cove Road as Inlet Way.

Carried

4.3 Whangarei District Airport- Draft Statement of Intent 2021 22

Moved By Cr Ken Couper

Seconded By Cr Greg Martin

1. That the Strategy, Planning and Development Committee under delegation endorse the Draft Statement of Intent 2021/2022 for the Whangarei District Airport
2. That the Strategy, Planning and Development Committee notes and provides feedback on the 2021/22 Draft Statement of Intent.

Carried

5. Information Reports

5.1 Whangarei District Airport Half Yearly Financial Report to 31 December 2020

Moved By Her Worship the Mayor Sheryl Mai

Seconded By Cr Carol Peters

That the Strategy, Planning and Development Committee, under delegation notes the half yearly financial report to 31 December 2020 for the Whangarei District Airport.

Carried

5.2 Operational Report - Corporate Group - February 2021

Moved By Cr Vince Cocurullo

Seconded By Cr Nicholas Connop

That the Strategy, Planning and Development Committee notes the Corporate Group operational report for February 2021.

Carried

5.3 Strategy, Planning and Development Operational Report February 2021

Moved By Cr Gavin Benney

Seconded By Cr Tricia Cutforth

That the Strategy, Planning and Development Committee notes the Strategy, Planning and Development Operational report for December 2020 / January 2021

Carried

6. Public Excluded Business

There was no business in public excluded.

7. Closure of Meeting

The meeting concluded at 10.13am.

Confirmed this 18th day of March 2021

Cr. Shelley Deeming (Chairperson)

4.1 New Private Access Name – RMA Consents – Bates – SD1600209

Meeting: Strategy, Planning and Development Committee
Date of decision: 18th March 2021
Reporting officer: Ricardo Zucchetto – RMA Post Approval Officer

1 Purpose

To name a private access in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency service responders and service delivery providers.

2 Recommendation

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Pataua North Road as Anatole Way.

3 Background

A road naming application has been received to satisfy conditions of a subdivision for Bates to name a private access off Pataua North Road, Whangarei. The proposed name is considered in accordance with Council's Road Naming Policy.

The applicant supplied the following names, based on a 'sunrise' theme:

- Anatole Way
- Apollo Way
- Solana Way

4 Consultation

No consultation was undertaken as the developer owns the land.

5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

6 Attachments

1. Road Naming Application
2. Location Map

Application for Road Naming

Thank you for making an application to name a proposed road.

Points to remember when making an application

- ❖ Please print clearly to ensure the form is easy to read.
- ❖ We will respond in writing to every application received. Please ensure that you provide appropriate contact details so that our response gets back to you.
- ❖ Your application will not be returned to you once it is lodged with Council. Please keep a copy for your reference.

Important Considerations

- ❖ Please refer to the **Road Naming Policy** and **Road Naming Index** prior to making your application. These documents will be helpful when proposing road names. Both documents can be found on the Council website at www.wdc.govt.nz

How to get this application to us

Mail to: Attn: Administration Team Leader – Resource Consents
Whangarei District Council
Private Bag 9023
WHANGAREI 0148

Fax to: 09 438 7632

Email to: mailroom@wdc.govt.nz

Applicant Details

First name(s) Jon

Last name BATES

Postal address _____

Best day-time phone number _____ Mobile 021608882

Email jonb85@hotmail.com

Resource Consent Details

Resource Consent application number SD1600209.02

Agent Details

Name of Agent PHIL LASH Agent ref 14134

Agent postal address PO Box 191, WHANGAREI 0140

Best day-time phone number 09 438 3563 Mobile 021761016

Email phil@rayburnandbryant.co.nz

Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public

☒ Private

Proposed road name 1

~~ANATOLE DRIVE~~ Way

Reason

Anatole is a French male name, derived from the Greek name Anatolius meaning 'Sunrise'

Proposed road name 2

~~APOLLO DRIVE~~ Way

Reason

The Greek and Roman god of sunlight, prophecy, music and poetry.

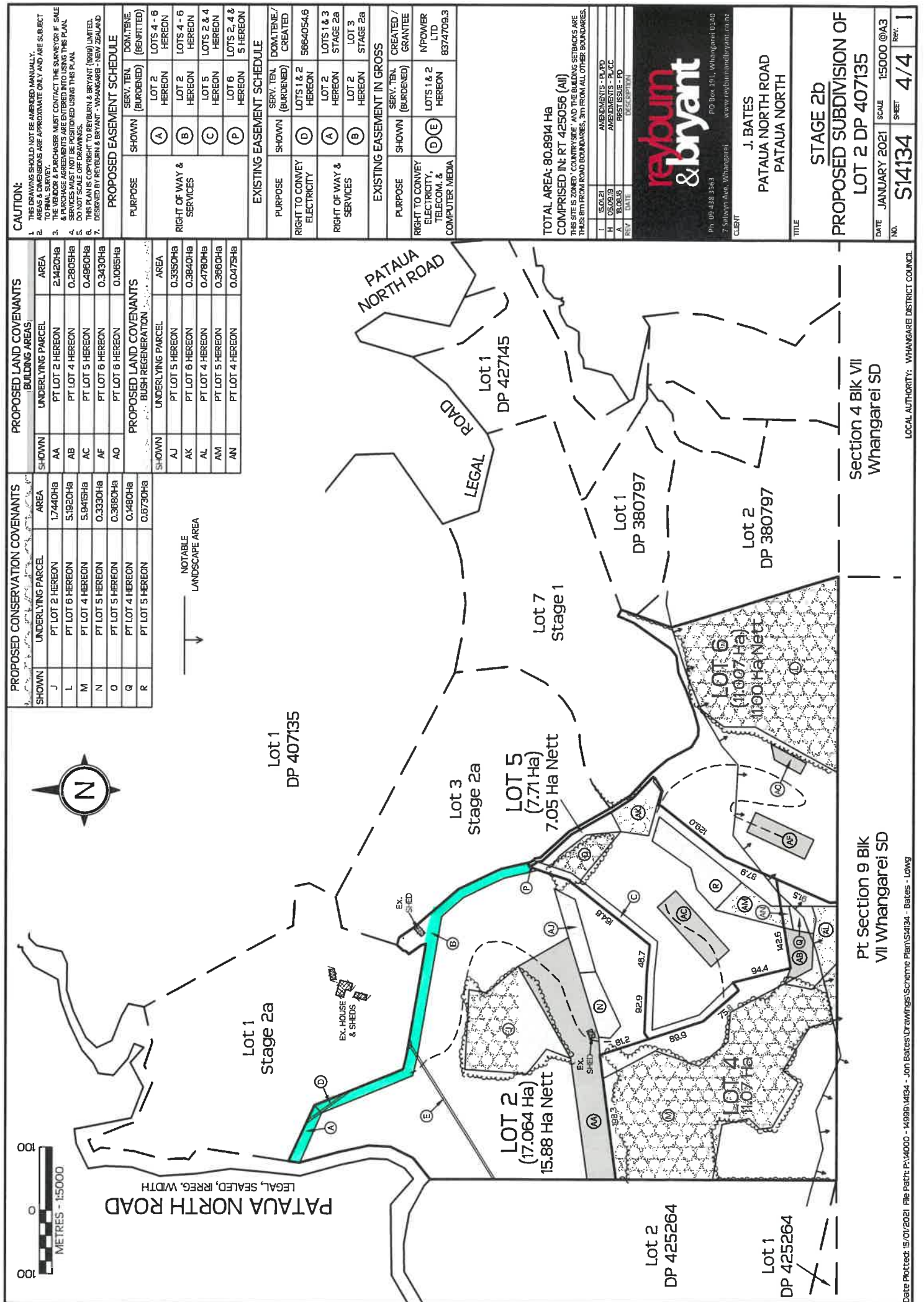
Proposed road name 3

~~SOLANA DRIVE~~ Way

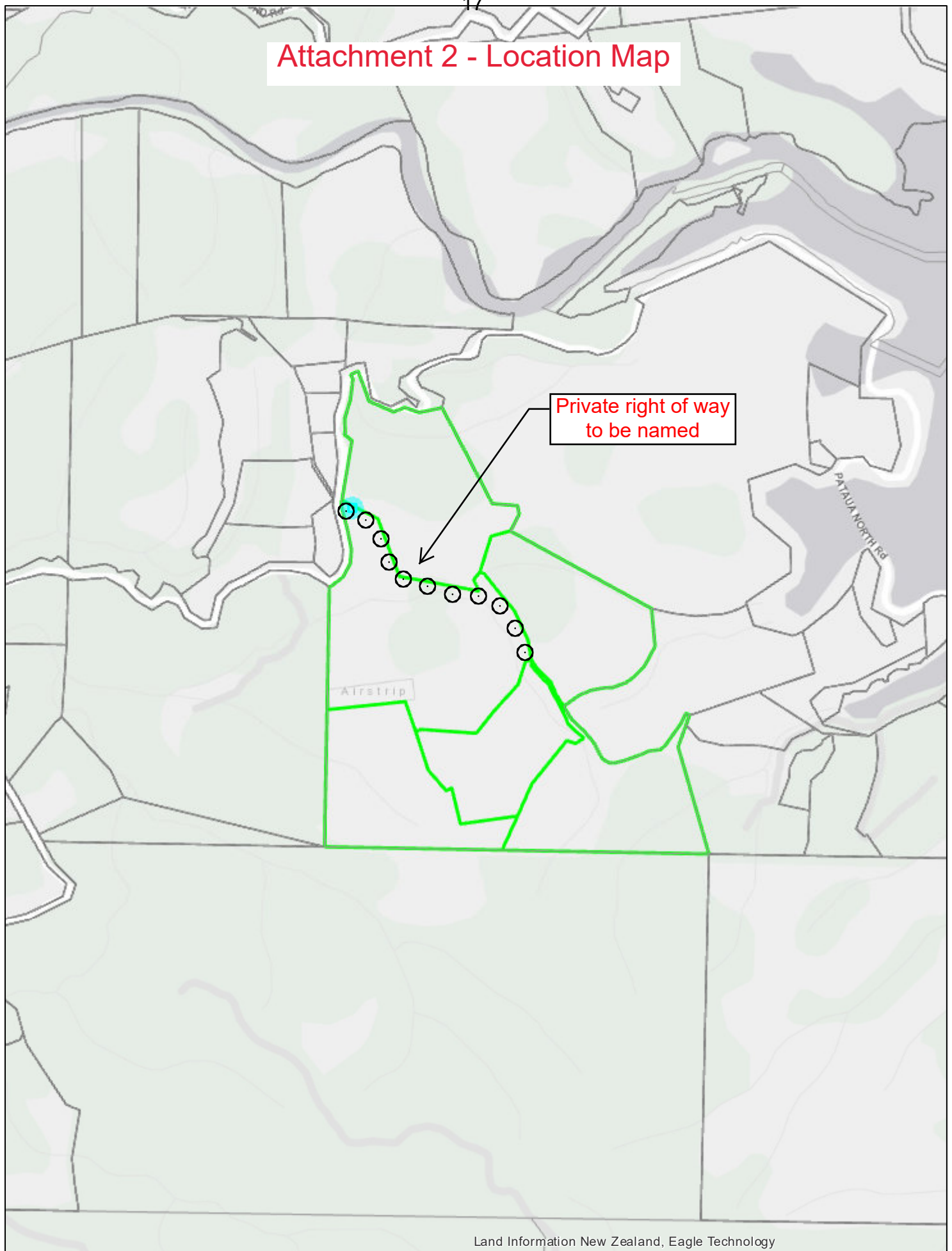
Reason

Solana is the Spanish word for the "Sunny side" of a mount or valley.

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.



Attachment 2 - Location Map



Land Information New Zealand, Eagle Technology

GIS Maps Print



The information displayed is schematic only and serves as a guide.
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Thursday, February 11, 2021



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Projection: NZGD2000 / NZTM 2000

Original Sheet Size 210x297mm

4.2 New Private Access Names – RMA Consents – BUPA Care Services – LU1900024

Meeting: Strategy, Planning and Development Committee
Date of decision: 18 March 2021
Reporting officer: Ricardo Zucchetto – Post Approval Officer

1 Purpose

To name two private access ways in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency service responders and service delivery providers.

2 Recommendation/s

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access “A” off Wairau Drive as Kingfisher Way.
2. Approve the name of the private access “B” off Wairau Drive as Sandpiper Drive.

3 Background

A road naming application has been received to satisfy conditions of a land-use consent for BUPA Care Services to name private accessways within their retirement village off Wairau Drive, Tikipunga. The proposed names are considered in accordance with Council’s Road Naming Policy.

The applicant supplied the following names based on bird name themes:

Road “A”:

- Kingfisher Way
- Plover Way
- Robin Way

Road “B”:

- Sandpiper Drive
- Fairy Tern Drive
- Sparrow Drive

4 Consultation

No consultation was undertaken as the developer owns the land.

5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council’s Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

6 Attachments

- Attachment 1 – Road Name Application
- Attachment 2 – Location Map
- Attachment 3 – Retirement Village Map

Application for Road Naming

Thank you for making an application to name a proposed road.

Points to remember when making an application

- ❖ Please print clearly to ensure the form is easy to read.
- ❖ We will respond in writing to every application received. Please ensure that you provide appropriate contact details so that our response gets back to you.
- ❖ Your application will not be returned to you once it is lodged with Council. Please keep a copy for your reference.

Important Considerations

- ❖ Please refer to the **Road Naming Policy** and **Road Naming Index** prior to making your application. These documents will be helpful when proposing road names. Both documents can be found on the Council website at www.wdc.govt.nz

How to get this application to us

Mail to: Attn: Administration Team Leader – Resource Consents
Whangarei District Council
Private Bag 9023
WHANGAREI 0148

Fax to: 09 438 7632

Email to: mailroom@wdc.govt.nz

Applicant Details

First name(s) Bupa Care Services NZ Ltd

Last name _____

Postal address PO Box 113054, Newmarket, Auckland 1149

Best day-time phone number 09 909 8856 (59778) Mobile 021 103 1535

Email melda.walsh@bupa.co.nz

Resource Consent Details

Resource Consent application number LU1900024

Agent Details

Name of Agent Liz McKenzie - LM Consulting Ltd Agent ref _____

Agent postal address PO Box 4077, Kamo, Whangarei 0141

Best day-time phone number 09 437 5444 Mobile 027 444 5439

Email liz@lmconsulting.co.nz

Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public ☒ Private

Proposed road name 1	Kingfisher Drive
Reason	Bird name theme <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Proposed road name 2	Heron Drive
Reason	Bird name theme <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Proposed road name 3	Plover Way
Reason	Bird name theme <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.

Refer email for amended preferences

Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public ☒ Private

Proposed road name 1	Sandpiper Way
Reason	Brid name theme <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Proposed road name 2	Fantail Lane
Reason	Bird name theme <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Proposed road name 3	Robin Rise
Reason	Bird name theme <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.

Refer email for amended preferences

Ricardo Zucchetto

Subject: FW: Application for Road Naming - LU1900024 Bupa Care Services - Amended Road Names

From: Liz McKenzie <liz@lmconsulting.co.nz>

Sent: Tuesday, 9 February 2021 5:44 PM

To: Ricardo Zucchetto <Ricardo.Zucchetto@wdc.govt.nz>

Cc: Ella Harold <ella@lmconsulting.co.nz>

Subject: Fwd: Application for Road Naming - LU1900024 Bupa Care Services - "type" of road and update

Thanks for your patience with this Ricardo, see the email from Melda below...

Kind regards

Liz

Liz McKenzie - Project Manager

P O Box 4077 | Kamo | Whangarei | 0141

P: 09 437 5444 | M: 027 444 5439

E: liz@lmconsulting.co.nz | W: www.lmconsulting.co.nz



----- Forwarded message -----

From: Melda Walsh <Melda.Walsh@bupa.co.nz>

Date: Tue, 9 Feb 2021 at 14:46

Subject: Re: Application for Road Naming - LU1900024 Bupa Care Services - "type" of road and update

To: Liz McKenzie <liz@lmconsulting.co.nz>

Cc: Ella Harold <ella@lmconsulting.co.nz>

Hi Liz,

Thanks for waiting on this, I have considered our options further and would like to propose the following, hopefully these can be approved to go through to the councillors.

Road A:

- Kingfisher Way
- Plover Way
- Robin Way

Road B:

- Sandpiper Drive
- Fairy Tern Drive
- Sparrow Drive

I don't think we have checked Sparrow yet but hopefully it will be ok

Thanks again!

Kind regards,

Melda Walsh Architectural Design Coordinator A&NZ

Bupa Villages & Aged Care – NZ

Bupa House, Level 2, 109 Carlton Gore Road, Newmarket, Auckland, New Zealand, 1023

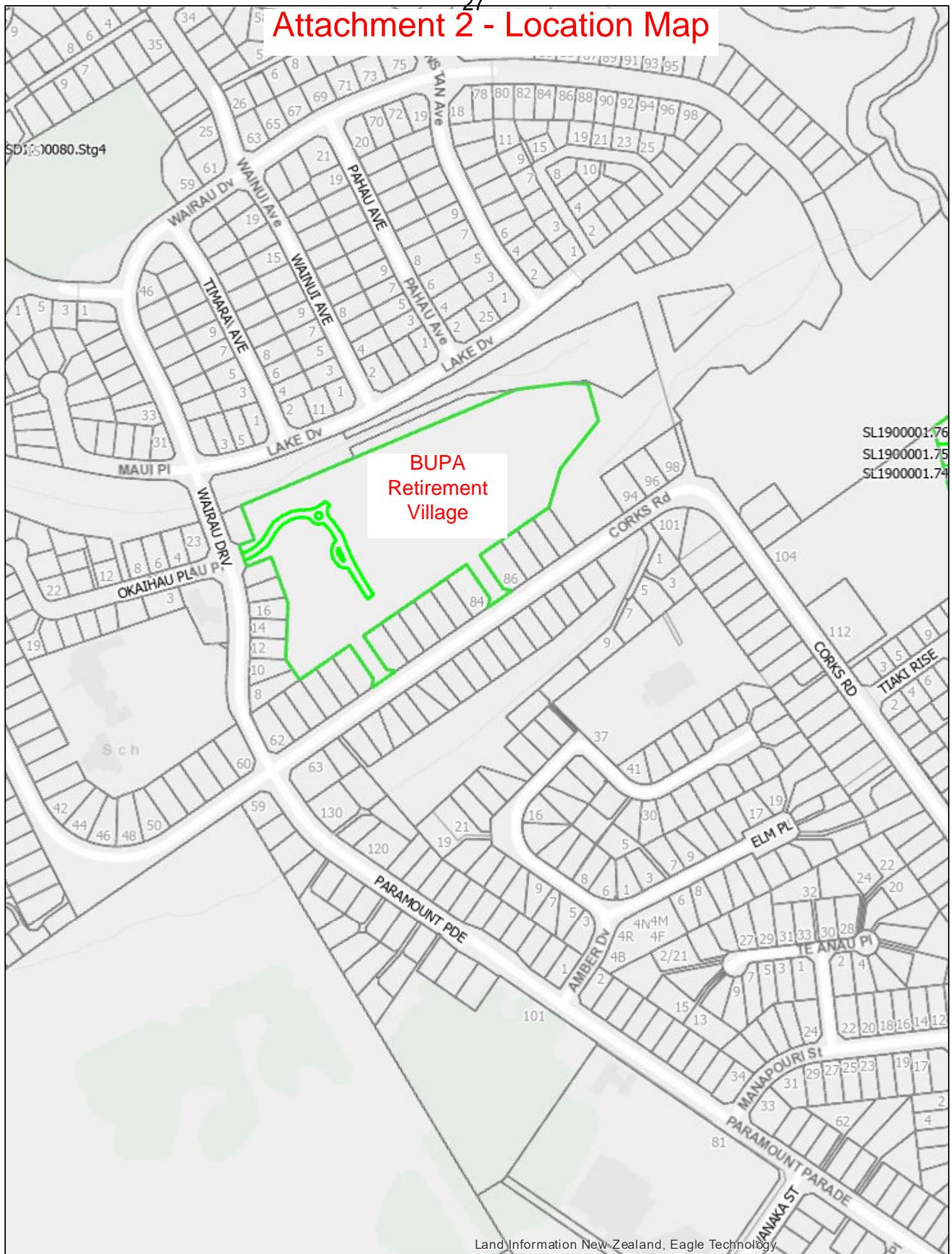
T: +64 9 909 8856 (Ext: 59778) **M:** +64 211031535 **E:** Melda.Walsh@bupa.co.nz **W:** www.bupa.co.nz



Passionate Caring Open Authentic Accountable Courageous Extraordinary

If I am sending this email to you outside of business hours it's because Bupa supports my flexible working arrangements. There is no expectation for you to read, respond or action my email outside of your normal working hours.

Attachment 2 - Location Map



GIS Maps Print



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Friday, January 22, 2021



Scale: 1:4,514
Projection: NZGD2000 / NZTM 2000

Original Sheet Size 210x297mm

Attachment 3: Retirement Village Map



Private road "A" to be named either:

- Kingfisher Way
- Plover Way
- Robin Way

Private road "B" to be named either:

- Sandpiper Drive
- Fairy Tern Drive
- Sparrow Drive

SITE METRICS

GROSS SITE AREA:	43085m ²
TOTAL VILLA AREA:	8526m ²
CARE HOME AREA:	3840m ²
GROSS BUILT AREA:	12366m ²
VILLAS:	80
CARPARKS:	49

SITE LEGEND

---	3.0m SETBACK
■	ROAD
■	PATIO/DRIVE

BUILDING LEGEND

■	MAIN BLOCK
■	VILLA TYPE A
■	VILLA TYPE C
■	VILLA TYPE D
■	VILLA TYPE M

HEIGHTS ARE REFERENCED FROM BOUNDARY HUNTER LTD SURVEY - DATED 29/01/19

BUPA WHANGAREI
SITE PLAN

RC-01

DATE 8/02/2019
SCALE @ A1 1:500
JOB NO 2100
COPYRIGHT IKON ARCHITECTS LTD
REV - 05

4.3 New Private Road Name – RMA Consents – Pullman – SD2000011

Meeting: RMA Consents
Date of meeting: 18 March 2021
Reporting officer: Toni Satherley – Post Approval Officer

1 Purpose

To name a private access way in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency service responders and service delivery providers.

2 Recommendation/s

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Matapouri Road as Dreamstay Way.

3 Background

A road naming application has been received to satisfy conditions of a subdivision for Don Pullman to name a private accessway off Matapouri Road, Matapouri. Don's Way was initially their first choice, however as per Council's Road Naming Policy it was declined (a road cannot be named after any living or recently deceased person). Staff then agreed that two road name options was sufficient.

The proposed names (2 & 3) are considered in accordance with Council's Road Naming Policy:

1. Don's Way (rejected)
2. Dreamstay Way
3. Ara Noho Moe Moea

4 Consultation

Consultation has been undertaken between the developer and the 3 affected property owners (1301, 1303 & 1307 Matapouri Road) that have a vehicle entrance off the private access way as their situation address will be changed. Two properties (1305A and 1309 Matapouri Road) that are immediately adjacent to this access way were also sort even though their address will not change. The affected properties voted – Dreamstay Way (2 votes), Ara Noho Moe Moea (0 votes), 1 Property had no preference.

Written feedback was sort from local kaumatua regarding the naming choice Ara Noho Moe Moea, which means "path of dreams".

5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

6 Attachments

- Attachment 1 – SD2000011 – Road Naming Application
- Attachment 2 - SD2000011 – Road Naming Access Map
- Attachment 3 – SD2000011 – Affected Neighbours Map
- Attachment 4 – SD2000011 – Kaumatua Written approval

Our Ref: WH42854

18 November 2020

Whangarei District Council
Private Bag 9023
WHANGAREI 0148

Email: mailroom@wdc.govt.nz

ROAD NAME APPLICATION

Applicant: Don Pullman

Location: 1305 Matapouri Road, Sandy Bay

Council Ref: SD2000011

We write to respectfully request approval for the use of a street name for the proposed private access right of way as part of the above development in compliance with Condition 1 f).

We enclose for your reference the following:

1. Road naming application form
2. Approved Scheme Plan with area to be named highlighted.

The following are the applicant's three name options in order of preference with reasons for their use in this particular situation. These options have been discussed with neighbours and local Iwi representatives in persons, including a kuia of Ngatiwai Erica Wellington, who provided a Maori translation for the applicant.

- 1) Don's Way – this is the first name of the applicant, who's family the Pullmans have owned land in Sandy Bay/Matapouri for over 100 years. There is already a road in the area named for the Pullmans.
- 2) Dreamstay Way – Dreamstay has been the name of the property/site for 25 years.
- 3) Ara Noho Moe Moea – Maori translation of Dreamstay Way.

We trust these names and reasons meet your requirements and we ask that you schedule a discussion of this proposal at your next meeting. Please provide confirmation of the preferred name at your earliest opportunity.

If you require further information, please contact me at katrinar@catobolam.co.nz or telephone (09) 438 1684.

Yours faithfully

CATO BOLAM CONSULTANTS LTD

A handwritten signature in black ink, appearing to read 'K. Roos', with a long horizontal flourish extending to the right.

**Katrina Roos
SENIOR PLANNER**

Encl

Application for Road Naming

Thank you for making an application to name a proposed road.

Points to remember when making an application

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- ❖ Your application will not be returned to you once it is lodged with Council. Please keep a copy for your reference.

Important Considerations

- ❖ Please refer to the **Road Naming Policy** and **Road Naming Index** prior to making your application. These documents will be helpful when proposing road names. Both documents can be found on the Council website at www.wdc.govt.nz

How to get this application to us

Mail to: Attn: Administration Team Leader – Resource Consents
Whangarei District Council
Private Bag 9023
WHANGAREI 0148

Fax to: 09 438 7632

Email to: mailroom@wdc.govt.nz

Applicant Details

First name(s) Donald Bruce

Last name Pullman

Postal address C/- Cato Bolam Consultants

Best day-time phone number 09 438 1684 Mobile 0223 197991

Email katrina@catobolam.co.nz

Resource Consent Details

Resource Consent application number SD 2000011

Agent Details

Name of Agent Katrina Ross Agent ref

Agent postal address Cato Bolam Consultants

Best day-time phone number 09 438 1684 Mobile 0223 197991

Email katrina@catobolam.co.nz

Proposed Road Name Details

- please refer to letter

Please indicate whether the road is Public or Private (✓ box)

☐ Public

☒ Private

Proposed road name 1

Doni Way

REJECTED

Reason

- name of developer, who's family has owned land in area for over 100 years

Proposed road name 2

Dreamstay Way

Reason

- name of property to be subdivided for 25 years

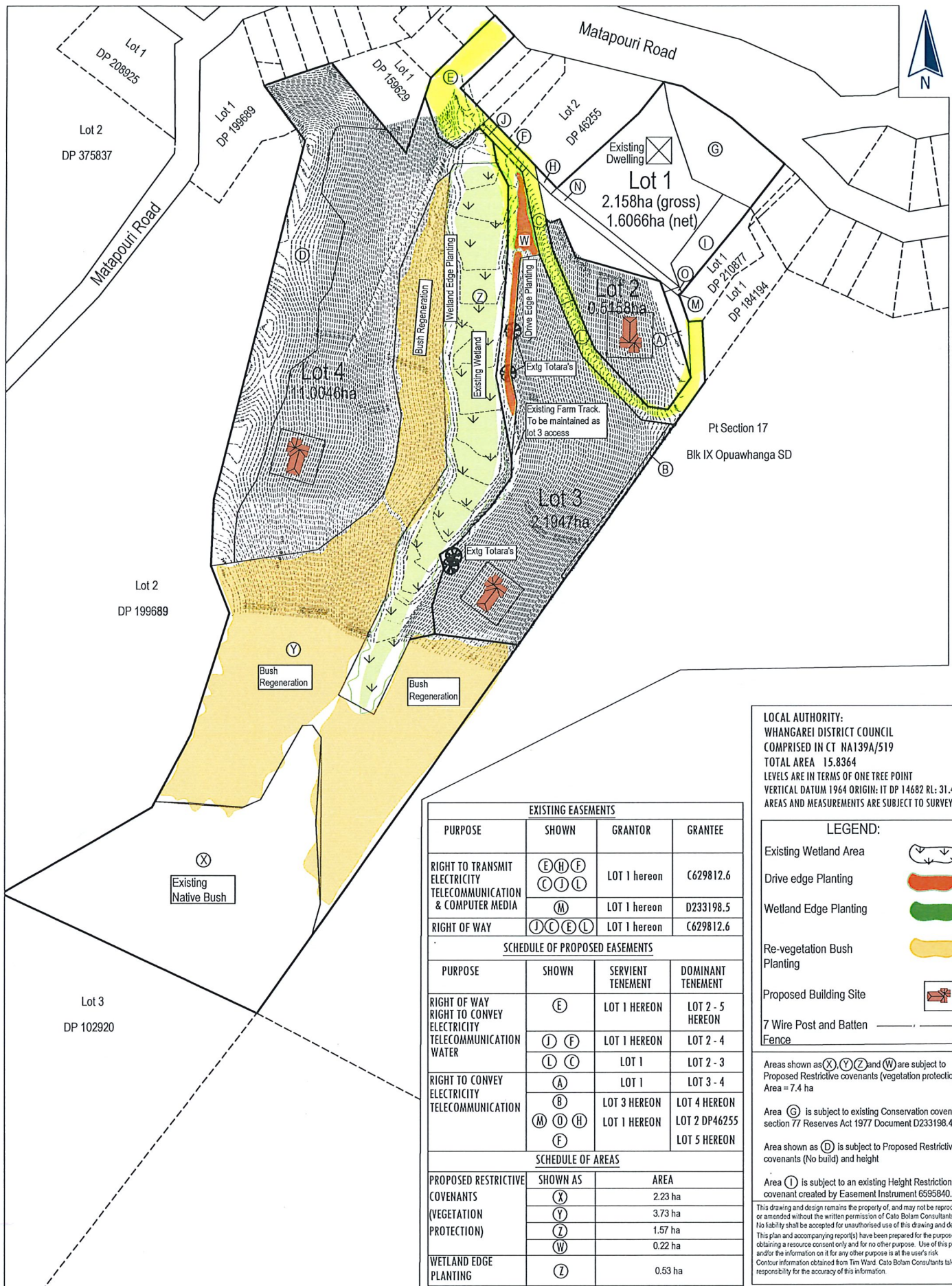
Proposed road name 3

Ara Noho Moe Moea

Reason

- Dreamstay Way in Maori

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.

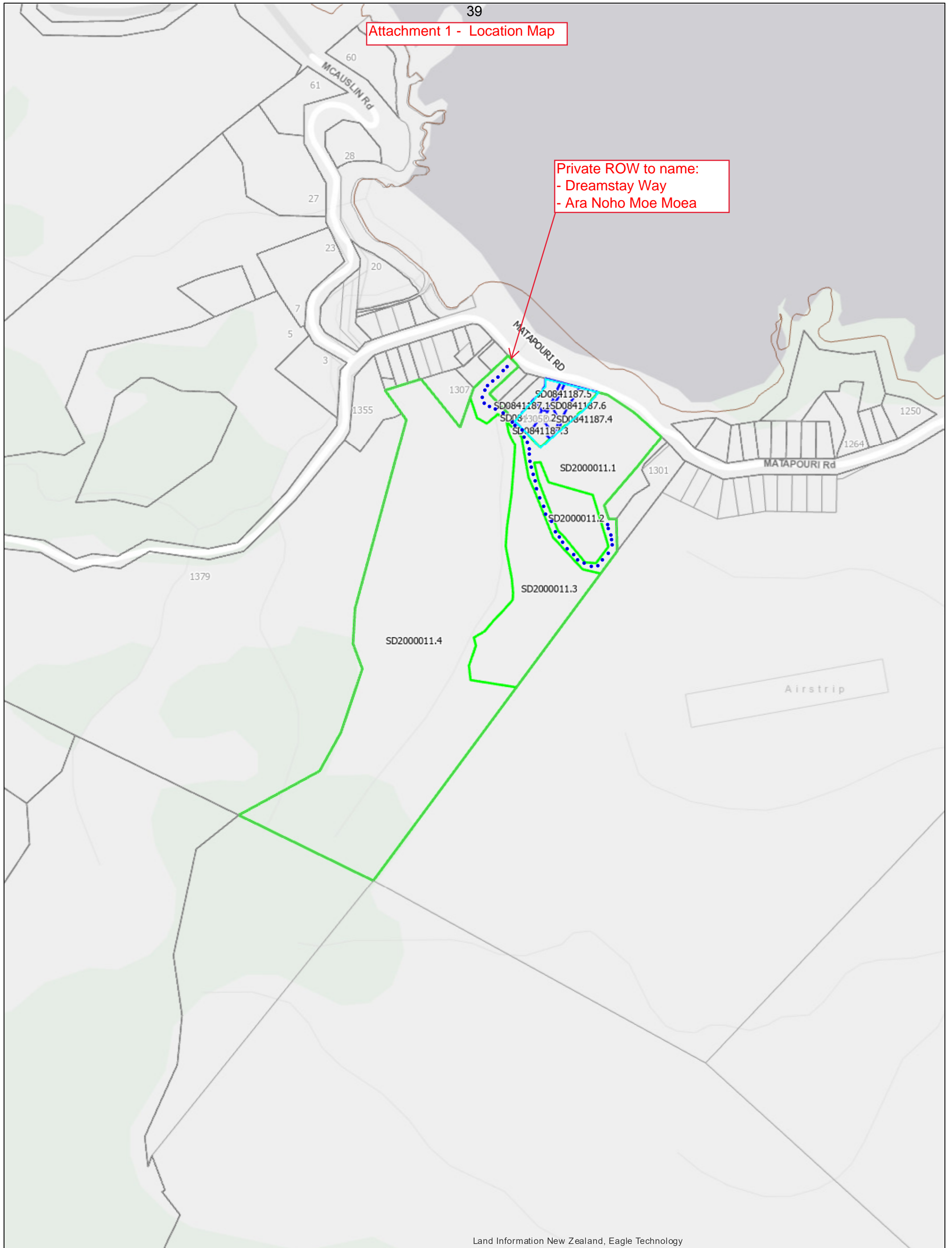


FOR RESOURCE CONSENT

SURVEYED	SR/KR	25/02/2020
DESIGNED	MM	25/02/2020
DRAWN		
DATE	ORIGINAL SCALE	ORIGINAL SIZE
10/03/2020	1:2500	A3
DRAWING NO.	42854-DR-PLN-1205	REVISION
		12

Attachment 1 - Location Map

Private ROW to name:
- Dreamstay Way
- Ara Noho Moe Moea



Land Information New Zealand, Eagle Technology

GIS Maps Print



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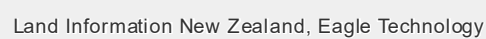
Wednesday, February 24, 2021



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Projection: NZGD2000 / NZTM 2000

Original Sheet Size 210x297mm



Aneta Jelavich

From: Gayle Wellington <gaylewellington@gmail.com>
Sent: Thursday, 25 February 2021 2:10 PM
To: Aneta Jelavich; dreamstay@xtra.co.nz; Erica
Subject: Consultation with Hapu, Iwi

Tena koutou katoa

I am writing on behalf of Erica Wellington who is my Kaumatua o Ngati Takapari Hapu me Te Iwi o Ngatiwai. These are Hapu and iwi in the rohe o Tutukaka Coast.

Erica was consulted by Donald Pullman regarding the naming of a road. Erica's counsel was to name the road Ara Noho Moemoea, which she has given to this whenua with the understanding that it means the path of dreams.

It is a very special piece of whenua and we as a hapu cherish the significance of this name.

Nga mihi ki Te Rangatira o te Iwi o Ngatiwai me te Hapu o Ngati Takapari, Erica Wellington.

Me te whakaaro nui

na
Gayle Wellington
Ngatiwai, Ngatitakapari, Ngati Korora, Te Waiariki, Te uri o Hikihihi.

4.4 New Private Access Name – RMA Consents – Totaranui Family Trust – SD1900015

Meeting: Strategy, Planning and Development Committee
Date of meeting: 18 March 2021
Reporting officer: Toni Satherley – RMA Post Approval Officer

1 Purpose

To name a private access way in the Whangarei district to assign unique addresses for properties to be readily locatable by emergency service responders and service delivery providers.

2 Recommendation/s

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Matarau Road as Plane Tree Lane.

3 Background

A road naming application has been received to satisfy conditions of a subdivision for Totaranui Family Trust to name a private access off Matarau Road, Whangarei. The proposed name is considered in accordance with Council's Road Naming Policy.

The applicant supplied the following names:

1. Plane Tree Lane
2. Ake Ake Rise
3. Rakiraki Rise

4 Consultation

No consultation was undertaken as the developer owns the land.

5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

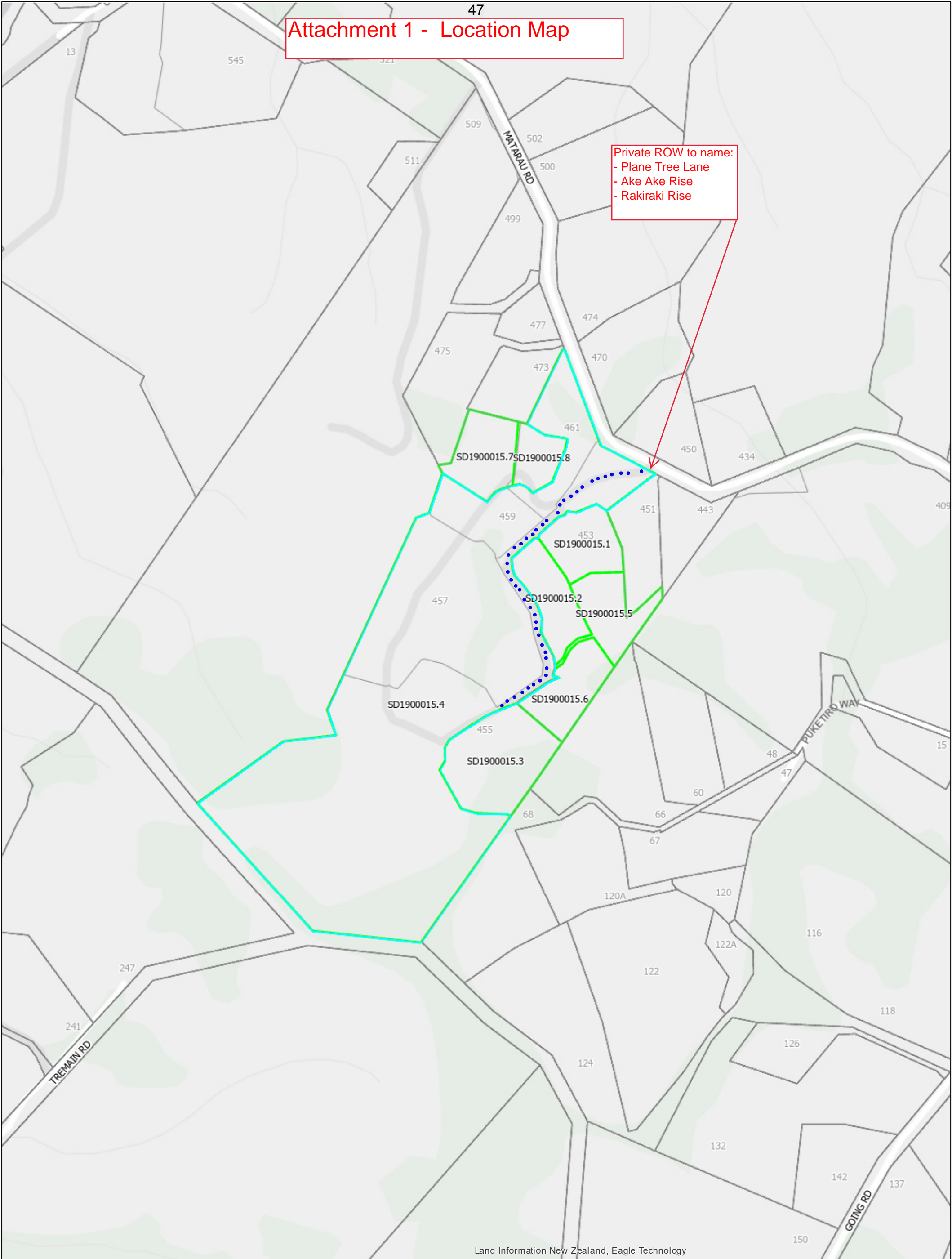
6 Attachments

1. SD1900015 – Location Map
2. SD1900015 – Application for Road Naming and email exchange showing final list of road names.

47

Attachment 1 - Location Map

Private ROW to name:
- Plane Tree Lane
- Ake Ake Rise
- Rakiraki Rise



GIS Maps Print



The information displayed is schematic only and serves as a guide. It has been compiled from Whangarei District Council records and is made available in good faith but its accuracy or completeness is not guaranteed.

Cadastral Information has been derived from land Information New Zealand's (LINZ) Core Record System Database (CRS). CROWN COPYRIGHT RESERVED. © Copyright Whangarei District Council.

Monday, February 15, 2021



Scale: 1:4,514

Projection: NZGD2000 / NZTM 2000

Original Sheet Size 210x297mm

From: [Toni Satherley](#)
To: [Richard Smales](#)
Subject: RE: Tataranui - SD1900015 - Road Naming Preferences
Date: Monday, 22 February 2021 7:17:30 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.jpg](#)
[image004.jpg](#)

Thanks Richard, I have recorded their preferences as –

1. Plane Tree Lane
2. Ake Ake Rise
3. Rakiraki Rise

Kind Regards

Toni Satherley

Post Approval RMA Officer | RMA Consent Department

Whangarei District Council | Walton Plaza | Private Bag 9023, Whangarei 0148 | www.wdc.govt.nz

Phone 09 430 4200 | **Mobile** 021 563 907 | **E** toni.satherley@wdc.govt.nz

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From: Richard Smales <richard@reyburnandbryant.co.nz>
Sent: Friday, 19 February 2021 4:19 PM
To: Toni Satherley <toni.satherley@wdc.govt.nz>
Cc: Jonathan Sprague <jonathan_sprague@yahoo.com>
Subject: FW: Tataranui - SD1900015 - Road Naming Preferences

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Toni

Further to previous email, clients picked up that I incorrectly spelt Ake Ake.

To be clear, the second preferred option is Ake Ake Rise

Kind Regards

Richard Smales

Director
Registered Professional Surveyor



m 021 754 696 | **p** 09 438 3563 | **f** 09 438 0251
PO Box 191 Whangarei 0140 | www.reyburnandbryant.co.nz



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From: Jonathan Sprague <jonathan_sprague@yahoo.com>
Sent: Friday, 19 February 2021 2:15 PM
To: Richard Smales <richard@reyburnandbryant.co.nz>
Subject: Re: Totaranui - SD1900015 - Road Naming Preferences

Hi Richard, Ake Ake Rise, not aki aki. Regards, Karen Sprague.

On Friday, 19 February 2021, 12:23:58 pm NZDT, Richard Smales <richard@reyburnandbryant.co.nz> wrote:

Hi Toni

Clients have confirmed that they wish to proceed in the following order:

1. Plane Tree Lane
2. Aki Aki Rise
3. Rakiraki Rise

Kind Regards

Richard Smales

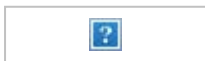
Director

Registered Professional Surveyor



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From: Toni Satherley <toni.satherley@wdc.govt.nz>
Sent: Thursday, 18 February 2021 10:26 AM
To: Richard Smales <richard@reyburnandbryant.co.nz>
Cc: Reyburn and Bryant <reception@reyburnandbryant.co.nz>
Subject: FW: Totaranui - SD1900015 - Road Naming Preferences

Hi Richard

With reference to my email below I wanted to advise the I require a reply to your clients road naming preference by 24 February 2021, so I can ensure making the agenda for the next Council meeting.

Kind Regards

Toni Satherley

Post Approval RMA Officer | RMA Consent Department

Whangarei District Council | Walton Plaza | Private Bag 9023, Whangarei 0148 | www.wdc.govt.nz

Phone 09 430 4200 | Mobile 021 563 907 | E toni.satherley@wdc.govt.nz

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From: Toni Satherley
Sent: Tuesday, 16 February 2021 8:29 AM
To: Richard Smales <richard@reyburnandbryant.co.nz>
Subject: RE: Totaranui - SD1900015 - Road Naming Application

Hi Richard

I'm about to draft this road naming application to go to the next Council meeting and wanted to get feedback on your clients first preference.

Ake Ake Rise is viable

Raki Raki Rise needs to be changed to read Rakiraki Rise (Comments below from our Maori Liaison Officer)

As discussed the suggested Raki Raki road name for duck should be spelt as per the example below, which I referenced from <https://maoridictionary.co.nz/search?idiom=&phrase=&proverb=&loan=&histLoanWords=&keywords=duck>

rakiraki

1. (loan) (noun) **duck** (bird), mallard, *Anas platyrhynchos* - especially an introduced duck.

Titiro ki te heki rakiraki, pipipi ranei, kuihi ranei, e hoatu ana kia pehia e te heihei (TW 17/8/1878:414). / Look at a duck's egg, or the egg of a brown creeper or a goose, given to a hen to sit on.

Plane Tree Lane is also viable.

Please let me know what their first preference is.

Kind Regards

Toni Satherley

Post Approval RMA Officer | RMA Consent Department

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Phone 09 430 4200 | Mobile 021 563 907 | E toni.satherley@wdc.govt.nz

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From: Richard Smales <richard@reyburnandbryant.co.nz>
Sent: Monday, 15 February 2021 8:43 AM
To: Toni Satherley <toni.satherley@wdc.govt.nz>
Cc: Jonathan Sprague <jonathan_sprague@yahoo.com>
Subject: RE: Totaranui - SD1900015 - Road Naming Application

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Thanks for the reply Toni

Do you expect all parties will have replied in time to get on the agenda for the next meeting?

Kind Regards

Richard Smales

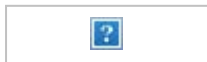
Director

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From: Toni Satherley <toni.satherley@wdc.govt.nz>
Sent: Tuesday, 9 February 2021 9:00 AM
To: Richard Smales <richard@reyburnandbryant.co.nz>
Subject: RE: Totaranui - SD1900015 - Road Naming Application

Hi Richard

Unfortunately this road naming application has missed the February 2021 Council meeting due to feedback not being received from all the required parties, therefore I am unable to draft an agenda item without these.

The next Council meeting is due to be held on 11 March 2021.

My apologies for any inconvenience caused.

Kind Regards

Toni Satherley

Post Approval RMA Officer | RMA Consent Department

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Phone 09 430 4200 | Mobile 021 563 907 | E toni.satherley@wdc.govt.nz

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From: Toni Satherley <toni.satherley@wdc.govt.nz>

Sent: Wednesday, 13 January 2021 11:20 AM

To: Richard Smales <richard@reyburnandbryant.co.nz>

Subject: RE: Totaranui - SD1900015 - Road Naming Application Acknowledgement

Hi Richard

I have cast my eye over this application and can confirm the following –

Ake Ake Rise – seems to be viable

Raki Raki Rise – seems to be viable

Plane Tree Lane – seems to be viable

I have forwarded your application for feedback from our addressing team and our Maori liaison officer.

I have also forwarded these options to LINZ for their viability.

Dates for the 2021 Council meeting have not been set yet, but I expect the first meeting to be in February.

In the meantime if you have any questions, please don't hesitate to ask.

Kind Regards

Toni Satherley

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Phone 09 430 4200 | Mobile 021 563 907 | E toni.satherley@wdc.govt.nz

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From: Richard Smales <richard@reyburnandbryant.co.nz>

Sent: Monday, 21 December 2020 1:47 PM

To: Ricardo Zucchetto <Ricardo.Zucchetto@wdc.govt.nz>

Cc: Jonathan Sprague <jonathan_sprague@yahoo.com>; Mail Room <mailroom@wdc.govt.nz>

Subject: Totaranui - SD1900015

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Hi Ricardo

Please find below 3 suggested road names as required by condition 1.f. of the above consent. Please put these names forward for consideration at the next opportunity.

Kind Regards

Richard Smales

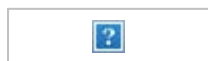
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From: Jonathan Sprague <jonathan_sprague@yahoo.com>
Sent: Monday, 21 December 2020 10:08 AM
To: Richard Smales <richard@reyburnandbryant.co.nz>
Subject: 3 names for 455 Matarau Rd ROW

1) Ake Ake Rise

Ake Ake Is the name of our daughter Amy Gravatt's equestrian centre on site here and we have planted a lot of Ake Ake trees in our wetland and pond planting. It can translate in English to "for ever and ever" and this can relate to our being at Matarau for 40 yrs and 2 of our children and their families have now built and reside here as well.

2) Raki Raki Rise

We have a lot of ducks and other bird life breeding here (we are non shooters). We enjoy all the increasing bird life here since the replanting and the pest control programme was started. Raki Raki can translate to duck.

Rise is a word used for a lane leading to a higher place which reflects the increasing elevation of the land.

3) Plane Tree Lane

We planted about 230 London Planes in 2000 on both sides of the ROW and they extend for about 700 metres. These were spaced on about a 13 metre grid and have been carefully pruned such that the understory now meets across the ROW and along the ROW at about 6 metres from ground level.

We think this is the longest such planting from Auckland and north. This planting will be increasingly beautiful in the years ahead. A lot of birds especially Rosellas really love them.

I had always wanted to plant such an avenue of trees since growing up beside Cornwall park and enjoying running and bike riding through Puiriri Drive, Twin Oaks Drive and Pohutukawa Drive and bring so impressed with Sir John Logan Campbells foresight and generosity in the bequest of Cornwall Park to the people of Auckland.

I hope this explains the reasons for the 3 naming choices.

Jonathan and Karen Sprague

[Sent from Yahoo Mail for iPhone](#)

From: [Richard Smales](#)
To: [Ricardo Zucchetto](#)
Cc: [Jonathan Sprague](#); [Mail Room](#)
Subject: Totaranui - SD1900015
Date: Monday, 21 December 2020 1:46:50 PM
Attachments: [image001.jpg](#)
[image002.jpg](#)
[SKM_C45820122113480.pdf](#)

EXTERNAL: This email originated from outside Whangarei District Council. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Hi Ricardo

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Kind Regards

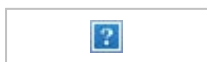
Richard Smales

Director

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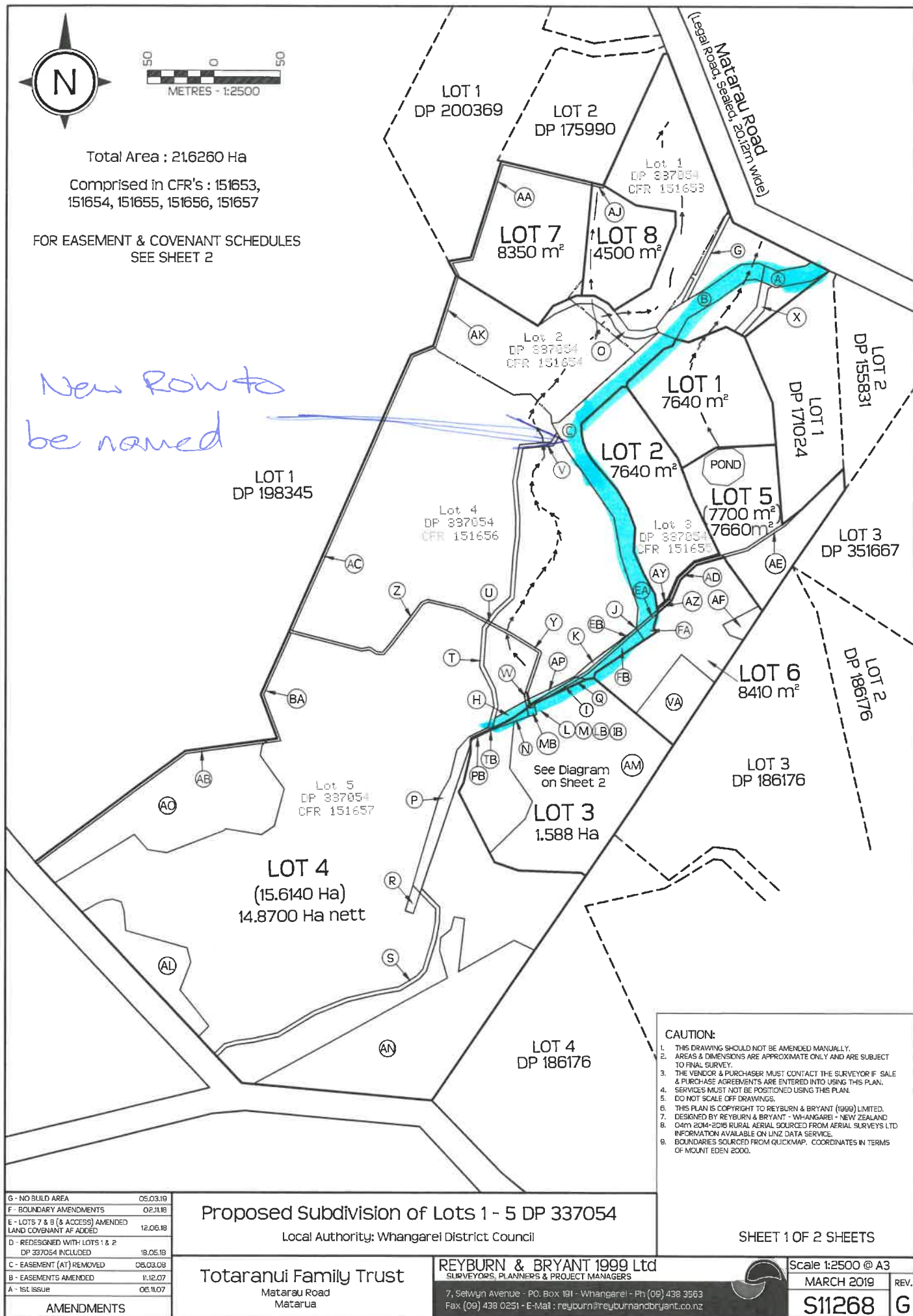
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I hope this explains the reasons for the 3 naming choices.

Jonathan and Karen Sprague

[Sent from Yahoo Mail for iPhone](#)



4.5 Local Government Funding Agency – Draft Statement of Intent 2021-22

Meeting: Strategy, Planning and Development Committee

Date of meeting: 18 March 2021

Reporting officer: Alan Adcock (General Manager – Corporate/CFO) and Joanne Tasker (Assurance Co-ordinator)

1 Purpose

To note receipt of the Local Government Funding Agency (LGFA) Draft Statement of Intent 2021-22 and determine whether any feedback should be provided to the LGFA Board.

2 Recommendations

That the Strategy, Planning and Development Committee:

1. Notes the Local Government Funding Agency Draft Statement of Intent 2021-22.
2. Authorises the General Manager Corporate/CFO to provide feedback on behalf of Council.

3 Background

Section 64 of the Local Government Act (2002) advises that Council Controlled Organisations (CCOs) must have a Statement of Intent (SOI). Council can agree with the Statements of Intent or ask for modifications.

Prior to the preparation of the Draft Statement of Intent, a Statement of Expectation was sent to the LGFA Board by the Shareholders' Council. This is included as Attachment 1, with the Board's response at Attachment 2.

The Draft 2021-22 Statement of Intent for the LGFA, of which Council has a shareholding, is included as Attachment 4, and the cover letter as Attachment 3. It meets the obligations of Section 64 and Schedule 8 in the Local Government Act (2002).

Alan Adcock, General Manager – Corporate, has a governance relationship with LGFA as Chair of the LGFA Shareholders' Council. This is a group of representatives from nine local authorities and Central Government who monitor LGFA performance and make recommendations to all shareholders (including Whangarei District Council) on relevant matters.

Any potential conflicts of interest this causes are dealt with as circumstances dictate.

4 Discussion

Should Council wish to provide feedback to the Board on this draft report there are two avenues available:

- a) Directly to the Board as a shareholding council.
- b) Through the Shareholders' Council, who will aggregate and discuss all known views of shareholding councils and the Crown before preparing a response to the Board.

Option b) is recommended unless Council's views differ from those of the Shareholders' Council.

5 Significance and engagement

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

6 Attachments

- 1. Shareholders' Council Statement of Expectation dated 24 December 2020
- 2. Response to Shareholders' Council from the LGFA Board dated 19 February 2021
- 3. LGFA letter to Shareholders dated 26 February 2021 to accompany Draft Statement of Intent 2021-22
- 4. LGFA Draft Statement of Intent 2021-22



24 December 2020

Craig Stobo
Chair
New Zealand Local Government Funding Agency Ltd
P O Box 5704
Wellington 6145

Dear Craig,

Shareholder Expectations and the Statement of Intent 2021/22

I am writing to set out the Shareholders' Council's (the Council's) expectations of the New Zealand Local Government Funding Agency Ltd (LGFA) for consideration in the LGFA's business planning for the upcoming year and the development of its 2021/22 Statement of Intent (SOI).

The Council values the positive and open working relationship with the LGFA. The timely provision of information, and a 'no surprises' approach by both parties, helps ensure the relationship remains productive.

Governance

It is important that the LGFA continues to build on its Board and management strengths, and works closely with the Council to ensure the Board membership maintains an optimum mix of expertise, appropriate gender/diversity balance and experience.

We expect the LGFA to maintain a focus on longer term succession planning, particularly with regard to the role of Chair and ensuring that there is appropriate senior experience working in or with central government amongst the Board's membership. It is noted that during the current year the Council is planning to undertake an independent review of the Board's performance and to assess the appropriate skills mix for the future. This will help inform succession planning for the Board Chair and Audit & Risk Chair roles.

The shareholders would like to reiterate that consideration be given to the current non-independent director rotation process. It seems appropriate that non-independent director rotation timing should be better aligned with that of independent directors. For example, at times where there is only one non-independent director it may be more appropriate for the rotation timing to be a minimum of two years.

Sector Initiatives

We urge the LGFA to continue to seek to influence government decision-making for the benefit of the sector, and to keep abreast of the issues facing the sector.

We ask that you assess the impacts on LGFA from Infrastructure Funding and Financing Act 2020 and Urban Development Act 2020. These may lead to less funding requirements from LGFA and, however, may increase sector risks.

With the Three Waters Reform Program being undertaken by the Department of Internal Affairs there is an opportunity to inform and provide advice to the Crown on the provision of improved three water service delivery for communities. As part of this process the Crown has made available stimulus funding to support economic recovery post COVID-19 and address persistent systemic issues in the three waters sector. This initiative is likely to have significant impacts on the sector funding requirements. These three water entities may or may not be owned by councils and may significantly impact on future funding sourced from LGFA.

We ask that you explore opportunities to be part of the Reserve Bank's Funding and Lending Program to assess the possibility of LGFA sourcing funding directly from the Reserve Bank to lower the cost of funds to the sector.

Similarly, we support LGFA's involvement in the potential development of the Ratepayer Financing Scheme development in an advisory capacity.

In all these matters it would be appreciated if you would report back on any implications of options and proposal(s) on the LGFA and its guarantors e.g. if the scope of LGFA's operations could change, or the potential for additional risks emerge.

Sector Representation

With the increase in the number of borrowers/guarantors over the last few years, the Council is conscious that there are now a significant number of councils that are affected by LGFA's overall operations; but who have limited visibility and no influence over them.

The Council has instigated regular contact with guaranteeing councils that are not also shareholders through the portfolio allocated to each member. Any relevant information will be passed on to the LGFA Board and management for consideration via our existing processes.

However, we also request that the Board consider whether it is appropriate to provide the opportunity for non-shareholding councils to become shareholders. This may be achieved by an issue of new shares and or a sell-down of shares (at current valuation) by existing shareholders. We would welcome dialogue with the Board on this issue at a suitable time. This may also be a relevant topic for discussion at the next Shareholders/Borrowers day.

Constancy of objectives and intentions

It is the Council's expectation that the company's objectives and operating intentions be reflected in the 2021/22 SOI. The SOI is the ideal opportunity for the LGFA to reaffirm its:

- commitment to providing a range of borrowing products and services;
- focus on lowering the cost of local government borrowing;
- strategy for maintaining a high-quality asset book and ensure appropriate insurance cover and/or reserves maintained to cover unplanned event risk;
- proactive risk management approach; and
- intention to return a dividend to shareholders.
- With regard to extending the range of borrowing products and services, consideration should be given to the company's original purpose to be a funding vehicle en-masse to the sector.

- Both lending to CCOs and offering Standby Facilities to councils are now underway, we assume reporting on these matters will be incorporated in the quarterly report.
- While we expect customer demand to drive new product and service development, a balance needs to be maintained between the risk, cost and complexity of introducing and managing them versus the extent of the incremental benefits they provide. We expect that robust risk / cost benefit analysis be undertaken and agreed with the Council prior to introduction on any further new products.
- We understand that process improvements are currently being considered to streamline the councils borrowing from LGFA, we support this initiative.

Performance indicators

Performance indicators should provide a robust, meaningful performance overview for key stakeholders. The Council asks that the LGFA's performance indicators and targets are regularly reviewed to confirm that they are providing the most effective performance picture.

With reference to the current measurement of savings to council borrowers, we believe the current comparison to Auckland Council and Dunedin Council does not reflect the true value of savings to councils due to the overall impact of the LGFA and this comparison is of marginal benefit now.

Now that LGFA is firmly established as the primary funder to the sector it may be more appropriate to change this measure to demonstrate 'value added', rather than direct savings, which are becoming increasingly harder to isolate and track.

Treasury policy

It is the Council's enduring expectation that the LGFA will continue to take the appropriate steps to ensure that it understands risks arising from debt maturity consolidation, each borrower's headroom and funding intentions, and the overall sector's financial position.

The LGFA's Lending Policies and Foundation Policies, as detailed in the company's Treasury Policy, should appropriately reflect the sector's position.

We ask that you complete a comprehensive review of the Treasury Policy within the next twelve months and continue to monitor relevant borrowing parameters, regardless of whether they are specified covenants. This will enable LGFA to 'future proof' the policy. The Statement of Intent is a good way to signal to stakeholders that a review is planned.

We also ask that you explore opportunities to allow the Board to amend some areas within the policy without requiring a shareholder resolution, such as counterparty credit limits and associated minimum credit ratings for investments. All fundamental aspects of the policy still would require approval by the shareholders.

It is also important to allow sufficient time for shareholders to assess any future changes that may be required.

Lending Processes

The Council requests ongoing reviews to enable the most efficient processing of agreements, transactions and documentation. Consideration should also be given to the difficulty of obtaining Chief Executives' signatures within the current half day timeline and whether some form of pre-approval or delegation can occur for some components.

Financial and general reporting

The current SOI contains brief financial forecast information. The Council continues to appreciate the LGFA providing more detailed financial and operational information in the quarterly reports. It is important that this information continues to be provided in 2021/22.

The Council notes the importance of shareholders receiving full and early disclosure from the LGFA of company policy breaches by Participating Local Authorities. It is crucial that all shareholders are informed as soon as possible after an event has occurred, given their potential liability.

As well as ensuring that the expectations outlined above are met, we request that the basis of the calculation of financial covenants and any direct lending to Council Controlled Organisations be included in quarterly and annual reports to ensure transparency for all stakeholders.

The Council would like to hold further discussions with the Board to carry out a review to determine the level of consistency around the way calculations are applied to covenant measures in the foundation documents and the risk coverage achieved with this approach. The Council also requests that to maintain the integrity and security of the LGFA for Guarantors that no more risk is taken on by the LGFA.

Delivery of draft 2021/22 SOI

The Council would welcome a discussion on the content of this letter and the LGFA's views on its priorities for 2021/22. We look forward to receiving the company's draft SOI as early as possible, to allow us to engage with shareholders in a meaningful fashion. The Council will respond with feedback as promptly as possible, and prior to the statutory deadline of 1 May 2021, in order that the company is in a position to deliver its final SOI by 30 June 2021.

We would also appreciate an update from the Board and LGFA management on its future strategic direction and how LGFA is preparing itself to operate in a fluid and dynamic global environment.

It was a pleasure to attend the 2020 Annual General Meeting, and recognise the significant achievements of the LGFA over the last year. Please do not hesitate to contact me if you have any queries or comments.

Yours sincerely



Alan Adcock
Chair, LGFA Shareholders' Council

cc. Mark Butcher, Chief Executive LGFA

19 February 2021

Alan Adcock

Chair Shareholder Council

New Zealand Local Government Funding Agency Ltd

Dear Alan,

Letter of Expectation and the Draft Statement of Intent 2021/22

Many thanks for providing the Letter of Expectation (“LoE”) from the Shareholder Council (“SC”) and we appreciated receiving it at the end of 2020 as it plays an important part in the development of our 2021/22 Statement of Intent (“SOI”).

The LGFA board and management appreciate the support and input from the Shareholder Council as we continue to manage the business to deliver on the objectives for stakeholders as well as minimising risk for guarantors.

We have fully considered the issues raised in the LoE as part of the SOI process and happy to provide a response to each as follows.

Governance

We agree with the importance of a strong board and management team. We welcome the board review, and this will feed through into succession planning for both the Chair and directors.

We agree with your view to have the non-independent director rotation timing better aligned with that of independent directors. We will look to make a change to a two-year appointment period for the non-independent director at the November 2021 AGM.

Sector Initiatives

We agree with the role that LGFA can play to influence government decision-making for the benefit of the sector, and to keep abreast of the issues facing the sector.

As part of our March 2021 board strategy day we will focus on the potential impact on LGFA from the Infrastructure Funding and Financing Act 2020, Urban Development Act 2020 and Three Waters Reform Programme. We will then build any conclusions and outcomes from this day into the Final SOI by late June 2021.

We maintain a positive ongoing dialogue with the Reserve Bank of New Zealand (“RBNZ”), and they are now our single largest holder of LGFA bonds. We have benefited from LGFA being the only issuer

other than the New Zealand Government to be part of the Large-Scale Asset Purchase Programme as this has led to lower borrowing costs for our council members and the ability to have borrowed a record \$3 billion over the 2020 calendar year. We must be mindful however that we are not treated by the RBNZ as a bank as that would lead to a need for additional capital and greater regulatory oversight.

We continue to both support and remain involved in the development of the Ratepayer Financing Scheme.

We appreciate the dialogue with the Shareholder Council and will continue to liaise with you on any matter that may lead to a change in LGFA's operations or the potential for additional risks.

Sector Representation

There are thirty-one shareholders comprising thirty councils and Central Government and there has been no changes to the shareholding base since the partial sell down by the eighteen foundation council shareholders in November 2012 to twelve new council shareholders.

We undertake a formal review of the capital structure every two years and to date the board has not determined that we need additional capital. Any issuance of additional shares by LGFA would require a higher amount of Net Operating Profit to be paid as dividends without any additional financial benefit to LGFA. We believe that the use of Borrower Notes is a more appropriate form of raising capital but will reconsider at our next capital review in early 2022. We are willing to assist with the sell-down of shares by existing shareholders but suggest that this is one area that the SC could manage.

Constancy of objectives and intentions

We agree with the SC that the SOI is the ideal opportunity for the LGFA to reaffirm its:

- commitment to providing a range of borrowing products and services;
- focus on lowering the cost of local government borrowing;
- strategy for maintaining a high-quality asset book and ensure appropriate insurance cover and/or reserves maintained to cover unplanned event risk;
- proactive risk management approach; and
- intention to return a dividend to shareholders.

We agree that the company's purpose is to be a funding vehicle en-masse to the sector.

We are reporting in the current financial year (2020-21) on CCO lending and Standby Facilities in the quarterly report.

We will continue to look for ways to streamline the documentation process for councils borrowing from LGFA.

However, we view that as inappropriate that any new product or services should be subject to SC agreement prior to introduction. The role of the SC is to

- review and report performance of LGFA and the Board

- recommend to Shareholders as to the appointment, removal, replacement and remuneration of directors
- recommend to Shareholders as to any changes to policies, or the SOI, requiring their approval and
- update Shareholders on LGFA matters and to coordinate Shareholders on governance decisions.

Performance indicators

We agree that performance indicators should provide a robust, meaningful performance overview for key stakeholders and we undertake a review of our performance indicators and targets on an annual basis.

We agree with your view that the current comparison to Auckland Council and Dunedin Council does not reflect the true value of savings to councils and we will instead focus on demonstrating 'value added' both in a quantitative and qualitative sense.

Treasury policy

We intend to undertake an independent external review of the Treasury Policy in the 2021 calendar year and will share the results with the SC.

As part of this process we will also review the Foundation Policy limits to see what changes could be made to streamline the approval process without compromising the position of shareholders and guarantors.

We agree that it is important to allow enough time for shareholders to assess any future changes that may be required and will aim to have the results of the review to the SC by late June 2021

Lending Processes

We agree to an ongoing review of the documentation process in order to reduce the administrative burden on council borrowers. It is important however to ensure we always protect the position of guarantors.

Financial and general reporting

We will continue to provide as much detailed financial and operational information to shareholders in the quarterly reports. We also value the time we spend with the SC at your quarterly meetings and are happy to receive feedback as to how we can provide more insight to you subject to our limitations around the Companies Act and not having SC members deemed to be directors.

We acknowledge the importance to shareholders and guarantors of a breach by a Participating Local Authority and will inform you as soon as possible after an event has occurred.

We agree to provide details of all direct lending to CCOs in the quarterly and annual reports. We cannot however provide financial covenant outcomes on a quarterly basis for CCOs as we do this only on an annual basis for councils. We intend to provide covenant outcome compliance on an annual basis. It should be reiterated that the residual credit risk on lending to a CCO is the strength of either the guarantee or uncalled capital provided to the CCO by the council shareholder(s). The council shareholder(s) are also required to be guarantors of LGFA.

We understand there are some members of the SC concerned with how the calculations are applied to covenant measures in the foundation documents and we will continue to work with them to allay those concerns.

Delivery of draft 2021/22 SOI

We will engage with the SC between our February board meeting date and the 28 February deadline for distribution of the Draft SOI to shareholders.

We are very happy to update the SC on our strategic direction and possibly the best time would be after our March 2021 strategy day.

Regards



Craig Stobo
Board Chair

26 February 2021

Dear Shareholder

Draft Statement of Intent 2021/22

Please find attached a copy of the Draft Statement of Intent (SOI) for the 2021/22 year.

LGFA continues to focus on delivering strong results for both our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Provide longer dated funding and
- Provide certainty of access to markets

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management and
- Ensuring we have the correct governance framework and capital structure in place

For our guarantors we are focused on

- Minimising the risk of a call upon the guarantee through actively monitoring and managing the business risks faced by LGFA including operational, credit, liquidity, interest rate and funding risk.

The following points regarding the Draft SOI 2021/22 are worth noting:

- Profitability is forecast to remain strong with projections for Net Operating Gain of \$11.1 million, \$16.3 million, and \$19.9 million for the next three years, which is an improvement to actual results from previous years. However, we remain cautious in placing too much emphasis on the Year Three (2023/24) forecast given that over the next three years, we estimate that \$6.4 billion of our LGFA bonds and \$6.1 billion of council loans mature. Assumptions regarding timing of refinancing and interest rates have a meaningful impact on financial projections.
- Net interest income is expected to increase over the forecast period as the balance sheet grows from increased council lending and we hold additional liquid assets to manage the LGFA bond maturities. However, this is offset by a reduction in on-lending margins as loans to councils made in previous years at higher margins are refinanced by councils at maturity

with lower margin loans. Also, the improving credit quality of the sector has resulted in a reduced credit margin applied to council loans.

- We have increased our forecast for council loans (short and long term) outstanding as at June 2022 to \$12.87 billion and to \$13.29 billion as at June 2023 (from \$12.26 billion and \$12.68 billion in the previous SOI). This reflects a higher starting position as at 30 June 2021 and councils undertaking further capex and a continued high utilisation of short term borrowing from LGFA by councils. We have made no assumptions regarding the proposed Three Waters Reform programme as any changes to council borrowing requirements or the timing of change have not yet been confirmed.
- Compared to the previous SOI, issuance and operating expenses, excluding Approved Issuer Levy (“AIL”) are forecast to be approximately \$200k higher in the 2021/22 financial year and 2022/23 financial year due to higher costs associated with higher levels of council lending and bond issuance.
- The SOI performance targets are the same as the targets in the previous SOI except we have included to assist councils with the proposed Three Waters Reform Programme.
- As noted above, there is some timing uncertainty within the SOI forecast relating to council loans and LGFA bonds outstanding as we need to project both the repayment amount and repayment timing of the council loans that are due to mature in April 2022, April 2023 and April 2024. Decisions made by our council members regarding early refinancing will have a phasing impact across all three years in the SOI forecast.

If you have any questions or wish to provide comments by 1 May 2021 then please feel free to contact myself or any member of the Shareholders Council. The LGFA board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2021.

Yours sincerely



Mark Butcher
Chief Executive

Draft Statement of Intent 2021/22

1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and CCOs and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to Councils and CCOs that enter into all the relevant arrangements with it (such Councils being “Participating Local Authorities” and such Councils and CCOs being “Participating Borrowers”) and comply with the LGFA’s lending policies.

In lending to Participating Borrowers, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA’s operations;
- Provide excellent service to Participating Borrowers;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

3. Objectives

Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent;
- Be a good employer;
- Demonstrate social, economic, environmental and cultural responsibility;
- Maintain strong and sound corporate governance;
- Set and model high standards of ethical behaviour; and
- Operate in accordance with sound business practice.

Primary Objectives

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to meet each Participating Borrower annually, including meeting with elected officials as required, or if requested; and
- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Additional objectives

LGFA has the following seven measurable and achievable additional objectives which complement the primary objective. Performance against these objectives is reported annually.

LGFA will:

1. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.
2. Provide at least 80% of aggregate long-term debt funding to the Local Government sector¹.
3. Achieve the financial forecasts outlined in section 4 for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with approved dividend policy.
4. Meet or exceed the Performance Targets outlined in section 5.
5. Comply with the Health and Safety at Work Act 2015.
6. Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.
7. Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.

¹ This includes Auckland Council borrowing both in its own name and through LGFA and recognising that the amount of borrowing by Auckland Council from LGFA is restricted by the Foundation Policy covenants.

4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2024 are:

FINANCIAL YEAR (\$M)	Draft SOI 2021/22		
Comprehensive income	Jun-22	Jun-23	Jun-24
Interest income	160.0	182.9	200.7
Interest expense	142.0	159.6	174.1
Net Interest income	18.0	23.3	26.6
Other operating income	0.7	0.9	1.0
Total operating income	18.7	24.2	27.6
Approved Issuer Levy	0.6	0.6	0.3
Issuance & onlending costs	2.7	2.8	2.8
Operating overhead	4.2	4.4	4.5
Issuance and operating expenses	7.6	7.8	7.7
P&L	11.1	16.3	19.9
Financial position (\$m)	Jun-22	Jun-23	Jun-24
Capital	25.0	25.0	25.0
Retained earnings	79.9	95.5	114.7
Total equity	104.9	120.5	139.7
Shareholder funds + borrower notes / Total assets	2.4%	2.6%	2.8%
Dividend provision	0.7	0.7	0.8
Total assets (nominal)	14,428.8	15,041.3	15,557.4
Total LG loans - short term (nominal)	350.0	350.0	350.0
Total LG loans (nominal)	12,523.6	12,940.7	13,228.3
Total bills (nominal)	500.0	500.0	500.0
Total bonds (nominal) ex treasury stock	13,405.0	13,995.0	14,495.0
Total borrower notes (nominal)	245.9	271.7	293.9

Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their April 2022, April 2023 and April 2024 loans. LGFA will work with council borrowers to reduce this uncertainty. The above table assumes gross issuance of LGFA bonds per year of \$2.60 billion (2021/22), \$2.25 billion (2022/23) and \$2.15 billion (2023/24), however the issuance volume will be determined by LGFA at the relevant time by reference to factors including refinancing of existing borrowing by councils and (if applicable) council-controlled organisations, new

borrowing by councils and (if applicable) council-controlled organisations and LGFA's own borrowing requirements for liquidity purposes. No decision has been made as to final issuance volume at this point and will depend upon market conditions.

There has been no allowance made in the forecasts for the impact on councils from the proposed Three Waters Reform Programme.

5. Performance targets

LGFA has the following performance targets:

- LGFA's total operating income for the period to:
 - 30 June 2022 will be greater than \$18.7 million.
 - 30 June 2023 will be greater than \$24.2 million.
 - 30 June 2024 will be greater than \$27.6 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
 - 30 June 2022 will be less than \$7.0 million.
 - 30 June 2023 will be less than \$7.2 million.
 - 30 June 2024 will be less than \$7.4 million.
- Total lending to Participating Borrowers² at:
 - 30 June 2022 will be at least \$12,874 million.
 - 30 June 2023 will be at least \$13,291 million.
 - 30 June 2023 will be at least \$13,578 million.
- Conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities
- Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.
- Achieve 80% market share of all council borrowing in New Zealand
- Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.

² Subject to the forecasting uncertainty noted previously

- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

6. Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

7. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice³ with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than 6 times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and

³ Best practice as per NZX and Institute of Directors guidelines

remuneration of directors.

- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

8. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly

Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrower's (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

9. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

10. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

11. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considers that at establishment the commercial value of LGFA is equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

12. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOL.

The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2020 (updated where necessary), accordingly, the statement does not contemplate LGFA lending to CCOs.

ATTACHMENT: Statement of accounting policies

a. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

The financial statements are as at and for the year ended 30 June 2020.

These financial statements were authorised for issue by the Directors on [xx] August 2020.

b. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

c. Basis of preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

NZ IFRS 16 Leases.

NZ IFRS 16 became effective from 1 July 2019 and did not have a material impact on the financial statements.

On adoption of NZ IFRS 16, LGFA recognised right-of-use assets and lease liabilities in relation to its property leases which had previously been classified as operating leases under NZ IAS 17 Leases.

In adopting NZ IFRS 16, LGFA elected to use the simplified retrospective approach which does not require restatement of comparative information. The lease liability is recognised at the present value of the remaining lease payments, discounted using LGFA's incremental borrowing rate, with the corresponding right-of-use asset recognised as an equal amount.

The following items in the balance sheet were impacted by the change of accounting on 1 July 2019: Other assets and Other liabilities both increased by \$0.157 million.

Lease payments previously included in other operating expense are now classified to financing and depreciation costs under NZ IFRS 16.

There have been no other changes to accounting policies. [KPMG to review note]

Early adoption standards and interpretations

LGFA has not early adopted any standards. [KPMG to review note]

New standards adopted

NZ IFRS 16 Leases became effective from 1 July 2019. [KPMG to review note]

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. [KPMG to review note]

d. Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit and bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

e. Other assets

Property, plant and equipment (PPE)

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible Assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

f. Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

g. Revenue and expenses

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

h. Segment reporting

LGFA operates in one segment being funding of participating local authorities in New Zealand.

i. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2a for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

5.1 Local Government Funding Agency – Half Yearly Report to 31 December 2020

Meeting: Strategy, Planning and Development Committee

Date of meeting: 18 March 2020

Reporting officer: Alan Adcock (General Manager – Corporate/CFO), and Joanne Tasker (Assurance Co-ordinator)

1 Purpose

To provide the half yearly report for the Local Government Funding Agency (LGFA) to 31 December 2020.

2 Recommendation

That the Strategy, Planning and Development Committee notes the Local Government Funding Agency half yearly report to 31 December 2020.

3 Background

Section 66 of the Local Government Act (2002) advises that Council Controlled Organisations (CCOs) must deliver a report to council on their half yearly operations. To that end, the half yearly report for the 2020-21 financial year for the LGFA, of which Council has a shareholding, is included as Attachment One.

Alan Adcock, General Manager – Corporate has a governance relationship with LGFA as Chair of the LGFA Shareholders' Council. This is a group of representatives from nine local authorities and Central Government who monitor LGFA performance and make recommendations to all shareholders (including Whangarei District Council) on relevant matters.

4 Significance and engagement

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

5 Attachment

LGFA Half Yearly Report to 31 December 2020

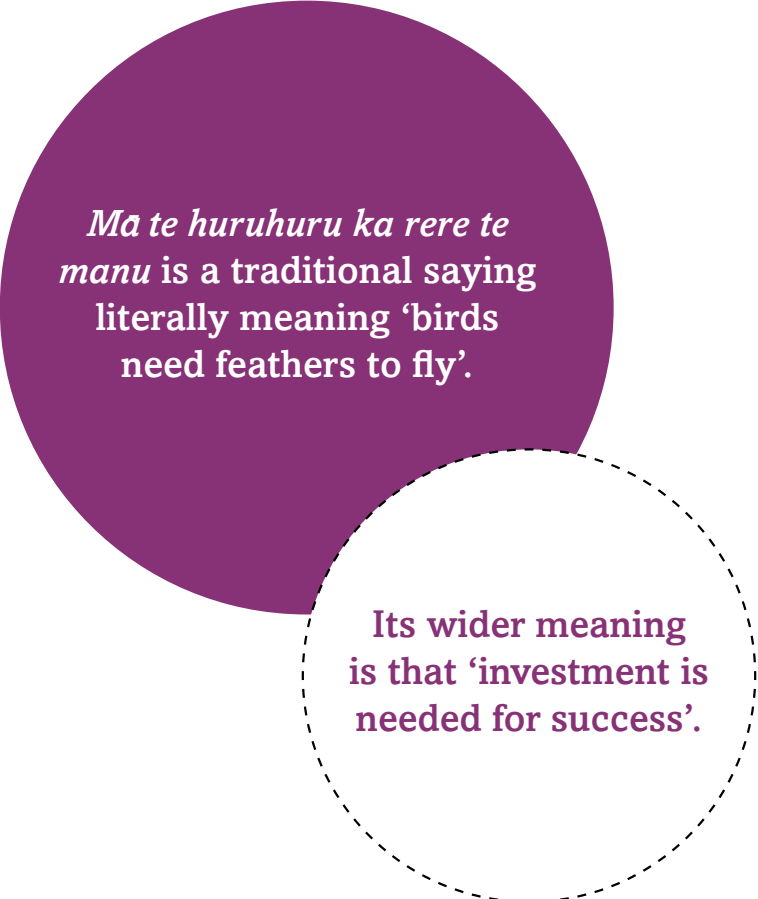
Financing New Zealand councils' infrastructure investment

**Te tuku pūtea
ki te haumitanga
hanganga kaunihera
o Aotearoa**

Half Year Report
31 December 2020



NEW ZEALAND LOCAL
GOVERNMENT FUNDING AGENCY
TE PŪTEA KĀWANATANGA Ā-ROHE



Mā te huruhuru ka rere te manu is a traditional saying literally meaning ‘birds need feathers to fly’.

Its wider meaning is that ‘investment is needed for success’.

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and Chief Executive

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Message from the Chair and Chief Executive

He karere mai i te Toihau me te Tumuaki

**for the six-months ended
31 December 2020**

“LGFA continues to meet the challenges of COVID-19 while providing cost effective financing solutions for its growing council membership base and offering New Zealand dollar fixed income investors a choice of high-grade investment maturities”



Craig Stobo, Board Chair

We are pleased to highlight another period of positive financial and non-financial performance by the company for the six-month period to 31 December 2020.

Strong Financial and Operational Performance

LGFA total interest income for the six-month period of \$190.38 million was a 2.9% increase over the 2019-20 comparable period result of \$185.10 million while net operating profit of \$5.92 million was a 2.5% decrease on the 2019-20 comparable period result of \$6.10 million.



Mark Butcher, Chief Executive

While operating profit was lower than the prior period due to the lower interest rate environment, it was ahead of the Statement of Intent (SOI) forecast due to the early refinancing of council loans maturing in May 2021 and a higher level of new council borrowing.

Expenses have been managed under budget over the past six months. In terms of composition, lower fees paid on the NZDM facility, and lower Approved Issuer Levy payments were somewhat offset by higher legal and NZX costs from higher than forecast lending and bond issuance activities.

LGFA bonds continue to be an attractive investment for investors while LGFA has also delivered savings in borrowing costs, extended the tenor of lending available by four years and rolled out the provision of standby facilities to council members.

The financial strength of LGFA was reaffirmed by Fitch Ratings who maintained our domestic currency credit rating at 'AA+' in November 2020 and our 'AA+' rating from S&P Global Ratings remains on positive outlook, both of which are the same as the New Zealand Government.

Borrowing activity

LGFA issued a record \$1.90 billion of bonds over the past six months and just eclipsed the prior six-month record of \$1.80 billion. Nominal outstandings of LGFA bonds total \$13.71 billion (including \$950 million of treasury stock) across ten maturities from 2021 to 2037. The debut of a new April 2037 bond maturity by syndication of \$500 million in July 2020 was another successful issue and the bond tenders were well supported by market participants.

LGFA is the largest issuer of New Zealand dollar securities after the New Zealand Government and our bonds are amongst the largest and most liquid New Zealand dollar debt instruments available for investors. We have seen a shift in investor composition over the past six months as offshore investors have become less attracted to the lower yielding NZD fixed income asset class while domestic banks and investors have increased their nominal holdings based on the outlook for lower interest rates and lack of supply of other high-grade bonds. The Reserve Bank has continued to support the domestic capital markets through the purchase of LGFA bonds in the Large-Scale Asset Purchase Programme and hold \$1.79 billion or 14% of our bonds outstanding as at 31 December 2020. Our offshore investors hold 21.6% of LGFA bonds on issue while NZ Institutional and retail investors hold 29.7% and domestic banks hold 34.6%

The performance of LGFA bonds over the past six months has been pleasing with LGFA bond spreads to both swap and New Zealand Government Bonds (NZGB) tighter on positive credit market sentiment as well as investors seeking additional yield in what is a low interest-rate environment. Outright yields on LGFA bonds have declined modestly over the past six months by between 2 basis points (bps) (0.02%) on the 2022 maturity and 12 bps (0.12%) on the 2027 maturity. It was another period of volatility with the 2027 LGFA bond yield trading in a 60 bps (0.60%) range over the six-month period, trading to a low of 0.49% in early November before rising to 0.87% on 31 December 2020.

LGFA continues to issue short-dated LGFA Bills ranging in maturities from three months to 12 months through a combination of monthly tenders and private placements. As at 31 December 2020, outstandings under the programme were \$612.5 million. These instruments provide a source of funding for short-dated lending to our council borrowers and assist LGFA with liquidity management.

Lending to the sector

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. Over the past six months, we added four new members with South Waikato, Waitaki and Central Otago District Councils joining as guarantors and Kawerau District Council joining as a non-guarantor. Total membership of 71 councils is very pleasing and this is expected to increase slightly in the coming six months as several councils are partly through the joining process.

Long-dated lending over the six-month period was \$1.74 billion with the lending activity a mix of new borrowing and the refinancing of council loans due to mature on 15 May 2021. The average tenor of borrowing by councils at 7.1 years was longer than the average term of borrowing of 5.4 years over the 12-month period to June 2020.

Short-dated lending for terms less than 12 months has been well supported by councils and, as at 31 December 2020, LGFA had \$343.4 million of short-term loans outstanding to 26 councils.

The underlying credit quality of the sector continues to remain very strong with all member councils remaining compliant with the LGFA lending covenants.

The impact from COVID-19 on the sector and LGFA

The local government sector has felt the impact from COVID-19, albeit there has been a divergence of the severity of impact amongst councils. Councils have in general experienced a reduction in revenue from fees and charges and reduced income from their investment portfolios. It has also been difficult for many councils to implement planned rate increases given the financial impact from COVID-19 on some ratepayers within the community. Meanwhile there has been a need to continue, if not increase, capital expenditure on infrastructure.

LGFA responded by increasing the Net Debt / Total Revenue covenant for councils with a long-term credit rating of 'A' equivalent or higher from 1 July 2020. This will assist councils with greater financial flexibility through the COVID-19 economic recovery phase as well as reflecting the strong financial position of the sector. We have also introduced standby facilities for councils as an alternative to sourcing from banks. We have also extended the term of the LGFA bond curve from 2033 to 2037 and in doing so can now offer longer borrowing terms for councils. In line with the legislative change to extend statutory reporting

deadlines by two months due to COVID-19, we allowed councils an extension to provide their compliance certificates to LGFA. All have provided their certificates, and all remain compliant with our financial covenants.

While COVID-19 has restricted travel, we were able to hold our annual shareholder-borrower day for council members and held events to update investors on the proposed water industry reform.

Acknowledgments

On behalf of the Board we are pleased to be part of the continued success of this organisation and wish to thank our council shareholders, guarantors and borrowers as well as the Reserve Bank of New Zealand, NZ Debt Management, our financial intermediaries, investors and staff for their continued support.

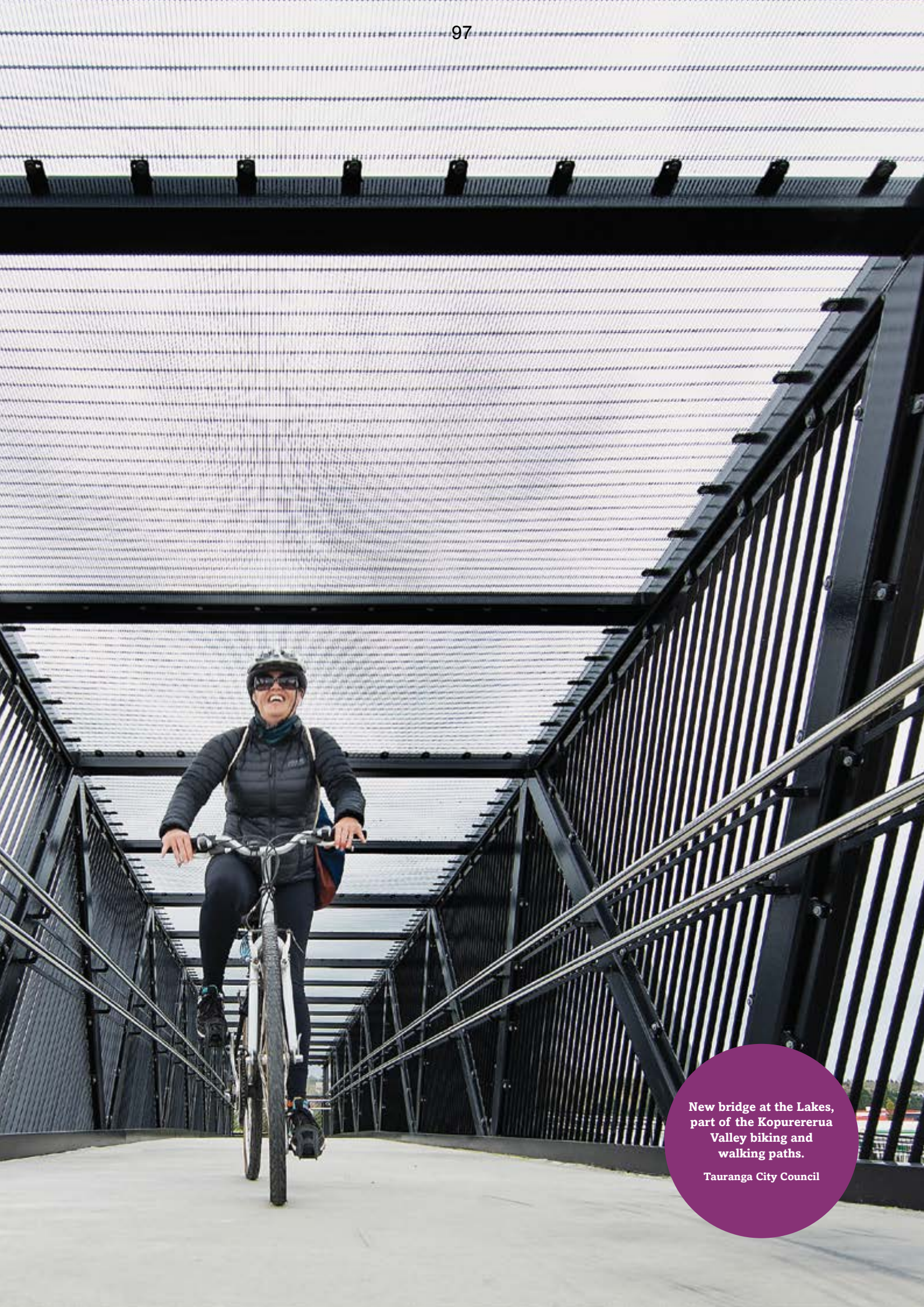


Craig Stobo
Chair, LGFA Board



Mark Butcher
Chief Executive





New bridge at the Lakes,
part of the Kopurererua
Valley biking and
walking paths.

Tauranga City Council

Performance against objectives Ko ngā whakatutukinga ki ngā whāinga

The statement of service performance details LGFA's performance for the first half of the year against the objectives and targets set out in the LGFA Statement of Intent 2020-21 (SOI)

2020-21 performance objectives

The SOI sets out two primary performance objectives and seven additional objectives for the year ended 30 June 2021.

Primary objectives

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to visit each Participating Borrower annually, including meeting with elected officials as required, or if requested; and
- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Additional objectives

LGFA has the following seven measurable and achievable additional objectives which complement the primary objective. Performance against these objectives is reported annually.

LGFA will:

- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.
- Provide at least 85% of aggregate long-term debt funding to the Local Government sector.
- Achieve the financial forecasts for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with approved dividend policy.
- Meet or exceed the Performance Targets.
- Comply with the Health and Safety at Work Act 2015.
- Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.
- Assist the local government sector with their COVID-19 response.

Performance against primary objectives

This section sets out LGFA's performance for the six months ended 31 December 2020 against the two primary objectives set out in the 2020-21 SOI.

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

Providing interest cost savings relative to alternative sources of financing;

LGFA continues to borrow at very competitive spreads compared to Sovereign, Supranational and Agencies (SSA) issuers who borrow in the New Zealand debt capital markets, the domestic banks and our closest domestic peer issuer Kainga Ora. The benefits are greater the longer the term of financing.

In the latest stakeholder survey result in August 2020, respondents recorded a 99% satisfaction result to the questions "How would you rate LGFA in adding value to your borrowing requirements?" and "How satisfied are you in general as a borrower?"

Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;

Both short and long-term borrowing has been well supported by member councils. Over the six-month period to 31 December 2020:

- there were 37 new short-term loans transacted with loan terms ranging between one month and 12 months. As at 31 December 2020, \$343 million of short-term loans were outstanding to 26 councils.
- 46 councils borrowed \$1,738 million in 137 new long-term loans, across 169 maturity dates ranging between 2021 and 2037.

In July 2020, LGFA issued a new April 2037 bond providing councils with the opportunity to extend their long term borrowing if desired. The average borrowing term by councils (excluding short-dated borrowing) was 7.22 years for the September quarter and 6.77 years for the December quarter, with both quarters exceeding the average term of 5.42 years for the year to June 2020.

In December 2020, LGFA launched the Standby Facility Agreement as a new product that will help reduce overall financing costs for councils and we entered into the first agreement with a council for a \$100 million facility.

Delivering operational best practice and efficiency for its lending services;

Over the six months, LGFA operations successfully processed 2,900 financial payments and 2,386 financial receipts without settlement error.

In the latest stakeholder survey result in August 2020, respondents recorded a 94% satisfaction result to the question "How satisfied are you with the settlement process?"

Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

For LGFA to provide certainty of access to markets for our council borrowers we need to have a vibrant primary and secondary market in LGFA bonds. The primary market is the new issuance market and we measure strength with participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. The secondary market is the trading of LGFA bonds following issuance and a healthy market implies high turnover.

Over the six months, LGFA issued \$1.9 billion in bonds, through five tenders and a syndication, as well as \$612.5 million bills through six tenders and private

placements. LGFA uses proceeds from LGFA bills and LGFA bond issuances to fund lending to councils and invests the balance in our liquid asset portfolio.

We estimated secondary market turnover across all maturities in LGFA bonds of \$3.9 billion in the six month period. This compares favourably to turnover of \$3.7 billion in the prior corresponding period.

LGFA documented an Australian Medium-Term Notes Programme in November 2017. We have no immediate intention to use this programme, but it provides flexibility if there is a market disrupting event in the future.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;

LGFA reviews all councils' financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list.

We have received compliance certificates from all Participating Borrowers, and all remain compliant as at 30 June 2020. There are seven councils who, due to COVID-19 delays in finalising the audit process, have provided outcomes based on unaudited financial statements. LGFA has reviewed these financial statements and are comfortable with them.

Analyse finances at the Council group level where appropriate and report to shareholders;

No council has yet to request to LGFA that they be measured on a group basis.

Endeavour to visit each Participating Borrower annually, including meeting with elected officials as required, or if requested; and

Following the lifting of COVID-19 travel restrictions, LGFA commenced council visits again in the later months of 2020. We met with 22 councils over the six months and that number will increase in the second half of the current financial year.

Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Over the six months, LGFA management met with representatives from Reserve Bank of New Zealand, Department of Internal Affairs, Office of

the Auditor General, SOLGM, the New Zealand Debt Management section of the Treasury (NZDM) and members of the Three Waters Reform Group. We held investor conference calls for investors and banks relating to bond issuance and provided updates on the impact on the local government sector from COVID-19 and the proposed water industry reforms.

In our 2020 Annual Report, LGFA outlined our commitment to develop lending products to assist councils finance projects that promote environmental and social wellbeing. LGFA is committed to exploring opportunities in Green, Social and Sustainable lending and we are actively progressing development in this area, with the objective of launching inaugural Green, Social and Sustainable lending products.

LGFA continues to assist the sector and the advisers in finding ways for LGFA to play a supporting role in providing solutions to off balance sheet financing for councils and are currently providing technical input into the Cameron Partners Ratepayer Financing Scheme.

Additional objectives

LGFA has the following seven measurable and achievable additional objectives which complement the primary objective. Performance against these objectives is reported annually. LGFA will:

Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.

LGFA has an annual review process regarding our credit ratings from Standard and Poor's and Fitch Ratings and meets with both agencies at least annually. Formal review meetings were last held in November 2019 with S&P and in October 2020 with Fitch.

- **Standard and Poor's (S&P).** On 28 February 2020, S&P affirmed our long-term local currency credit rating (AA+) and our long-term foreign currency credit rating (AA). Both ratings remain on positive outlook and the same as the New Zealand Government.
- **Fitch Ratings (Fitch).** On 4 November 2020, Fitch affirmed our long-term local currency credit rating as AA+ and classified LGFA as a corporate mission, government-related entity (GRE) under its GRE rating criteria. Fitch equalises our ratings with those of the New Zealand Government. Our foreign currency credit rating of AA remains on positive outlook.

Provide at least 85% of aggregate long-term debt funding to the Local Government sector.

LGFA's estimated market share of 82% for the rolling twelve-month period to 31 December 2020 and our market share is strong compared to our global peers.¹

Over the six months, four new councils became members of LGFA, lifting total participating members to 71 as at 31 December 2020. South Waikato District Council, Waitaki and Central Otago District Councils joined as guarantors and Kawerau District Council joined as a non-guarantor.

Achieve the financial forecasts for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with approved dividend policy.

Net interest income (NII) over the six months, on an unaudited basis, was \$609k above budget while expenses were \$30k below budget. The six-month net operating profit of \$5.918 million was \$673k above budget.

Included in the NII is the unrealised mark-to-market movement in fixed rate swaps that are not designated effective for hedge accounting purposes. These swaps reduce exposure to fixed rate loans made outside of the normal tender process and to reduce mismatches between borrowing and on-lending terms in our balance sheet. The unrealised loss increases as interest rates fall but turns to a profit if interest rates rise. Due to a rise in interest rates since June 2020, the year to date revaluation is a profit of \$317k.

Expenses for the six-month period, on an unaudited basis, were \$3.938 million which is \$30k below budget. Key drivers for the variance are:

- **Issuance and on-lending costs** (excluding Approved Issuer Levy) at \$1.4 million were \$14k above budget. A larger amount of bond issuance and short-term lending increased these costs relative to budget, primarily in relation to higher NZX costs and legal costs. These were offset to some extent from lower fees than budgeted relating to the NZDM facility.
- **Operating costs** at \$1.945 million were \$33k below budget due to lower travel and consulting costs offset by higher legal and personnel costs relative to budget.

- **Approved Issuer Levy** (AIL) payments of \$593k were \$11k below budget. We pay AIL on behalf of offshore investors at the time of semi-annual coupon payment and offshore investor holdings are just below our SOI forecasts.

Comply with the Health and Safety at Work Act 2015.

LGFA has a Health and Safety Staff Committee and reporting on health and safety issues is made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no health and safety incidents during the six months.

Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.

There were no compliance breaches during the six-month period.

Assist the local government sector with their COVID -19 response.

On 30 June 2020, in response to COVID-19, shareholders approved a change to LGFA's Foundation Policy covenants to provide short term relief to councils from any temporary reduction in revenue and to allow councils to co-invest alongside Central Government in infrastructure projects. For the financial year ending 30 June 2021, the net debt/total revenue covenant for borrowers with an external credit rating of at least A+ has been increased from 250% to 300%. In addition to this direct response:

- LGFA continues to provide input into the Ratepayer Financing Scheme project that, if successful, could offer temporary financial relief to ratepayers via rates postponement.
- The new Standby Facility product will provide greater certainty of access to cost-effective standby funding for councils as an alternative to the traditional bank provider.
- LGFA has extended the longest dated borrowing maturity for councils from 2033 to 2037 to enable councils to better match assets with liabilities and to benefit from record lows in interest rates and borrowings spreads.

1. LGFA use the PwC Local Government Debt Report as source data for calculating market share.

Meet or exceed the Performance Targets.

As at 31 December 2020, LGFA were meeting eight out of the ten performance targets.

Performance measure	Result to 31 December 2020	Outcome
LGFA net interest income for the period to June 2021 will be greater than \$18.8 million	\$9.85 million	✓
Annual issuance and operating expenses (excluding AIL) will be less than \$6.30 million	\$3.93 million	✓
Total nominal lending (short and long term) to participating councils to be at least \$9.79 billion	\$12,289 million	✓
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	August 2020 survey outcome of 98.8%	✓
Meet all lending requests from participating councils	100%	✓
Achieve 85% market share of all council borrowing in New Zealand ¹	81.8%	✗
Review each participating council's financial position, its headroom under LGFA policies and arrange to meet each council at least annually	22 council visits but behind plan due to COVID travel difficulties	✗
No breaches of Treasury Policy, any regulatory or legislative requirements including H&S	Nil	✓
Successful refinancing of existing loans to councils and LGFA bond maturities as they fall due	100%	✓
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	AA+ / AA+	✓

1. After excluding Auckland Council borrowing, LGFA's share of councils' borrowing in New Zealand was 94.0% at 31 December 2020.



Waikawa flood
prevention work
commences.

Marlborough District
Council

Financial statements

Nga taukī pūtea

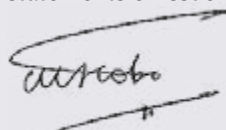
Statement of comprehensive income

For the six months ended 31 December 2020 in \$000s

	Note	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Interest income			
Cash and cash equivalents		385	216
Marketable securities		1,911	2,072
Deposits		3,493	3,065
Derivatives		107,810	69,933
Loans		76,776	109,786
Fair value hedge ineffectiveness	2	-	-
Total interest income		190,375	185,072
Interest expense			
Bills		1,149	3,521
Bond repurchase transactions		325	257
Lease liability		9	14
Bonds		177,963	169,918
Borrower notes		1,077	1,562
Total interest expense		180,523	175,272
Net interest income		9,852	9,800
Other operating income	3	5	-
Total operating income		9,857	9,800
Operating expenses			
Issuance and on-lending expenses	4	1,993	1,846
Operating expenses	5	1,945	1,851
Total expenses		3,938	3,697
Net operating profit		5,918	6,103
Total comprehensive income		5,918	6,103

These statements are to be read in conjunction with the notes to the financial statements.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements or issue on 26 February 2021.



Craig Stobo, Director
Board Chair



Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of changes in equity

For the six months ended 31 December 2020 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 July 2019		25,000	49,149	74,149
Net operating profit			6,103	6,103
Total comprehensive income for the year			6,103	6,103
Transactions with owners			-	-
Dividend paid on 6 September 2019			(1,155)	(1,155)
Unaudited closing balance as at 31 December 2019		25,000	54,097	79,097
Equity as at 1 July 2020		25,000	58,616	83,616
Net operating profit			5,918	5,918
Total comprehensive income for the year			5,918	5,918
Transactions with owners			-	-
Dividend paid on 4 September 2020			(878)	(878)
Unaudited closing balance as at 31 December 2020		25,000	63,656	88,656

These statements are to be read in conjunction with the notes to the financial statements

Statement of financial position

As at 31 December 2020 in \$000s

	Note	Unaudited as at 31 December 2020	Audited as at 30 June 2020
Assets			
Financial assets			
Receivables		5	-
Cash and bank balances		323,854	165,826
Marketable securities		613,360	589,124
Deposits		640,500	499,824
Derivatives in gain		913,793	1,018,775
Loans	6	12,319,999	10,899,756
Non-financial assets			
Prepayments		963	642
Other assets	11	471	419
Total assets		14,812,945	13,174,365
Equity			
Share capital	13	25,000	25,000
Retained earnings		57,738	58,616
Total comprehensive income for the period		5,918	-
Total equity		88,656	83,616
Liabilities			
Financial liabilities			
Payables and provisions		909	706
Bills	7	612,111	647,021
Bond repurchases	10	36,935	202,755
Derivatives in loss		41,351	19,075
Bonds	8	13,811,478	12,038,468
Borrower notes	9	221,088	182,272
Non-financial liabilities			
Other liabilities		417	453
Total liabilities		14,724,289	13,090,749
Total equity and liabilities		14,812,945	13,174,365

These statements are to be read in conjunction with the notes to the financial statements

Statement of cash flows

For the six months ended 31 December 2020 in \$000s

	Note	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Cash Flow from Operating Activities			
Cash applied to loans		(1,420,594)	(847,625)
Interest paid on bonds issued		(212,221)	(184,896)
Interest paid on bills issued		(1,149)	(3,498)
Interest paid on borrower notes		(137)	(48)
Interest paid on bond repurchases		(599)	(278)
Interest received from loans		77,156	117,942
Interest received from cash & cash equivalents		377	215
Interest received from marketable securities		5,376	1,711
Interest received from deposits		2,978	1,534
Net interest on derivatives		139,963	75,341
Payments to suppliers and employees		(4,177)	(4,270)
Cash proceeds from provision of standby facilities		5	-
Net cash flow from operating activities	12	(1,413,023)	(843,872)
Cashflow from Investing Activities			
Purchase of marketable securities		(27,701)	3,734
Purchase of deposits		(140,161)	(164,334)
Net Cashflow from Investing Activities		(167,862)	(160,600)
Cashflow from Financing Activities			
Cash proceeds from bonds issued		2,026,534	1,137,733
Cash proceeds from bills issued		(34,910)	(100,489)
Cash proceeds from bond repurchases		(165,546)	(23,570)
Cash proceeds from borrower notes		37,876	10,882
Dividends paid		(878)	(1,155)
Cash applied to derivatives		(124,161)	(29,729)
Net Cashflow from Financing Activities		1,738,914	993,672
Net (Decrease) / Increase in Cash		158,029	(10,800)
Cash, Cash Equivalents and Bank overdraft at beginning of year		165,826	56,198
Cash, Cash Equivalents and Bank overdraft at end of year		323,854	45,398

These statements are to be read in conjunction with the notes to the financial statements

1 Statement of accounting policies

a. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These financial statements were authorised for issue by the Directors on 26 February 2021.

b. Statement of compliance

The interim financial statements are for the six months ended 31 December 2020 and are to be read in conjunction with the annual report for the year ended 30 June 2020.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

c. Basis of preparation

Accounting judgements, estimates and assumptions

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2020.

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have been no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

d. Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit and bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

e. Other assets

Property, plant and equipment (PPE)

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible Assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

f. Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

g. Revenue and expenses

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Other operating income

Other operating income is recognised as services are performed and the related performance obligations are fulfilled.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

h. Segment reporting

LGFA operates in one segment being funding of participating local authorities in New Zealand.

i. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

2. Hedge accounting

LGFA is exposed to interest rate risk from fixed rate borrowing and variable rate lending to councils. LGFA uses interest rate swaps to manage this interest rate risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowings and loans.

The following table shows the gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships.

in \$000s	Unaudited gain/(loss) for the six months ended 31 December 2020	Unaudited gain/(loss) for the six months ended 31 December 2019
Hedging instruments – interest rate swaps	635,001	465,184
Hedged items attributable to the hedged risk – fixed rate bonds	(635,001)	(465,184)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds or loans) are mapped to the same fair value account.

For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

3. Other operating income

in \$000s	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Standby facilities fee income	5	-
Total other operating income	5	-

4. Issuance and on-lending expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

in \$000s	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Rating agency fees	311	301
NZDM facility fee	308	308
Legal fees – issuance	294	223
NZX	340	235
Trustee fees	50	50
Regulatory, registry, other fees	97	79
Approved Issuer Levy ¹	593	650
	1,993	1,846

1. The amount of Approved Issuer Levy is a function of the number of the offshore holders of certain LGFA bond maturities.

5. Operating expenses

Operating expenses are all other expenses that are not classified as issuance and on-lending expenses.

in \$000s	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Information technology	367	358
Consultants	16	52
Directors fees	200	199
Insurance	42	35
Legal fees	95	73
Other expenses	159	192
Auditors' remuneration		
Statutory audit	54	53
Advisory services	-	-
Personnel	1,012	889
	1,945	1,851

6. Loans

in \$000s	Unaudited as at 31 December 2020		Audited as at 30 June 2020	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	20,010	52,250	10,001	32,279
Auckland Council	-	3,215,451	-	2,766,155
Bay of Plenty Regional Council	-	232,150	-	192,077
Buller District Council	-	20,004	-	20,005
Canterbury Regional Council	6,002	64,145	6,002	48,129
Central Hawkes Bay District Council	-	20,108	-	20,107
Christchurch City Council	9,005	2,080,650	25,094	1,904,271
Clutha District Council	2,002	11,036	2,003	7,030
Far North District Council	-	56,714	10,001	46,686
Gisborne District Council	-	73,755	-	58,754
Gore District Council	6,011	23,554	6,004	16,538
Greater Wellington Regional Council	-	450,898	-	425,877
Grey District Council	3,991	15,144	3,967	15,196
Hamilton City Council	-	531,033	-	481,064
Hastings District Council	-	185,368	-	150,335
Hauraki District Council	-	49,104	-	44,102
Hawkes Bay Regional Council	-	8,821	-	2,507
Horizons Regional Council	6,993	37,202	6,987	37,199
Horowhenua District Council	16,003	90,213	16,003	90,618
Hurunui District Council	8,005	33,063	8,005	30,065
Hutt City Council	-	206,491	-	216,523
Invercargill City Council	25,013	78,698	25,013	65,165
Kaikoura District Council	-	5,014	4,007	3,008
Kaipara District Council	-	44,082	-	44,089
Kapiti Coast District Council	-	220,339	-	210,353
Manawatu District Council	11,523	72,687	11,519	65,669
Marlborough District Council	30,222	73,155	27,224	73,157
Masterton District Council	-	55,609	-	51,215
Matamata-Piako District Council	-	33,573	-	26,561
Nelson City Council	-	90,143	-	75,118
New Plymouth District Council	-	185,010	-	139,939
Northland Regional Council	-	14,148	-	9,729
Opotiki District Council	-	8,611	-	8,620
Otorohanga District Council	-	3,029	-	3,035
Palmerston North City Council	-	167,305	-	137,267

in \$000s	Unaudited as at 31 December 2020		Audited as at 30 June 2020	
	Short-term loans	Loans	Short-term loans	Loans
Porirua City Council	-	141,772	-	131,787
Queenstown Lakes District Council	25,025	120,481	20,027	95,525
Rangitikei District Council	-	3,020	-	3,020
Rotorua District Council	2,821	205,105	22,855	195,105
Ruapehu District Council	8,004	17,063	8,005	17,061
Selwyn District Council	-	60,117	-	35,092
South Taranaki District Council	-	107,214	-	101,232
South Waikato District Council	24,966	-	-	22,018
South Wairarapa District Council	-	22,020	-	-
Stratford District Council	-	22,774	-	15,571
Taranaki Regional Council	3,997	-	3,992	-
Tararua District Council	-	45,090	2,006	33,080
Tasman District Council	27,071	177,062	31,143	177,039
Taupo District Council	-	135,178	-	115,177
Tauranga City Council	19,986	566,724	-	526,768
Thames-Coromandel District Council	-	69,150	-	61,147
Timaru District Council	22,507	67,194	22,577	67,203
Upper Hutt City Council	-	57,120	2,993	46,108
Waikato District Council	-	95,201	-	95,222
Waikato Regional Council	-	32,079	-	32,085
Waimakariri District Council	-	160,529	-	160,550
Waipa District Council	15,805	57,113	13,503	40,053
Wairoa District Council	-	9,046	-	9,045
Waitaki District Council (WD)	2,498	12,517	-	-
Waitomo District Council	6,008	30,043	7,022	30,044
Wellington City Council	-	806,414	-	635,684
West Coast Regional Council	2,001	6,611	2,001	6,610
Western Bay Of Plenty District Council	-	90,183	-	90,212
Westland District Council	-	23,856	-	19,652
Whakatane District Council	-	78,185	-	67,178
Whanganui District Council	7,506	104,295	7,510	94,290
Whangarei District Council	9,994	165,317	9,992	142,301
	322,970	11,997,029	315,456	10,584,299

As at 31 December 2020, \$1,920 million of loans are due to mature within 12 months. This comprises all short-term loans and \$1,597 million of loans.

7. Bills on issue

Unaudited as at 31 December 2020 in \$'000's	Face value	Unamortised premium	Accrued interest	Total
6 January 2021	20,000	-	(1)	19,999
15 January 2021	140,000	-	(16)	139,984
5 February 2021	25,000	-	(8)	24,992
10 February 2021	85,000	-	(30)	84,970
10 March 2021	50,000	-	(28)	49,972
15 March 2021	87,500	-	(58)	87,442
7 April 2021	25,000	-	(20)	24,980
15 April 2021	25,000	-	(20)	24,980
12 May 2021	55,000	-	(54)	54,946
9 June 2021	25,000	-	(32)	24,968
14 June 2021	25,000	-	(34)	24,966
14 September 2021	50,000	-	(88)	49,912
	612,500	-	(389)	612,111

Audited as at 30 June 2020 in \$'000's	Face value	Unamortised premium	Accrued interest	Total
8 July 2020	110,000	-	(21)	109,979
17 July 2020	58,500	-	(31)	58,469
22 July 2020	12,000	-	(9)	11,991
6 August 2020	225,000	-	(102)	224,898
12 August 2020	75,000	-	(79)	74,921
9 September 2020	50,000	-	(59)	49,941
7 October 2020	17,000	-	(36)	16,964
11 November 2020	50,000	-	(63)	49,937
9 December 2020	25,000	-	(37)	24,963
15 December 2020	25,000	-	(43)	24,957
	647,500	-	(479)	647,021

8. Bonds on issue

Bonds on issue do not include \$950 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 10: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2020 in \$000's	Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 May 2021	1,450,000	8,241	11,296		
14 April 2022	1,605,000	25,268	9,579		
15 April 2023	1,660,000	58,789	19,564		
15 April 2024	1,348,000	11,809	6,499		
15 April 2025	1,469,000	(22,584)	8,657		
15 April 2026	1,150,000	7,139	3,696		
15 April 2027	1,426,000	76,592	13,751		
20 April 2029	952,000	(4,577)	2,864		
14 April 2033	1,130,000	34,748	8,584		
15 April 2037	570,000	3,894	2,443		
Total fixed interest	12,760,000	199,318	86,933	635,001	13,681,252
Floating rate notes					
14 October 2022	130,000	(45)	272	-	130,226
Total	12,890,000	199,272	87,204	635,001	13,811,478

As at 30 June 2020 in \$000's	Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 May 2021	1,450,000	19,259	11,111		
14 April 2022	1,155,000	16,630	6,769		
15 April 2023	1,550,000	55,449	17,935		
15 April 2024	1,248,000	6,717	5,908		
15 April 2025	1,409,000	(31,014)	8,152		
15 April 2026	1,000,000	763	3,156		
15 April 2027	1,326,000	56,918	12,554		
20 April 2029	692,000	(14,904)	2,042		
14 April 2033	1,030,000	8,706	7,683		
Total fixed interest	10,860,000	118,524	75,309	854,268	11,908,100
Floating rate notes					
14 October 2022	130,000	(58)	426	-	130,368
Total	10,990,000	118,465	75,735	854,268	12,038,468

9. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 2.5% for loans issued from 1 July 2020. Prior to this date, the fixed percentage was 1.6%.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

10. Treasury stock and bond repurchase transactions

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2020, \$950 million of LGFA bonds had been subscribed as treasury stock.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

As at 31 December 2020, bond repurchase transactions comprised:

Maturity date	Unaudited as at 31 December 2020	Audited as at 30 June 2020
15 May 2021	-	25,970
14 April 2022	-	25,196
15 April 2023	-	27,670
15 April 2024	-	25,139
15 April 2025	21,901	22,135
15 April 2026	-	-
15 April 2027	-	31,145
20 April 2029	-	22,899
14 April 2033	-	22,600
15 April 2037	15,034	-
	36,935	202,755

11. Other assets

	Unaudited as at 31 December 2020	Audited as at 30 June 2020
Intangible assets ¹	230	306
Right-of-use lease asset	241	113
Total	471	419

1. Intangible assets comprise acquired and internally developed software costs incurred on the implementation of LGFA's treasury management system.

12 Reconciliation of net profit to net cash flow from operating activities

For the year ended 30 June in \$000s	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2020
Net profit/(loss) for the period	5,948	6,103
Cash applied to loans	(1,420,594)	(847,625)
Non-cash adjustments		
Amortisation and depreciation	1,937	(1,700)
Working capital movements		
Net change in trade debtors and receivables	149	(248)
Net change in prepayments	(321)	(259)
Net change in accruals	(143)	(143)
Net Cash From operating activities	(1,413,023)	(843,872)

13 Share Capital

As at 31 December 2020, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

Shareholder information

Registered holders of equity securities as at 31 December 2020	31 December 2020		30 June 2020	
New Zealand Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames - Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	100%	45,000,000	100%

14 Related parties

Identity of related parties

LGFA is related to the local authorities set out in the Shareholder Information in note 13.

LGFA operates under an annual Statement of Intent with the respective local authorities that sets out the intentions and expectations for LGFA's operations and lending to participating local authorities.

Shareholding local authorities, and non-shareholder local authorities who borrow more than \$20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating councils.

The lending to individual councils is disclosed in note 6, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by councils who borrow from LGFA is disclosed in note 9.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Other disclosures

Net Tangible Assets

Net tangible assets per \$1,000 of listed bonds as at 31 December 2020 is \$6.86 (30 June 2020: \$7.09).

Directory

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5.2 Operational Report – Corporate Group – March 2021

Meeting: Strategy, Planning and Development Committee
Date of meeting: 18 March 2021
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To provide a brief overview of work across functions and services that the Corporate Group is responsible for.

2 Recommendation

That the Strategy, Planning and Development Committee notes the Corporate Group operational report for March 2021.

3 Background

The Strategy, Planning and Development Committee terms of reference list key responsibilities which include provision of an operational report from the Corporate Group.

This report provides a brief overview of some of the operational highlights across functions and services of the Corporate Group, including comment on some future planned activities.

4 Significance and engagement

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

5 Attachment

Corporate Group Operational Report – March 2021

Operational Report – Corporate Group – March 2021

Procurement Reporting – Contracts Approved Under Delegated Authority

Contracts have been reviewed and there are none to report for this period.

Information Communications Technology (ICT)

ICT Operations

Regular upgrades of network devices (software and hardware), maintenance of ICT systems and applications, upkeep of ICT infrastructure and security continues to be the main focus of the ICT Operations team.

ICT Operations also has responsibility for directly managing contracts with most vendors and suppliers of technology – such as software licensing, service desk, network links, infrastructure (hardware and software), cloud services and co-ordinating IT systems training. Vendor management meetings and discussions are on-going to ensure levels of service are consistently maintained, if not improved.

Prioritisation of our workload is being undertaken, to enable us to clear out some of the backlog of initiatives. With the migration of the Service Desk to NorthCloud, this should enable us to deliver an improved support service to council staff, as well as enabling the Operations teams to pass work to the Service Desk, freeing up time to focus on improvements.

Security

A focus has been placed on security work for March, to enable us to undertake penetration tests of key systems, and review system security and policies.

During February, the team decommissioned the older version of Accellion file sharing system and implemented the newer and recommended Kiteworks solution from the vendor. The team also handled an email Phishing attempt which affected Northland Transportation Alliance (NTA) and other councils within the Northland region, with no negative impact to Council, and only minor inconvenience to those affected.

There were also several urgent security issues with Microsoft Office and Adobe Reader which required focused immediate attention from the team. These updates were pushed to all users with minimal negative impact.

BAU Initiatives

Work is still underway to test the upgrade of Microsoft Office, ensuring that Council stays as close to the latest version as possible, mitigating against security risks and providing the latest functionality to end users. The final areas of effort are focused on testing, documentation and training material to ensure that all users understand any differences.

During a busier than expected month due to COVID-19 level changes, annual leave and project go-lives, the team has also completed work on Kete design for Urban Workspaces, supporting the technical components of NTA, the preparation for upgrading the Microsoft internet browser from Internet Explorer to Edge and the implementation of Multi-factor Authentication to secure Council systems.

Improvements

Operations and Projects teams are working on a way to work in a collaborative manner, to deliver Council focused projects while ensuring that operational duties are undertaken, reducing risk and cost increase.

A review of internal processes has been started, to ensure the team operates in a consistent manner. While this is ongoing, we are in the process of simplifying processes for the management of IT changes.

ICT Projects

ICT Projects team are in the process of introducing tools to assist in the efficient running of projects. This will give both the department and the business in general more of an overview of progress and any current or potential roadblocks. It will also provide benchmarking reports and dashboards, against which we and our internal customers can measure our performance.

Project	Description	Current Status	Comment
Technology One Ci to Ci Anywhere (CiA)	Next generation software upgrade of core Council system	Paused / Slowed down	<ul style="list-style-type: none"> CiA Requests Online: Agile design-build-show process continues with analyst and SME Testing scheduled before end of December. Delivery of Nucleus Synchronisation functionality from Tech One delayed to end of March. 2020B version upgrade: Subject matter experts are currently performing regression testing.
SIGMA	Asset management migration and upgrade of GIS	Delayed	User Acceptance testing commenced in February. Some defects were identified and logged, but they are minor configuration changes that will not impact the planned go-live date of 1 July 2021.
Digital Platform – Phase 2	Review and redevelopment of Council websites	Initiation	The new website has been well accepted. Planning of Phase 2 has commenced.
Service Desk replacement	Replace current Service Desk vendor	Complete	Successful seamless go-live of the ICT Service Desk on 22 February. Initial statistics show that service levels are being met.
Telephony as a Service	Replace telephony system	Initiated	Business analysis is underway to ascertain current system architecture and identify key business needs which will influence the design of the new telephony system.
Building Consent Application system	Portal for customers to lodge and track Building consents	Initiated	Virtual site visits completed. High level integration requirements workshop completed. Technical integration outline sent to the preferred supplier for feasibility estimate.
Cloud strategy (... as a Service)	Migrating legacy and unsupported applications to the Cloud	On schedule	Citrix environment fully decommissioned Hansen upgraded to minimum supported version.

			Continuous upgrade program for other applications is being planned.
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Finance

2020-21 Financial Year

Budget managers have updated their operational and capital forecasting in February. This revised forecast will be reported to Council with February year-to-date actuals at the March Council meeting.

With substantial budget cuts made as part of this year's Annual Plan budget, subsequent additional unbudgeted spend approved by Council, unbudgeted central government funding, and higher than anticipated revenue, we expect to see considerable variations against the Annual Plan budget.

2020-21 Annual Report

Planning for the 2020-21 Annual Report and associated audit is underway. With various central government funding contracts and property transactions occurring throughout the year, combined with the continued uncertainty due to Covid-19, we expect to face some complexities during the preparation and audit of our annual report. We are currently waiting for Audit New Zealand to provide dates for the interim and final audit to assist with our planning.

2021-31 Long Term Plan (LTP)

The 2021-31 Long Term Plan was adopted for consultation at the 25 February Council meeting. Current year forecasting for both capital and operational costs will be used to determine our starting position for the final LTP document. Minor changes will continue to be made to our budgets as we continue to work towards June adoption.

2021-22 Fees and Charges

Those fees and charges subject to consultation were adopted for concurrent consultation with the LTP at the 25 February Council meeting. The remaining fees not subject to consultation have been adopted.

SIGMA and CiA Upgrade

Finance staff are also involved in testing for the Asset Management System upgrade and the CiA 2020B upgrade.

Three Waters

Finance has been involved with the 3 Waters request for information for the last several months. This has involved a considerable amount of work on top of normal business as usual activities. We are cognisant of the fact that additional work will likely be required as things continue to progress.

Revenue

Property, rating and receivable transactions

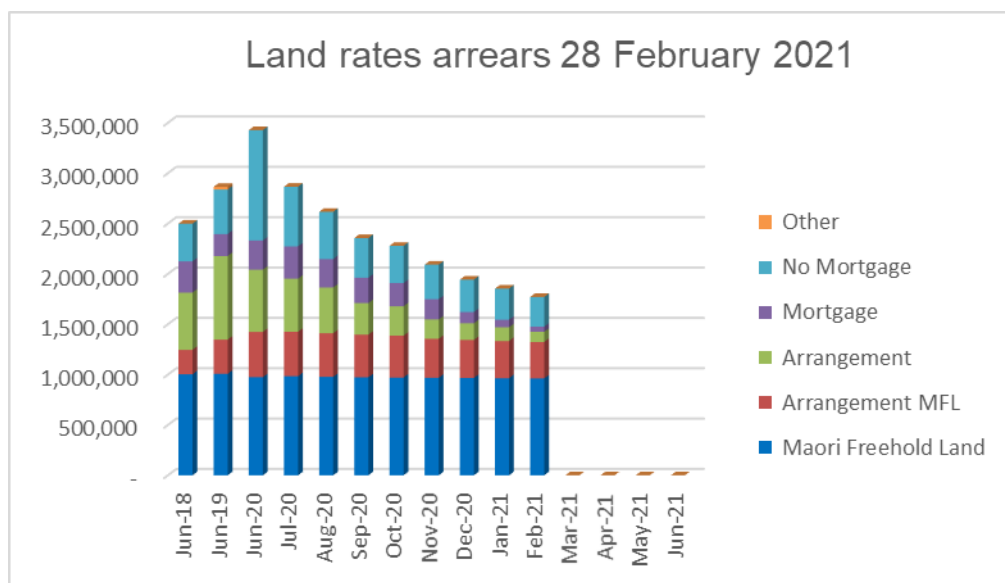
There were 309 property sales in February, we are tracking at 123% of last year.

We have started preparations for the 2021 General Revaluation. In the next month surveys will be requested from our business and rural ratepayers. Opteon is hoping that an online solution can facilitate this.

We have been working on the rating aspects of the 2021-31 Long Term Plan and concurrent consultation.

Collection and recovery

- Current year land rates arrears are \$2.7 million, \$0.1 million above last year. Penalties at 5% were added on 2,076 properties who received reminder letters.
- Prior years' arrears are \$1.7 million, including \$1.3 million Māori Freehold Land. The graph below shows the progressive decrease in prior years' arrears.



- We have been addressing water rates arrears which have reduced arrears by \$87,000 this month.

Business Support

Information Management (IM)

Archives Future

Future thinking of archives at Council continues with the report nearing completion.

At a Northland level there is also some discussion around the topic of community archives and specialist storage facilities and community access to public records that are stored in the individual Councils.

This topic will be discussed again at the April Northland Information Management Meeting (NIMP) with a view to presenting a paper on the subject to leadership. There is also national discussion through Archives New Zealand around what local archives look like in the future and supporting community groups to contribute in retaining the history of regions.

A successful shared service often outlined in case studies as well as being highlighted by the Office of the Auditor General is the Horowhenua MWLASS shown below would be an aspiration for Northland in the future.

<https://oag.parliament.nz/2012/efficiency-stories/collaboration/horowhenua-district-council>



Joining forces with a number of other councils has enabled the Horowhenua District Council to make considerable operational savings, and enhance the quality of service that it is able to provide to its ratepayers.

Effectiveness is simply doing things better. Efficiency is delivering services to the level of public expectation.

Digitisation

The DigiHub has hit the milestone of scanning over 1,000,000 pages since it has been in operation here onsite.

This is a great achievement by the team who are tasked with the successful delivery of this work, as well as a marker of collaboration and effort in both Building and Customer Services as they have worked with the project through the changes and business process development.

Areas of resourcing are being looked at to ensure the ongoing operation of the Scanner. This project will need to be extended to complete scanning the backlog of documents.

Procurement

Procurement

Major work streams in procurement in March have included:

Service/Good Being Procured	Detail	Procurement Commencement Date	Business Owner	Date Advertised on GETS	Expected End Date
Civic Centre project	To assist the Civic Centre team with requirements around procurement aspects	External procurement consultant engaged June 2018	All of Council	31 Oct 18	Ongoing involvement through design & construction phases

Service/Good Being Procured	Detail	Procurement Commencement Date	Business Owner	Date Advertised on GETS	Expected End Date
Old Municipal Building	Providing Procurement advice on procurement and purchasing decisions	October 2019	Community	To be determined	Ongoing
Dent St Developer	Finding a developer for Dent St site owned by Council	June 2020	District Development	23 June 2020	Ongoing
Building Consent System	To assist in procuring a building consent system	September 2020	Building Control	Quote requests issued Nov 2020	March 2021
Pensioner Unit Heating	Find a supplier and installer for heating units for pensioner housing	October 2020	Community	December 2020	June 2021
Regulatory Services Contract	To go for market for a supplier to provide regulatory services	November 2020	Health & Bylaws	To be determined	To be determined
Backstage Upgrade	To find a supplier to upgrade backstage facilities at Forum North	December 2020	Venues and Events	Quote requests issued January 2021	June 2021
Fleet Management	To consider options for fleet management	January 2021	Business Support	To be determined	To be determined
Travel	To consider options for travel policy and management	December 2020	Business Support	Te be determined	To be determined
Telephony	To consider the ongoing need for desk based phones/mobile phone/soft phones	March 2021	Business Support	Te be determined	Te be determined

General procurement support and advice continues to be available across the business and at the weekly Procurement Clinic.

COVID-19 is starting to have an adverse impact on procurement as global supply chains are compromised due to manufacturing, logistical and transport disruption. Numerous suppliers are indicating lead times for material supply are extending (for several months in some cases) and prices are starting to escalate as a result.

This is affecting both international and domestic supply, as many 'locally produced' items are actually assembled from parts that are sourced globally. There are likely to be significant cost and time impacts on all complex projects going forward.

Facilities Management

Property and Chambers

The property team is continuing with minor maintenance in our various buildings including some interior painting at Walton Plaza and repairs at the Libraries and Pound site. A window and carpet have also been replaced in the stairwell at Forum North due to weather damage.

Our Lease and License management adviser is providing support regarding recent strategic land purchases and several community leases on Parks' land. This involves liaison with the lessees and asset owners and managing documentation and updating internal systems.

Chambers have been busy since 8 February with almost daily bookings. Numerous Workshops, Briefings and Council and Committee meetings as well as one Resource Consent Hearing has meant the Chambers have been well utilised.

Fleet and Phones

A workshop of key stakeholders was held this month to investigate our requirements for a Fleet Management System. This information will be used to develop a Request for Proposal and evaluation method for the procurement of a fit for purpose system.

We are continuing to have higher than normal demand for mobile phones with many teams transitioning to mobiles from desk phones. This will be essential in a Covid lockdown scenario and will allow these teams to continue to provide efficient service. Combined with this we are partnering with ICT to review our current telephony systems and requirements which may result in some changes. Options include using mobile phones or soft phones on computers.

Business Support Projects (Updates, Delays or Deferrals)

Project	Current Status	Comment
Information Management Plan	Delayed	The information management plan is undergoing a review and will be reset for the next two year ensuring alignment to business priorities. Currently delayed due to priority work.

Communications

WDC website

The new website has been successfully launched. We are now working through a backlog of further improvements to the site and content over the coming year, including the updating of our database searches (including RID and cemetery search), improvements to eScribe and the display and searchability of agendas and minutes, as well as a new Customer Hub for the logging of customer requests in preparation for the CiA implementation later this year.

Media

- Adoption of LTP Consultation Document
- Proposed rates increases
- Māori wards – removal of poll
- Hikurangi swamp pumps
- New Town Basin park naming
- Town Basin playground upgrade

Communications projects

A summary of campaigns of note include:

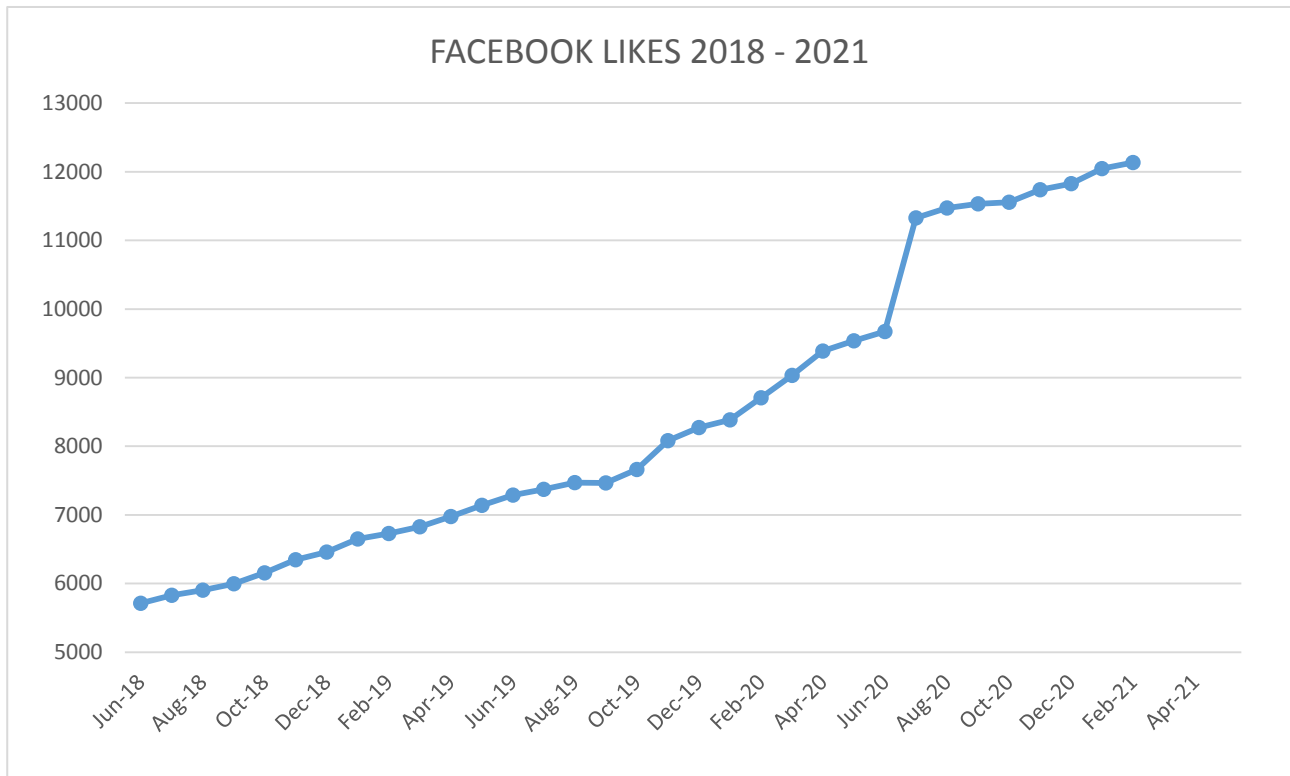
Campaign	Comment
Civic Centre Project	Ongoing internal and external communications. Focus is on external/stakeholder communications, managing complaints as they come in, with regular face-to-face meetings with stakeholders. Creating Library displays and new vertical viewing ports along hoarding panels.
Advisory Groups recruitment	Delivering a marketing plan on social media and in print to recruit new members for our advisory groups.
Long Term Plan	Preparation for the opening of consultation on 1 March – finalising Consultation Document, public meetings (including Covid protocols), website, video and print collateral.
Children's Day promotion	Graphics and promotion of this popular free community event
Emirates FanZone at One Tree Point	Design and promotion of this free community event
Wastewater Treatment Consultation	Print, social media and community open days for consultation are being postponed so as not to clash with the LTP consultation.
Rugby World Cup	Graphics and marketing planning for the Rugby World Cup (RWC).

Social media

We are expecting that most of March will be LTP-themed.

Topic	Engagement
Naming of the new Town Basin Park	<ul style="list-style-type: none"> • 26k reach • 300+ comments • 60 name submissions through the online form.
Port Road bridge and road upgrade	<ul style="list-style-type: none"> • 22k reach • 2000 engaged
Applications open for Community Fund – highlight Waipu Cove Surf Lifesaving (Boosted with \$100 spend)	<ul style="list-style-type: none"> • 15,000 total reach • 1000 post-clicks and 400 link-clicks • Very effective at notifying community groups with funding opportunity.

Facebook audience/followers



Website

Top 5 pages visited (main website only)

January 2021	February 2021
<ul style="list-style-type: none"> • Rubbish transfer stations 	<ul style="list-style-type: none"> • Payments online
<ul style="list-style-type: none"> • Rubbish – curbside collection 	<ul style="list-style-type: none"> • New Town Basin Park
<ul style="list-style-type: none"> • Freedom camping 	<ul style="list-style-type: none"> • Operative district plan
<ul style="list-style-type: none"> • Rates information 	<ul style="list-style-type: none"> • Contact us
<ul style="list-style-type: none"> • Dog exercise areas 	<ul style="list-style-type: none"> • Transfer / rubbish stations
Notable increases: <ul style="list-style-type: none"> • Waipu Coastal Walk, Summer Essential Info (news roundup), noise control, Abbey Caves. 	Notable: <p>Freedom camping, property information, dog exercise areas, Waipu coastal walkway, dam levels.</p>

People and Capability

LTP

LTP has definitely been the buzz around the organisation over the last month. Most people have contributed to this work in some way – whether people have been putting forward their ideas for the plan, involved in preparing the draft, organising meetings, coordinating consultation or attending meetings. It's an interesting and important phase of planning for all.

Possible changes to Local Government


With the myriad of possible changes to local government being discussed, many of our people are involved in collecting data, collating data, attending meetings and offering their expertise. One of the most challenging aspects of this is that there are so many possibilities, who knows where things will land. As with any prospective change, particular effort is going into ensuring that our employees are kept up to date as best we can.

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Appendix 1

Social media (top performing posts)


Post


Whangarei District Council
Published by Craig Neilson [?] · ★ Favourites · 17 February ·

What should the new park in the Town Basin be called? The public is now invited to put forward their ideas for an official name.

This is the park being built next to the Canopy Bridge - it will be on the Hatea Loop walk, overlook the boats and be next to the rest of the Town Basin. It is a hugely significant, \$6.6m project with water features, kinetic sculpture, play areas and more.


And your name could be chosen! Background and submission form below.



WDC.GOV.T.NZ

New Town Basin Park




Whangārei's new Town Basin Park will provide beautiful outdoor spaces f...


Get more likes, comments and shares
 When you boost this post, you'll show it to more people.

26,132
 People reached


5,835
 Engagements


Boost Post





 Lindsay Turner, Hanna Stone and 112 others


131 Comments

24 shares


 Like


 Comment








 Share



Performance for your post

26,132 People Reached

522 Reactions, comments & shares

135  Like	99 On post	36 On shares
15  Love	9 On post	6 On shares
2  Haha	1 On post	1 On shares
13  Wow	8 On post	5 On shares
2  Sad	1 On post	1 On shares
2  Angry	2 On post	0 On shares
329 Comments	230 On Post	99 On Shares
24 Shares	24 On Post	0 On Shares

5,313 Post Clicks

0 Photo views	1,815 Link clicks	3,498 Other Clicks
-------------------------	-----------------------------	------------------------------

NEGATIVE FEEDBACK

4 Hide post	2 Hide all posts
0 Report as spam	0 Unlike Page

Reported stats may be delayed from what appears on posts

Post



Whangarei District Council

Published by Craig Neilson [?] · ★ Favourites · 11 February · 🌐

Seen this huge drill set extracting ground-samples on Port Road?

It's taking one of the first steps for a new, \$10m four-lane bridge project at Limeburners' Creek.

The project includes constructing a new two-lane bridge on the northern side of the existing Port Road bridge. Port Road will become four-lanes wide from the Okara roundabout (by Cobham Oval) to the Kioreroa Road intersection. ... [See more](#)



Performance for your post

22,649 People Reached

300 Reactions, comments & shares 🗨️

158

Like

131

On post

27

On shares

7

Love

5

On post

2

On shares

2

Haha

2

On post

0

On shares

15

Wow

14

On post

1

On shares

1

Angry

0

On post

1

On shares

92

Comments

79

On Post

13

On Shares

26

Shares

25

On Post

1

On Shares

1,897 Post Clicks

39

Photo views

0

Link clicks 🗨️

1,858

Other Clicks

NEGATIVE FEEDBACK

5 Hide post

0 Hide all posts

0 Report as spam

0 Unlike Page

Reported stats may be delayed from what appears on posts


Whangarei District Council
 Published by Craig Neilson [?] · ★ Favourites · 3 February ·

Applications are open now for grants from our Community Fund.

Thanks to their recent application we supported the members of **Waipu Cove Surf Life Saving Club Inc** to get qualified in first-aid.

Kath Manning, Waipu Cove Surf Live Saving Club Captain says "This is essential to the service we provide to the community during patrolling hours, as well as upskilling our emergency call out squad who offer a 24/7 response service to any aquatic or beach incident at Waipu Cove and sur...
[See more](#)



WDC.GOV.T.NZ
Funding and grants
 Our funding programmes support not-for-profit, voluntee...
[Learn More](#)

15,645
 People reached

1,103
 Engagements

[Boost again](#)

Boosted on 5 Feb 2021
 By Craig Neilson

Completed

Performance for your post

15,645 People Reached

139 Reactions, comments & shares

101 Like
69 On post
32 On shares

8 Love
5 On post
3 On shares

1 Wow
1 On post
0 On shares

12 Comments
12 On Post
0 On Shares

17 Shares
17 On Post
0 On Shares

964 Post Clicks

20 Photo views
397 Link clicks
547 Other Clicks

NEGATIVE FEEDBACK

2 Hide post
2 Hide all posts

0 Report as spam
0 Unlike Page

Reported stats may be delayed from what appears on posts

5.3 Operational Report – Strategy, Planning and Development – March 2021

Meeting: Strategy, Planning and Development
Date of meeting: 18 March 2021
Reporting officer: Sandra Boardman – Acting General Manager, Planning & Development
 Dominic Kula – General Manager, Strategy & Democracy

1 Purpose

To provide a brief overview of work across services that the Strategy, Planning and Development Committee is responsible for.

2 Recommendation

That the Strategy, Planning and Development Committee notes the Strategy, Planning and Development Operational report for February 2021

3 Background

The purpose of the Strategy, Planning and Development Committee is to update Councillors on operational matters relating to the Strategy, Planning and Development departments.

This report provides a brief overview of some of the operational highlights for February 2021 and provides some further comment on future planned activities.

4 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website, Council News, Facebook or any other channel you currently use to inform customers – please also advise Communications.

5 Attachment

Operational Report – Strategy, Planning and Development – March 2021

March 2021 Operational Report

Strategy, Planning and Development Operational Report (reporting on February 2021)

Procurement update - Summary of Contracts Approved Under Delegated Authority

No contracts were awarded under Chief Executive or General Manager authority in March 2021

Economic Development

Staff have had further engagement with individuals involved in various parts of the construction sector supply chain to understand how they interact with Council and what can be done to make this process better. It is anticipated this engagement will be ongoing to enable continued improvement in Council processes. Further Business Capability Modules are being prepared but the presentations of these along with some building industry meetings have been interrupted by various changes in COVID-19 Alert Levels. Staff are working with Northland Chamber of Commerce on both these projects along with a detailed survey of local businesses that will provide a level of information as to the nature and structure of the district's businesses that does not currently exist.

The procurement process is continuing for the Inner-city Living Business Case and Toolkit with the aim to have all work completed in June 2021.

Infometrics have released their Quarterly Economic Monitor for the last quarter of 2020. Economic activity in Whangārei rose 2.8%pa in the December 2020 quarter according to provisional estimates, with annual activity falling less than the national average. Accelerating building activity, more jobs, and solid spending has supported local economic activity.

Part of the rise in activity was driven by a still growing pipeline of commercial and industrial construction, with \$143m of non-residential consent values issued over the last year a 49%pa increase on 2019.

Strong construction activity helped push skilled job numbers up 2.0%pa in Whangārei in December 2020. These better job figures also help explain the smaller increase in Jobseeker Support recipients over the last year – up 29%pa on average compared to the 36%pa increase nationally.

The local economy also benefited from strong primary sector activity, with the dairy pay-out expected to add another \$18m into the local economy this season.

Strong economic activity was also boosted by local spending activity. MarketView Figures showed a 5.1% spending increase in the December 2020 quarter, taking year-end spending activity up 1.6%pa in Whangārei as buyers backed local. Strong tourism activity in the wider region saw Northland as the best performing tourism region over 2020, although Whangārei's spending slipped slightly, down 1.4%pa.

More detailed information in relation to the fourth quarter of 2020 is available on the Infometric's website.

Commercial Property

Town Basin activity remains high with a steady stream of locals and visitors enjoying the fine weather and mix of hospitality and retail. Recent reviews of the adjacent Hundertwasser structure has generated an array of feedback on social media. To a point this has resurrected inaccurate historical speculation as to the demolition of some existing businesses.

There has been a marked decrease in issues regarding rubbish volumes and rubbish collection, however a more permanent solution is still being sought. Council staff will have the opportunity to discuss this problem and provide project updates to tenants in a meeting planned for early March 2021.

Rent reviews and renewals continue as per the schedule.

Demolition of 8 Dent Street

Quotation packs have been completed in accordance with Councils Procurement policy. A total of thirteen service providers have been identified to participate in the process. Cost, timing, resource and sustainability are key attributes being considered as part of the decision making process.

Static and video images will be completed prior to any work commencing.

Parihaka Transmission Mast

As pedestrian activity starts to decline with the change in season, work is expected to commence on the review of the Parihaka Mast. Staff are working with insurance representatives to finalise claims. Contact with iwi/hapu partners will be made to process further the review of the existing structures and potential future options.

Airport

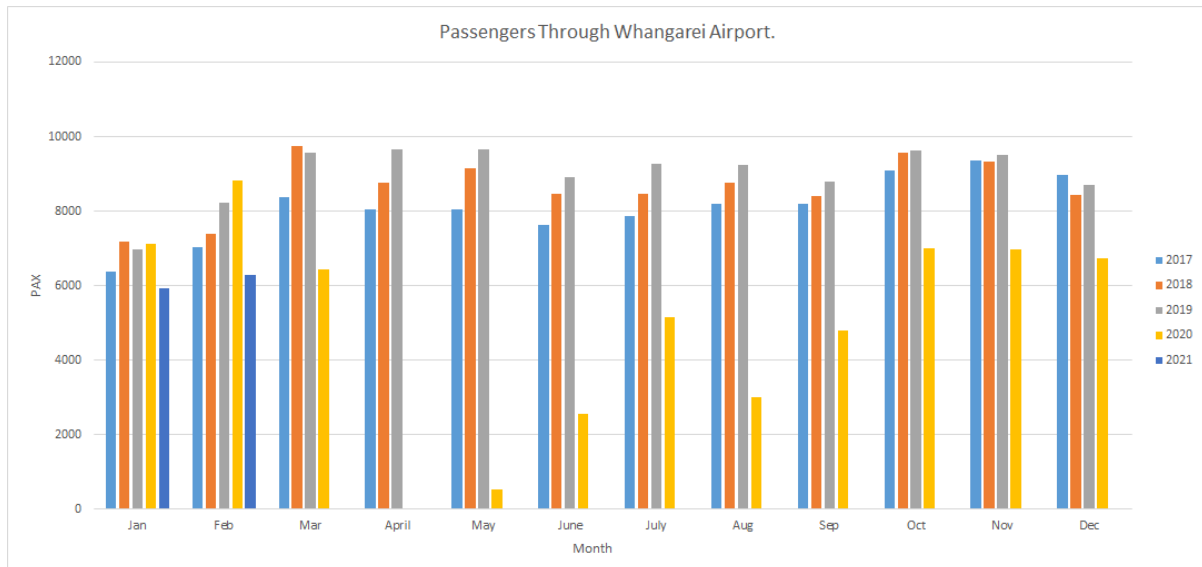
Air NZ returned to four flights per day on from 5 February 2021 and remained constant up until the end of the month. Due to the recent Level change in Auckland, flights were reduced to only one flight per day.

Council staff, private operators, NEST and Airport staff met to discuss 'Drone Management'. The aim is to look at a more coordinated way of meeting CAA compliance but also gaining efficiencies in granting consents. It is believed many drone operators are either unaware of the requirement to notify Airfields and/or property owners, or if they do are reluctant due to the time and complexity in applying for consent.

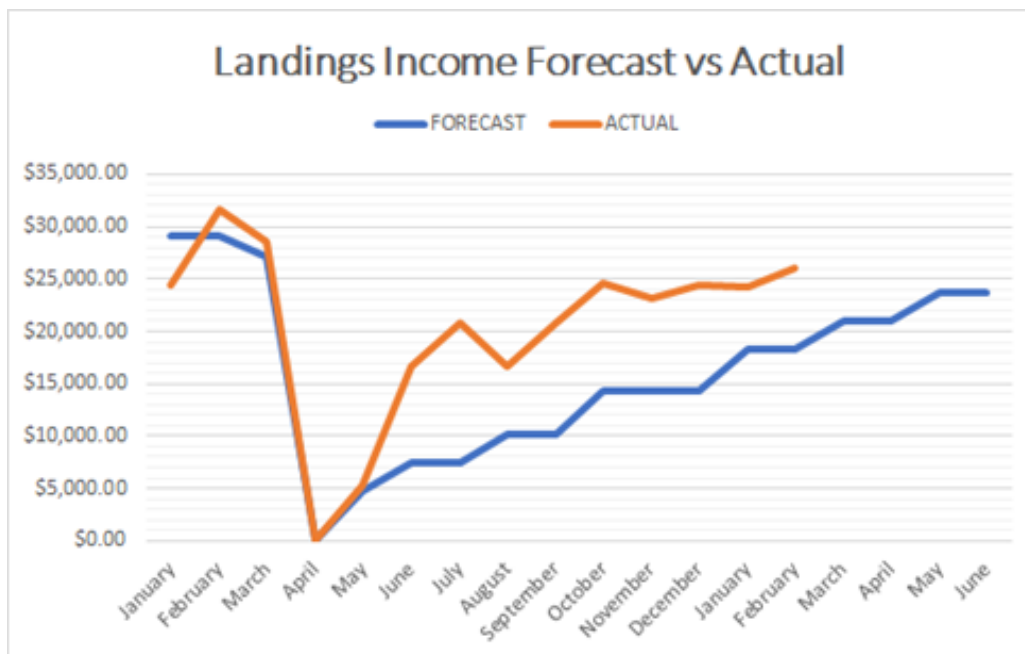
The Airport emergency exercise was held on 24 February 2021. This was a desktop exercise to discuss the operational readiness of emergency services in the event of an Air NZ aircraft crash into the harbour. Attendance to the exercise was exceptional and the discussion was very beneficial.

The main hazards and risk factors for the month included wildlife hazards and lighting failures. All wildlife control activities are being completed. Action is being taken to remedy the lighting malfunctions.

Passenger numbers for February 2021 totalled 6293. This equates to 67% of the loading capacity.



Revenue streams remain better than forecast. February 2021 figures reflect 82% of pre-Covid totals for the same period last year.



Carpark revenue (\$10,250) for the month was reasonable and equates to approximately 82% of the revenue for the same month last year.

District Promotions

Anecdotal feedback from a handful of operators is that visitor activity over December 2020 and January 2021 have been mixed with some reporting being 'busy as', others having really great weekends but then very quiet weeks, particularly as school returned. One operator whose activity product targets the local education market has solid bookings for all of February 2021. The domestic audience is purchasing product but demand for higher end product, usually purchased by international visitors, has all but ceased.

Recent fluctuations in COVID-19 lockdown levels also significantly impacted visitor numbers to Whangārei and Northland due to highway closures and activity bookings cancellations. Events that are postponed or cancelled also impact on visitor numbers.

As below, *Tourism Expenditure** for December quarter, ***Guest Nights* for December 2020 and January 2021 are down as are ****Tourism Electronic Card Transactions* for Year End December 2020.

*Tourism Expenditure

Source, [Infometrics Quarterly Economic Monitor, December 2020 quarter](#)

Indicator	Whangārei	Northland	New Zealand
Tourism expenditure	-1.4 %	1.0 %	-15.6 %

**Guest Nights

Source, Accommodation Data Programme (ADP)

Month of

December 2020				
	Whangārei	Far North	Kaipara	Northland
Domestic	55,800	129,900	28,400	214,100
International	1,500	3,300	503	5,200
TOTAL	57,300	133,200	28,900	219,400
January 2021				
	Whangārei	Far North	Kaipara	Northland
Domestic	102,300	231,200	55,700	389,300
International	959	2,500	330	3,800
TOTAL	103,300	233,700	56,100	393,100

Month on Month

December 2020					Source Accommodation Survey Accommodation Survey Accommodation Data Programme
	Whangārei	Far North	Kaipara	Northland	
2017	71,988	159,074	22,098	253,161	
2018	71,285	159,751	22,568	253,604	
2019	NA	NA	NA	NA	
2020	57,300	133,200	28,900	219,400	Accommodation Data Programme
	-20%	-17%	28%	-13%	
January 2021					Source Accommodation Survey Accommodation Survey Accommodation Data Programme
	Whangārei	Far North	Kaipara	Northland	
2018	121,514	218,189	29,484	369,187	
2019	113,446	218,518	33,806	365,770	
2020	NA	NA	NA	NA	
2021	103,300	233,700	56,100	393,100	Accommodation Data Programme
	-9%	7%	66%	8%	

***Tourism Electronic Card Transactions (TECTs)

Source, Ministry Business, Innovation & Employment (MBIE). The TECTs are an interim replacement (due to COVID disruption) for the Monthly Regional Tourism Estimates (MRTEs). The TECTs focus is on domestic Electronic Card Transactions and include breakdowns by visitor origin and product type. International card spend is included in an 'other' visitor type but these breakdowns are not available at district level by month.

December, 2020				
	Whangārei	Far North	Kaipara	Northland
2018	\$244m	\$245m	\$75m	\$564m
2019	\$244m	\$249m	\$75m	\$568m
2020	\$241m	\$251m	\$83m	\$575m
	-1%	1%	10%	1.2%

Marketing

Our destination marketing activity was largely paused (apart from some social marketing of events) over the high season, relationships with media and freelance writers continue to be leveraged resulting in valuable advertising for modest investment, for example,

- In January 2021, we were offered (and accepted) the outside back page of the Sunday Start Times Travel magazine for 15% of the ratecard cost (\$2,000 instead of \$13,000)
- We have had two banners in AA Traveller newsletters which is sent to 185,000 AA members and subscribed non-members, for no cost
- We have been invited to provide considerable editorial which should result in significant Whangārei district content in the upcoming Stuff Northland Escapes magazine

District Plan

Urban and Services Plan Change Package

Staff continue to work solidly on the Urban and Services appeals, having completed several formal Environment Court mediations and numerous informal discussions with parties.

Environment Court hearings were held in February 2021 for the following appeals:

- ENV-2020-AKL-127 Director-General of Conservation
- ENV-2020-AKL-109 Northport Limited

Further mediation is required for the Director-General of Conservation appeal. Part of the Northport appeal (relating to the permitted noise levels of the Port) will be re-notified through a s293 process to provide opportunity for further feedback and involvement from people that are directly affected or who have an interest greater than the general public.

The Environment Court has granted seven consent orders:

- ENV-2020-AKL-124 Northpower Limited (appeal settled in full)
- ENV-2020-AKL -126 The New Zealand Refining Company Limited (appeal settled in part)
- ENV-2020-AKL-108 Goal Holdings Limited (appeal settled in full)
- ENV-2020-AKL-130 The Department of Corrections (appeal settled in full)
- ENV-2020-AKL-120 JB & RM Keith Trustees Limited and Victory Square Holdings Limited (appeal settled in full)
- ENV-2020-AKL-119 JB & RM Keith Trustees Limited (appeal settled in full)
- ENV-2020-AKL-133 Kāinga Ora (appeal settled in part)

Two appeals have been withdrawn in full:

- ENV-2020-AKL-113 Northland District Health Board
- ENV-2020-AKL-122 Southpark Corporation Limited

Consent documents for three appeals have been filed with the Environment Court

- ENV-2020-AKL-116 AMKO Trustees Limited
- ENV-2020-AKL-075 Dyer
- ENV-2020-AKL-128 United Port Road Limited

Several formal mediations are scheduled in March with the next Court reporting date of 26 March 2021.

PC150 Private Plan Change Application

The submission and further submission periods have closed. 28 submissions were received along with four further submissions. Hearings have been scheduled for 31 May 2021 – 2 June 2021 with Independent Hearing Commissioners.

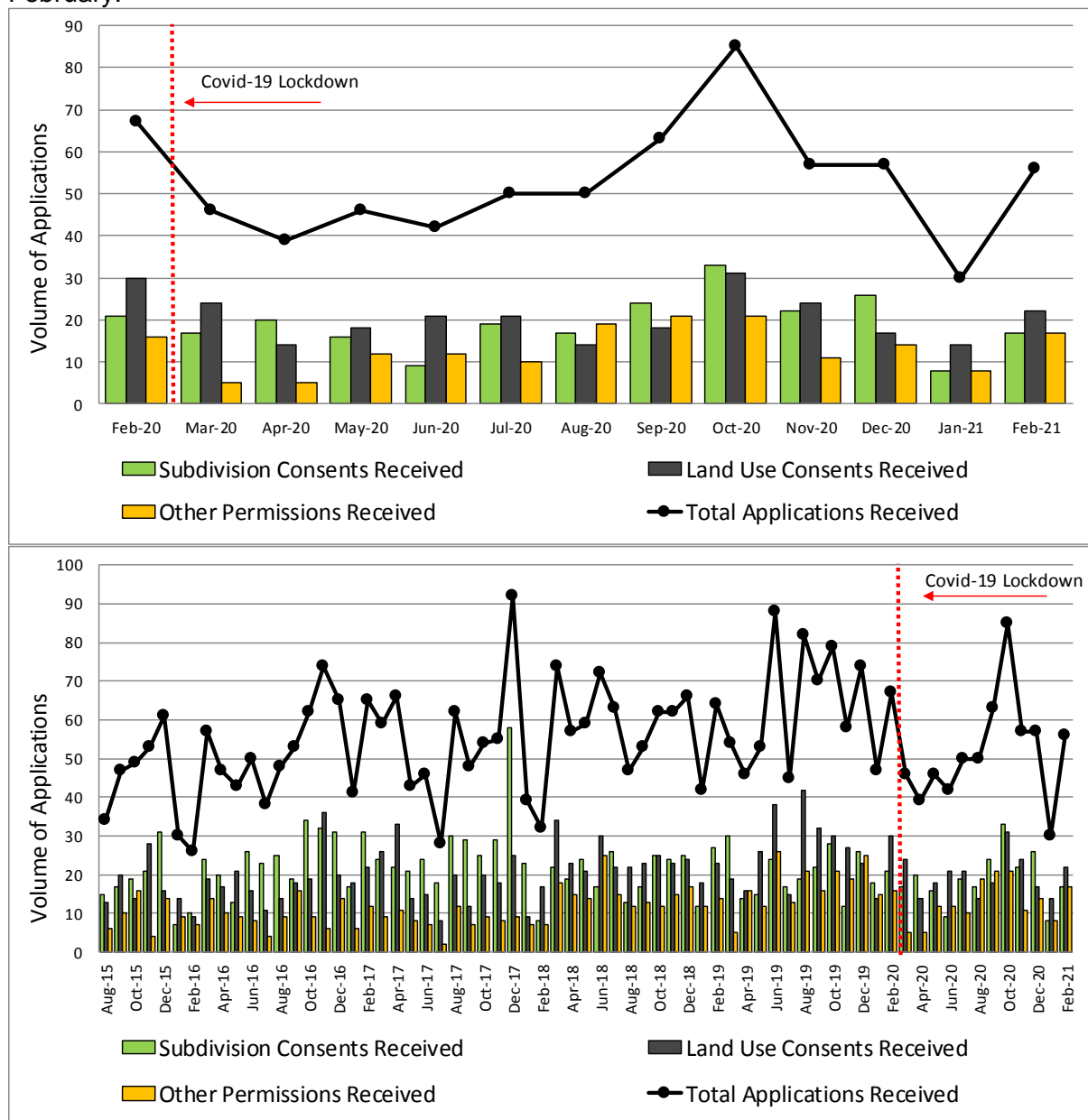
Tangata Whenua and Sites of Significance Plan Changes

Staff have met with Te Huinga working party representatives to discuss the Tangata Whenua Plan Changes. A pilot RMA Mechanics workshop for hapū has been scheduled for 7 April 2021

Resource Consents

Resource Consent Processing

During February 2021 56 applications were received, being a significant increase from January 2021 and consistent with numbers from November 2020 and December 2020. Seventeen subdivision, 22 land-use and 12 other applications were received during February.



Resource Consents

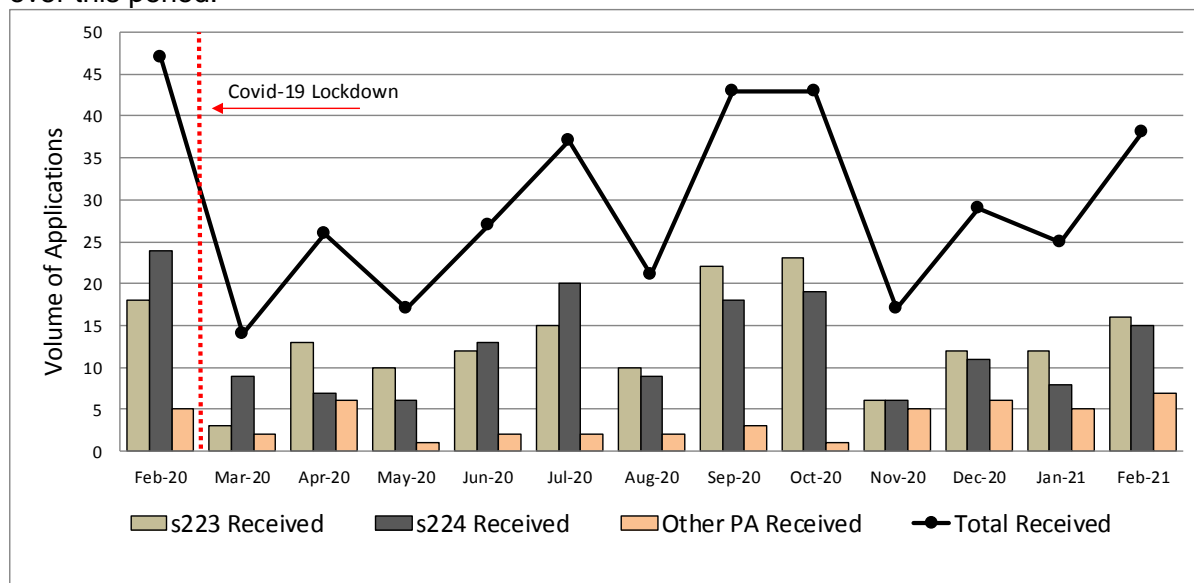
Significant applications received during February 2021 include a 32 lot residential subdivision at Te Maika Road, Ngunguru and a residential development by Kainga Ora comprising 20 units (and associated subdivision) at Pearce Drive, Kamo.

Hearings

No hearings were held in February 2021.

Post-Approval

Volumes of post-approval applications increased during February 2021. There were 16 survey plan approvals, 15 completion certificates and 7 other post-approval permissions over this period.



Appeals

Mediation is scheduled for 9 March 2021 for the appeal against the grant of resource consent for the Resource Recovery Centre at Pataua South Road.

Building Department - 1 February – 26 February 2021

Building Consent Performance Indicators

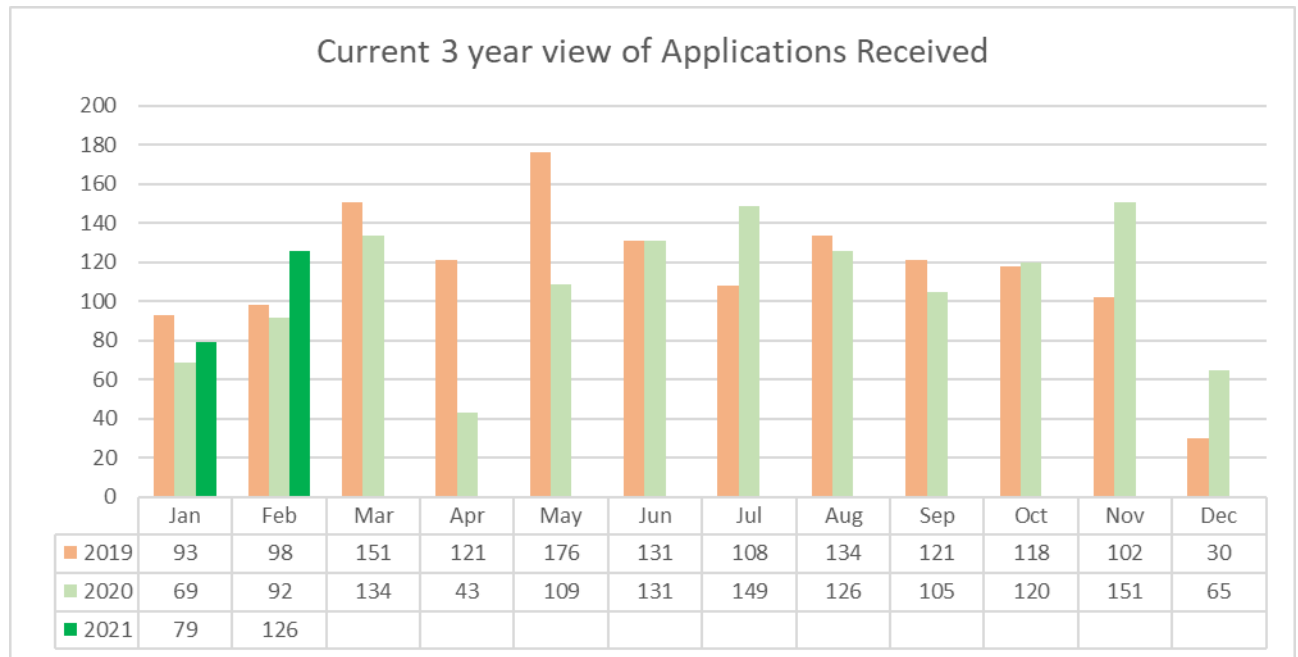
Performance Indicators				
Function	Measure	Indicators	February	Year to date average
Building consents granted	20 days	Annual plan (96%)	88%	95%
Building consents issued	3 days	Internal KPI	20%	69%
Inspections completed within 48hrs	48hrs	Annual plan (95%)	99%	99%
LIMs	7 days	Internal KPI	0%	45%
LIMs	10 days	Statutory	99%	99%
PIMs	5 days	Internal KPI	60%	66%
PIMs	20 days	Statutory	50%	78%

Building consents granted have slipped against the statutory requirement for 20days and the annual plan KPI of 96% for the month of February 2021. The internal measure of issuing is under pressure with a backlog situation; however, this does not prevent inspections being booked for this work and this area is being closely monitored. Inspections are being delivered within the annual plan requirement of 95% and this area is seeing an increase in

demand. The LIM and PIM area is also under pressure with a strong application demand and activity the statutory requirement is being closely monitored.

Three Year View of Building Consents Received

The trend is still upwards February being another strong month for applications for building consent applications and the team are at capacity. It should also be remembered that February is a “short month” with Waitangi Day and Northland Anniversary along with it being a 28 day month Again, national trends are being reflected in that many Regional, City and District Authorities are experiencing strong demand for consents.



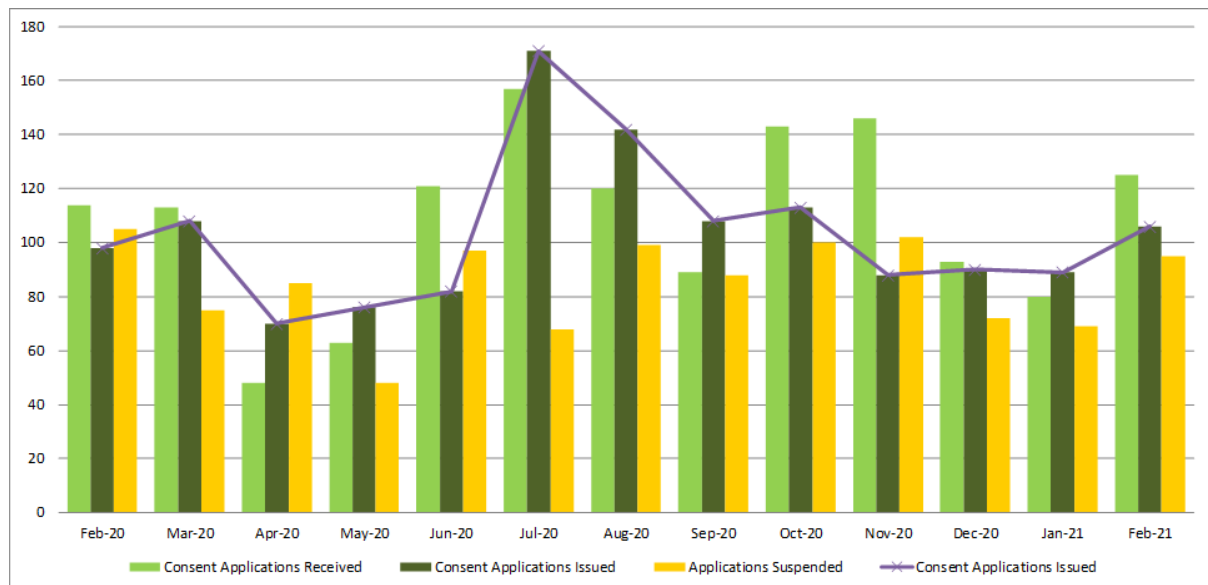
Statutory days versus customer days

As may be expected with the incoming demand pushing capacity constraints processing times increase. The average for the 12 months of January to December 2020 was around 32 days for the “Customer Days” and 13 for statutory days. These time frames have increased through the back end of 2020 as demand has increased or at least remained steady at the current high levels.



Building Consents Received, Issued and Suspended

The building consent activity has seen an increase in applications received for this month. The consenting activity remains at a sustained and buoyant level with continued confidence in the residential development area.



Health and Bylaws

Environmental Health

Food Act 2014 - The Environmental Health team continues to report an increase in enquiries and request to open and register new food businesses, especially in the more informal sector, i.e. food stalls/carts.

Food Act audits (verifications) of food businesses continue to be conducted, as required under the Food Act 2014 to ensure compliance with the Act, by both the operator and WDC. Health Act 1956 – Number of complaints for nuisance conditions and related matter remains high.

Sale and Supply of Alcohol Act 2012 – Alcohol licensing inspectors continue to work with Police and a city centre bar owners to ensure better compliance with the Act and licence conditions specifically, especially around issues occurring at night and within the external (smoking) seating area on the footpath where patrons negatively interact with passers-by. Hopefully recent improvement to barriers separating the two will have the desired effect and avoid Council having to withdraw its consent of the use of this footpath area.

Bylaws

Freedom Camping Ambassador & Enforcement Programme – this month has seen the submission of the required mid-season report to MBIE for this programme, together with the request for the release of the next \$65k worth of funding. This now leaves a final \$65k of the initial \$260k of funding to be submitted at the end of the programme (late April 2021) and in the end will have funded most of our costs in managing this programme and associated projects, including structural upgrades to our freedom camping sites together with the provision and maintenance of additional toilets etc.

Armourguard Enforcement Statistics – these are now only reported quarterly, with the next report provided during May 2021.

Strategy

2021 - 2031 Long Term Plan

The 2021-2031 LTP Consultation Document and Support Documents were adopted for consultation on 25 February. Consultation with our community is underway. The first week of consultation has been impacted by a change in COVID-19 alert level. However we have still been able to hold community meetings whilst ensuring we meet the alert level requirements. This has included ensuring all attendees sign-in or use the QR code and app, keeping 1m distancing and limiting numbers of attendees.

A consultation programme has been developed with events organised and being promoted on our website:

<https://www.wdc.govt.nz/News-and-events/Have-your-say/LTP-consultation-2021-2031>

Climate Change

Two key updates were provided to Council in February 2021. On 16 February 2021 a Workshop was held on the Coastal Hazard Maps for Climate Change Adaptation. On the 18 February 2021 a Climate change update report was provided Council (although the Briefing was not held). This report covered the following:

- An update of the Climate Change work programme
- Progress report on the Sustainability Strategy
- Next steps for the Draft Climate Action Plan, including community engagement
- Draft submission to the Climate Change Commission.

Staff are continuing to progress these projects as well as support LTP consultation.

Bylaw review programme

The Amended Camping in Public Places Bylaw was adopted by Council on 25 February. All submitters will be contacted with information on the decision made and a link to the Bylaw.

With Camping in Public Places Bylaw review concluded, the focus will now turn to the Trade Waste Bylaw with a Briefing planned for April.

Waterfront Precinct Plan

An update was provided in February on the community feedback received last year. Work is underway on preparing a draft plan which will be workshopped with Councillors in April.

Placemaking Programme

Staff are continuing to develop a first draft of the plans based on the feedback provided. Targeted discussions with hapū and key stakeholders are still underway.

Whangarei District Growth Strategy

A briefing was held on 18 February 2021 to run the feedback received and the potential changes to the Draft Strategy. Work is underway on updating the strategy. Targeted discussions with stakeholders and our hapu partners is ongoing.

National Policy Statement on Urban Development

As part of the implementation of the Whangarei District Growth Strategy, staff are working on meeting our obligations under the National Policy Statement on Urban Development (NPS-UD). The first requirement we need to meet is a refresh of the 2018 Housing and Business Land Demand and Capacity Assessment. This will need to be completed by July 2021.

Housing

Ministry of Social Development, Kāinga Ora and Te Puni Kōkiri have convened a housing working group to assist and co-ordinate the delivery of public housing. In December 2020, WDC were invited to provide an update on our planning and strategy work to this group. It is

expected that discussions will continue into 2021. The group are yet to meet this year, the first meeting is planned for mid-March. Staff will provide updates to Council on the progress of the group.

Northland to Auckland Corridor Plan/Urban Growth Partnerships

An officer workshop was held on 25 February with staff from the four Northland councils and staff from central government agencies (NZTA/Waka Kotahi, Kianga Ora, Ministry of Housing and Urban Development and Kiwi Rail). The purpose was to discuss scope and the next steps for the proposed partnership. The agreed next steps include establishing mechanisms for governance engagement and oversight, and for partnership with Northland iwi and hapu.

Māori Relationships

Citizenship Ceremony Planning

A Hui was held with Richard Shepherd who is the new kaikorero for these ceremonies. It provided an opportunity to plan for the upcoming ceremonies for 2021, including the possibility of hosting one at the local marae.

Site Safe Training for Hapū Monitors

The team met with Health and Safety to navigate a pathway for hapū monitors to do this training and be compliant when onsite for Council projects. A proposed discussion document will be drafted for consideration between both departments

RMA 101 Workshops – Planning Hui

Planning was undertaken with Resource Consent and District Plan staff to discuss a series of workshops for hapū around the RMA. The first hui is scheduled for 7 April 2021.

Hui with Minister of Local Government

Representatives of Te Karearea attended a hui in Paihia with Minister Mahuta. Several important kaupapa were discussed, with a focus on the three waters.

Civic Centre Mauri Korero

Hapu met onsite with the contractors and project team to korero about the concept of Mauri and other important cultural milestones related to the project, including the various stages of karakia.

Port Road Bridge Upgrade – Hui with Hapū

Hapū and mana whenua met onsite to discuss the bridge project, with the intent to commission a Cultural Impact Assessment and include cultural narratives in the design elements of the structure.

Democracy & Assurance

Democracy Team

The Democracy team supported three Council and six Committee meetings, three Council Briefings and three Council Workshops in February 2021. In addition, twenty-six alcohol licence applications were put through to the District Licensing Committee for consideration and processing.

Assurance Team

Planning has started for the upcoming Risk and Audit committee meeting on 24th March. This will include the audit report relating to last years annual report, and an internal audit report.

The team continue to support the business on a number of complex insurance claims.

Representation Review

Briefings were held with elected members and members of the Te Karearea standing committee on 4th and 17th March. The initial stage of the representation review will involve early consultation with communities of interest, this will take place throughout April to establish community appetite and ideas that will be brought back to Council.

LGOIMA Requests

Council received 21 requests for official information during February 2020. The total requests received to date during 2021 is 40. The topics of requests included: landfills, property ownership details, property capital values, engagement with Maori in relation to the Civic Centre project, security contracts, external consultants, street lighting, noise control and dog control issues, water quality, and water rates.

Council Controlled Organisations

The Whangarei District Airport delivered its half-yearly report and draft statement of intent to Council in February, and these went to the Strategy, Planning and Development Committee on 18/02/2021.

The Local Government Funding Agency delivered its half-yearly report and draft statement of intent to Council in February, and these will be going to the Strategy, Planning and Development Committee on 18/03/2021.

The Northland Regional Landfill Limited Partnership delivered its draft statement of intent to Council in February, and this will be going to the Infrastructure Committee on 11/03/2021.

The Whangarei Art Museum Trust (WAMT) requested that Council extend the deadline for WAMT to deliver their draft statement of intent to Council. This went to the Community Development Committee on 18/02/2021 as a supplementary report. The Community Development Committee approved the extension of the deadline from 1 March 2021 to 1 April 2021. WAMT's half-yearly report was delivered to Council in February, and will be going to the Community Development Committee on 18/03/2021.

RESOLUTION TO EXCLUDE THE PUBLIC**Move/Second**

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
1.1 Regulatory Services Procurement Contract	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

Item	Grounds	Section
1.1	To enable Council to carry on without prejudice or disadvantage commercial activities	Section 7(2)(h)
	To enable Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations)	Section 7(2)(i)

Resolution to allow members of the public to remain

If the committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because _____.

Note: Every resolution to exclude the public shall be put at a time when the meeting is open to the public.