

Agenda for a meeting of the Strategy & Finance Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY 14 JUNE 2021** commencing at **9.30am**.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

Richard Allen from Quotable Value Limited will be in attendance to discuss Item 7.1 (2020 district valuation)

3. DISCLOSURES OF INTEREST

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Gj Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

Reports to:	The Council
Chairperson:	Cr Janet Gibb
Deputy Chairperson:	Cr Aksel Bech
Membership:	The Mayor, all Councillors and Mrs Maxine Moana-Tuwhangai (Maangai Maaori)
Meeting frequency:	Six-weekly
Quorum:	Majority of members (including vacancies)

Purpose:

The Strategy & Finance Committee is responsible for:

1. Monitoring of Council's strategy, and performance (both financial and non-financial) against the Long Term Plan and Annual Plan.
2. Setting the broad vision and direction of the District, determine specific outcomes that need to be met to deliver on that vision, and develop and monitor strategies to achieve those goals.
3. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.
4. Guiding and monitoring Council's interests in Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.

In addition to the common delegations on page 10, the Strategy & Finance Committee is delegated the following Terms of Reference and powers:

Terms of Reference - Strategy:

1. Develop and agree strategy and plans for the purposes of consultation.
2. Recommend to Council strategy and plans for adoption, including community plans (e.g Blueprints).
3. Monitor and review adopted strategies and plans.
4. To monitor and provide advice on the development and implementation of growth and development strategies, land use, and spatial plans in line with national policy requirements.
5. To enhance the District's economic position by promoting it as a business-friendly and business-enabled location and providing direction on strategic initiatives, plans, projects and potential major developments relating to economic and business development.
6. To monitor and provide direction on engagement with the District's communities in relation to the Council's strategies and plans.
7. To monitor and make decisions on environmental management and sustainability within the District.

8. To receive and consider presentations and reports from stakeholders, government departments, organisations and interest groups on development and wellbeing issues and opportunities within the District.

Terms of Reference – Finance:

9. To monitor Council's financial strategy, and performance against that strategy.
10. To provide clear direction to Council's CCOs and COs on Council's expectations, including feedback on draft statements of intent.
11. To receive six-monthly reports of Council's CCOs and COs, including on board performance.
12. To undertake any reviews of CCOs and agree CCO-proposed changes to their governance arrangements, except where reserved for full Council's approval.
13. To monitor Council's investments and Local Government Funding requirements in accordance with Council policy and applicable legislation.

The Committee is delegated the following powers to act:

- Approval of:
 - a. appointments to, and removals from, CCO and CO boards; and
 - b. a mandate on Council's position in respect of remuneration proposals for CCO and CO board members to be presented at Annual General Meetings.
- Approval of letters of expectation for each CCO and CO.
- Approval of statements of intent for each CCO and CO.
- Approval of proposed major transactions of CCOs and COs.
- Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO or CO.
- Monitor work on Future Proof, Waikato Plan, Growth & Economic Development Strategy and cross-boundary issues.
- Approval of any process for making decisions where additional opex or capex funding, or deferred capex, is required.
- Review and make recommendations to Council in relation to Fees & Charges (after consultation with relevant community boards or committees).
- Review and recommend to Council the adoption of the Annual Report.
- Review and recommend to Council the approval of Development Agreements.
- Approval of transactions in relation to investments in accordance with Council policy.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which exceed the Chief Executive's delegations, but exclude contracts or arrangements that are reserved for the Council or another committee's approval.

- Approval of rating issues where these exceed the delegated authority of officers, or are an appeal against officer decisions. For clarity, this excludes decisions that are required, by law, to be made by the Council.
- Approval to write-off outstanding accounts that exceed officer delegations.
- Approval of funding applications for the Heritage Assistance Fund and Conservation Fund as recommended to the committee by officers or relevant assessment bodies.

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	31 May 2021
Prepared by	Matt Horsfield Democracy Advisor
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Strategy & Finance Committee meeting held on Monday 3 May 2021

2. RECOMMENDATION

THAT the minutes of the meeting of the Strategy & Finance Committee held on Monday 3 May 2021 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

S&F Committee Open Minutes – 3 May 2021

Minutes for a meeting of the Strategy & Finance Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY 3 MAY 2021** commencing at **9:31 am**

Present:

Cr JM Gibb (Chairperson)
His Worship the Mayor, Mr AM Sanson
Cr AD Bech
Cr JA Church
Cr CA Eyre
Cr SL Henderson
Cr SD Lynch
Cr FM McNally
Cr RC McGuire
Mrs M Moana-Tuwhangai
Cr EM Patterson
Cr JD Sedgwick
Cr NMD Smith
Cr LR Thomson
Cr CT Woolerton

Attending:

Mr G Ion (Chief Executive)
Mr T Whittaker (Chief Operating Officer)
Ms A Diaz (Chief Financial Officer)
Mr C Morgan (General Manager Community Growth)
Mr R MacCullough (General Manager Service Delivery)
Mr M Horsfield (Democracy Advisor)

APOLOGIES AND LEAVE OF ABSENCE

There were no apologies.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Sedgwick/Thomson)

THAT the agenda for a meeting of the **Strategy & Finance Committee** held on **Monday 3 May 2021** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 8 which shall be considered with the public excluded;

AND THAT all reports be received;

AND FURTHER THAT in accordance with **Standing Order 9.13** the **Committee** resolves that the following item be added to the open agenda, for discussion, as advised by the **Chairperson**.

- **Agenda Item 7.3 – Banks and Cheques.**

CARRIED

S&F2105/01

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES

Resolved: (Crs McInally/Woolerton)

THAT the minutes of a meeting of the **Strategy & Finance Committee** held on **22 March 2021** be confirmed as a true and correct record of that meeting subject to the editing of the attendance list to include **Cr Woolerton**.

CARRIED

S&F2105/02

REPORTS

Action Register
Agenda Item 5

The report was received [*S&F2105/02 refers*] and discussion was held.

- **Hall Catchment and Targeted Rate Review** - Thought be given to Tamahere Hall to be included in Stage two of the review. Community loan close to being repaid and basis for the hall targeted rate should be revisited.

- All halls need to be considered within the review. Many halls do not have sufficient hall rates and discussion was required regarding maintenance costs.

ACTION: Workshop to be held to discuss targeted rates for all Community halls, including Community halls not identified under the three stage Hall Catchment and Targeted Rate review.

The Whenua Maori Rating Amendment Bill Agenda Item 6.1

The report was received [S&F2105/02 refers] and discussion was held.

- Rates were currently charged for unproductive Maori land.
- Whenua Maori Rating Amendment Bill would make unused Maori land unrateable.
- Land that receives and charged for services such as water were considered productive land.
- Provisions have been made within the annual budget regarding outstanding rates.
- Staff were working how to implemented the changes required in the Bill.

Updated 2021 Operational Budget Review Agenda Item 7.1

The report was received [S&F2105/02 refers] and discussion was held.

- Discussion held regarding budget transfers.

Treasury Risk Management Policy – Compliance Report as at 31 March 2021 Agenda Item 7.2

The report was received [S&F2105/02 refers] and discussion was held.

- Total interest rate swaps were \$119 Million currently on swaps, we're above our benchmark.
- Council's risk management policy includes interest rate cover to mitigate possible interest rates fluctuations in the future.
- Council interest rates were calculated from the Long Term Plan and debt levels.

ACTION: Council to ask PWC to look over the last 5 years and assess what was Council's average interest rate and the average swap rate.

- Risk management associated with interest rates needs to be strategic and not reactive.
- Currently have 100% cover on our borrowings. Council required to have good cashflow forecasts for three years, including when interest rate swap will be put in place and for how long.
- External debt forecasts were predicted from what was currently known. Does not include aspects such as Three Waters Reform.

Councillor McGuire left the meeting during the above item at 10:14am and re-entered the meeting at 10:17am.

Banks and Cheques

Agenda Item 7.3

A verbal report was provided by the Chief Financial Officer and the following discussion was held:

- A report was presented to the Audit & Risk Committee regarding the phasing out of cheques.
- Waikato District Council will not be receiving cheques from 1st July 2021.
- Chief Financial Officer stated that cheques are not classified as legal tender from that date.
- Waikato District Council receives 7,000 cheques a year.
- Only 4% of total receipting was processed from cheques.

ACTION: Chief Financial Officer will investigate whether Council received cheques from payees outside New Zealand.

EXCLUSION OF THE PUBLIC

Agenda Item 8

Resolved: (Crs Thomson/Sedgwick)

THAT the public be excluded from the following parts of the 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 the passing of this resolution
Item number 1 – Confirmation of Public Excluded Minutes	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item 3.1 Statute Barred Rates and Water Debtor Balances Written off on 30 June 2020	Good reason to withhold 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 relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
Item 1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
Item 2.1 Statute Barred Rates and Water Debtor Balances Written off on 30 June 2020	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.

There being no further business the meeting was declared closed at 10:30am.

Minutes approved and confirmed this _____ day of _____ 2021.

Cr Janet Gibb
CHAIRPERSON

Open Meeting

To	Strategy and Finance Committee
From	Clive Morgan General Manager Community Growth
Date	31 May 2021
Prepared by	Sandy Mason Personal Assistant
Chief Executive Approved	Y
Reference #	GOV1318 / 3133287
Report Title	Action Register – May 2021

1. EXECUTIVE SUMMARY

Purpose of this report is to provide the Strategy and Finance Committee with an update on Actions arising the previous meeting.

2. RECOMMENDATION

THAT the report from the General Manager Community Growth be received.

3. ATTACHMENT

Strategy and Finance Committee's Action Register – May 2021

Strategy and Finance Committee's Action Register – May 2021

Meeting Date	Action	Team/Person Responsible	Status Update
3 May 2021 – Open Meeting	<p>Agenda Item 5 Action Register – Hall Catchment and Targeted Rate Review</p> <p>Action Workshop to be held to discuss targeted rates for all Community halls, including Community halls not identified under the three stage Hall Catchment and Targeted Rate review.</p>	Samantha Baker – Community Venues and Events Team Leader (Service Delivery)	This will be held after the LTP meetings have all concluded.
	<p>Agenda Item 7.2 Treasury Risk Management Policy – Compliance Report as at 31 March 2021</p> <p>Action Council to ask PWC to look over the last 5 years and assess what was Council's average interest rate and the average swap rate.</p>	Colin Bailey – Finance Manager	Over the last five financial years, Council has paid \$8.6 million in interest above market rates due to swap contracts entered into, based on the debt forecast at the time.
	<p>Agenda Item 7.3 Banks and Cheques</p> <p>Action Chief Financial Officer will investigate whether Council received cheques from payees outside New Zealand.</p>	Alison Diaz - Chief Financial Officer	No overseas cheques are received currently, and BNZ have confirmed they will not be accepting foreign cheques moving forward.

Open Meeting

To	Strategy and Finance Committee
From	Clive Morgan General Manager Community and Growth
Date	1 June 2021
Prepared by	Nick Johnston Funding and Partnership Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 3133289
Report Title	Heritage Review Steering Group

I. EXECUTIVE SUMMARY

A Heritage Review Steering Group, consisting of Cr Gibb (Chair), Cr Smith and Cr Woolerton, has been established to assess and consider Council's role in current heritage activity, including the Waikato District Heritage Strategy and the Waikato District Heritage Forum. One of the roles of the Steering Group, as defined in the Terms of Reference, is to decide on any servicing of operational requirements for the review, including independent resources to undertake a review of the Heritage Strategy.

The Heritage Project Fund has been identified as a potential source for funding this work, however the proposed approach does not fit current funding criteria, which is currently worded as funding projects that support the Waikato District Heritage Strategy, as opposed to funding which would enable a review of that strategy. A resolution is required to allow the Heritage Project Fund to be used for the purpose as stated in the Steering Group Terms of Reference.

Staff also recommend that Council does not make any other new funding commitments from the Heritage Project Fund while the review is taking place. This will not impact any existing commitments from the Heritage Project Fund towards heritage activities and longer-term decisions about the future of funds, such as the Heritage Project Fund, are to be considered by Council separately as part of the 2021-31 Long Term Plan.

2. RECOMMENDATION

THAT the Strategy and Finance Committee approves:

The Heritage Review Steering Group to utilise funding from the Heritage Project Fund towards the servicing of operational requirements of the heritage review, including independent resourcing, as defined in the Steering Group Terms of Reference and a pause on any new funding commitments from the Heritage Project Fund until the heritage review is completed.

3. BACKGROUND

On 17 May 2021, Mayor Allan Sanson (Mayor) updated elected members on his intention to establish a Heritage Review Steering Group. The Mayor also briefed the Waikato District Heritage Forum on the review at a Forum meeting on 21 May 2021.

The purpose of the Steering Group is to assess and consider Council's role in current heritage activity, including the Waikato District Heritage Strategy and the Waikato District Heritage Forum and to provide Council with recommendations with regard to Council's future involvement in heritage matters and activities.

The Steering Group members are Cr Gibb (Chair), Cr Smith and Cr Woolerton. The Steering Group will be supported by the Funding and Partnership Manager, the Planning and Policy Manager and other staff will provide advice to the Steering Group when specific expertise is required, including Resource Management Act and District Plan considerations.

One of the responsibilities of the Steering Group, as defined in the Terms of Reference, is to undertake a review of the Waikato District Heritage Strategy, the Waikato District Heritage Forum, any associated heritage activities or strategic documents and to decide on any servicing of operational requirements for the review, including independent resources to undertake a review of the Heritage Strategy.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

The Heritage Project Fund has been identified as the source for supporting an independent contractor to undertake the review, to be overseen by the Steering Group and to engage throughout the review with key heritage stakeholders including individuals and groups in the Waikato District Heritage Forum.

The proposed approach to funding an independent contractor to be able to undertake this work does not fit current funding criteria, as the fund's purpose is to support projects to support the Waikato District Heritage Strategy, rather than the actual review of the strategy itself. There is limited staff capacity to conduct a review of the Heritage Strategy internally at present. As this proposed approach does not fit current criteria, Council will need to resolve that the Heritage Project Fund can be used for this purpose.

Staff also recommend that Council does not make any other new funding commitments from the Heritage Project Fund while the review is taking place. This will not impact any existing commitments from the Heritage Project Fund towards heritage activities. The intention of the pause is to provide funding certainty to the Steering Group on any commitments towards independent resourcing while the review is taking place.

4.2 OPTIONS

The options available to the committee are to:

- 1) Resolve that the Heritage Project Fund can be used for the purpose of independent resourcing to enable the review to take place.
- 2) Not support the resolution – which would mean that a review would have to take place at a later date when there is staff resourcing available to undertake this work. This would not be possible in the 2021 calendar year with current work programme priorities.

4.3 FINANCIAL

There are sufficient funds available to cover the cost of the proposed approach to funding the independent resource from the existing Heritage Project Fund budget. There are no additional financial implications for Council by undertaking this approach. Longer-term decisions about the future of funds, such as the Heritage Project Fund, are currently being considered by Council as part of the 2021-31 Long Term Plan and this report does not make any financial recommendations that relate to the longer-term status of this fund.

4.4 LEGAL

There are no legal considerations for the specific recommendations in this report, relating to the use of Heritage Project Fund support towards an independent contractor to undertake a review of heritage activity as outlined in the Steering Group Terms of Reference.

ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Council has undertaken public consultation for the LTP in accordance with Section 93A of the LGA.

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The recommendation in this report relates to a commitment of funding from the Heritage Project Fund to undertake a review of heritage activity at Council and for this reason it is only assessed as to 'inform'. However, the review itself will involve collaboration with heritage stakeholders in the district and in the Waikato Region (as a result of the funding commitment for independent resourcing to enable this to happen).				

5. CONCLUSION

The recommendations in this report will ensure that the Heritage Review Steering Group can undertake a review of heritage activity in a timely manner and will ensure adequate resourcing to involve and collaborate with heritage stakeholders, as defined in the Terms of Reference.

6. ATTACHMENTS

1. Heritage Review Steering Group - Terms of Reference
2. Heritage Project Fund - Current Guidelines

Heritage Review Steering Group

Terms of Reference

Chairperson:	Cr Gibb – Chairperson Strategy & Finance Committee
Membership:	Cr Smith Cr Woolerton
Meeting frequency:	As and when required
Quorum:	A majority of members (including vacancies)

Purpose

The purpose of the Heritage Review Steering group is to assess and consider the Council's role in current heritage activity, including the Waikato District Heritage Strategy and the Waikato District Heritage Forum, and to provide the Council with recommendations for the future state of heritage activity.

Membership

The Steering Group members are:

- Cr Gibb – Chairperson
- Cr Smith
- Cr Woolerton

The Steering group will be supported by the Funding and Partnership Manager, the Planning and Policy Manager, and other staff will provide advice to the Steering Group when specific expertise is required, including Resource Management Act and District Plan considerations.

Roles and Responsibilities

The Steering Group will:

- Assess the Council's current role in heritage activity, including both activities required by legislation and activities at the discretion of Council,
- Undertake a review the Waikato District Heritage Strategy, the Waikato District Heritage Forum, and any associated heritage activities and strategic documents,
- Decide on any servicing of operational requirements for the review, including independent resources to undertake a review of the Heritage Strategy, to be funded from the Heritage Project Fund,
- Work with Waikato-Tainui and hapuu representatives throughout the review period,
- Engage with current and prospective partner organisations throughout the review period, including heritage groups and stakeholders operated within Waikato District (including heritage organisations that may operate across territorial authority boundaries), neighbouring territorial authorities, Waikato Regional Council and central government,
- Provide the Council with recommendations for the future state of heritage activity in a timely manner, including recommended policies and strategies, partnership arrangements, regional and strategic matters, and other matters of particular interest or concern to heritage communities that have been raised through the review process.

Heritage Project Fund Guidelines

Background of fund

Council adopted the Waikato District Heritage Strategy in 2014. A Heritage Forum has been convened that provides a combined community and Council approach to preservation of heritage and work towards implementing the strategy. Actions within the strategy guide the direction for the Council and community for heritage protection. Some actions will require monetary assistance either from Council or through external source. Council has established the Heritage Project Fund as a means to resource projects identified through the forum and that meet the goals of the Waikato District Heritage Strategy. The Heritage Project Fund Policy will provide the guide for distribution of these funds.

Timing of applications

Funding is considered over three rounds February, June and October (refer to the website for further information).

Application form

Heritage Project Fund Application Form and the supporting documentation relevant to the project are to be provided when making any application for funds.

Policy Statement

1. This fund is provides for projects that are to be under taken to support the Waikato District Heritage Strategy.
2. Funds are contestable and will be allocated in a manner consistent with the Heritage Strategy and the criteria outlined in this policy.
3. Grants can be sought for heritage projects to be completed within one of the heritage areas identified through the Heritage Forum.
4. This fund is available for heritage groups who are working for the betterment of the wider community and identify with the goals of the Heritage Forum.
5. Funding is capped at \$40,000 per year, district wide and to be distributed at the discretion of the Heritage Project Assessment Team.

Assessment criteria

Applications are required to meet the following criteria:

1. Applications are for heritage related projects only which have a community benefit.
2. Grants up to \$5000 can be funded up to 100% at the discretion of the Assessment Team. For grants above \$5000 a funding cap of 75% applies (whichever is the greater) and other funding needs to be sought. Funds cannot be uplifted until all sufficient funds for the project are approved.
3. Applications will be accepted from community groups, non-commercial groups, voluntary organisations or individuals who are working in conjunction with the Heritage Forum.

Applications need to include a project plan which describes:

1. What the project is about
2. Staging (if applicable) for any part of the project
3. A timeline
4. Details of how the monies sought will specifically be used
5. How the balance of the monies (if applicable) required for the project will be obtained
6. A detailed budget for the project

More than one application for a grant within a 12 month period may be applied for provided that the grant being sought is for a different project and an accountability statement has been completed. Grants will not be considered for projects that have already occurred / projects completed (i.e. no retrospective funding).

Grants will not be given to oppose consent decisions, attend conferences or to contest legal cases.

Applications from commercial entities will not be considered.

Funds will be paid to the supplier of the goods upon receipt of their invoice.

The fund will be made available for application over 3 rounds per year.

Incomplete or non-complying applications will not be considered. If an application is considered to be incomplete the applicant will be given five working days to submit the required outstanding information. If the required information is not received within five working days the entire application will be returned to the applicant.

Accountability

1. Successful applicants will be notified in writing of the grant.
2. An invoice will need to be provided from your organisation in order for payment to be made.
 - **For non GST registered groups GST is included in the amount granted.**
 - **An invoice will need to be provided that includes:**
 - Only the total amount funded and the statement “Our organisation is not registered for GST”.
 - **For GST registered groups GST is paid on top of the amount granted.**
 - **An invoice will need to be provided that includes:**
 - Your organisations full name, address and GST registration number.
 - The words “Tax Invoice” in a prominent place (the words “Invoice” or “GST Invoice” are not acceptable).
 - The GST exclusive price, the total amount of the GST charged, then the total cost.
3. For projects above \$10,000 funds cannot be uplifted until all sufficient additional funds for the project are approved.
4. Project updates will be required on a basis relevant to the size of the project.

5. Successful applicants **must** complete a project accountability report within 2 months of the completion of the project.

Successful applicants will be required to:

1. Publicly acknowledge Council support received on brochures or sponsorship boards.
2. Expend grants within 12 months of approval (If the monies cannot be expended within a 12 month period, applicants will need to apply in writing for an extension of the grant).

Open Meeting

To	Strategy and Finance Committee
From	Clive Morgan General Manager Community Growth
Date	31 May 2021
Prepared by	Julie Dolan Economic and Community Development Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 3133288
Report Title	Update on Economic and Community Development Work Programme – June 2021

1. EXECUTIVE SUMMARY

The Economic and Community Development Manager will be in attendance to give a verbal update on the work programme attached.

2. RECOMMENDATION

THAT the report from the General Manager Community Growth be received.

3. ATTACHMENT

Table of Economic and Community Development activities, incorporating programmes from Recovery and proposed Blueprints and Community Aspirations.

APPENDIX I

Community Resilience Programme	
Activity	Partners and contributions
<p>Community-Led development</p> <p>Community-Led Development (CLD) training took place in Tuakau in March with over 25 attendees representing their respective areas and groups. Community Waikato and our Community-Led Development Officer (Lianne van den Bemd) continue working with individual groups from this training and are in the process of setting dates for continued CLD support in the northern part of our district. The next wave of training will commence in June 2021.</p> <p>The Community-Led Development Officer has been engaged in three Police hui's across the district (Tuakau, Pokeno and Te Kohanga) working with partners to understand current community issues and is discussing outcomes with regional partners to secure any additional support that may be required to create local community projects.</p> <p>Community-Led development continues to be promoted and opportunities investigated in Pokeno. The CLD programme will look to engage with community groups to build up their capability to govern, secure financial assistance, build trust deeds and to manage future community projects. This programme will support communities to manage some of their Blueprint initiatives and other community aspirations.</p>	<p>Community Waikato and Department of Internal Affairs.</p> <p>Partnering to deliver training to our community groups.</p> <p>Police, local community groups and community agencies.</p>
<p>Discussions are taking place with Trust Waikato and Department of Internal Affairs to support the Port Waikato Community where there has been a request for the Community-Led Development Programmes. In the first instance, we delivered a workshop to promote Arts funding.</p>	<p>Community Waikato and Department of Internal Affairs.</p>

Community Resilience Programme	
Activity	Partners and contributions
<p>Approvals were given by Council's Infrastructure Committee, in April 2021 for the building of an extension to 43 Harris Street Huntly, as a result of a private donor to the Huntly community. Huntly Friendship House, the community group receiving the donation on behalf of the community, are working with the ECD team and Service Delivery team to activate this project together.</p>	<p>Private Investor, Huntly Friendship House, Council's Property team.</p>
<p>Work continues with the Huntly Museum to build their capabilities and to develop a clear business plan for the future of the Museum. Work is being progressed linking the Museum's assets to re-locate to the Huntly Railway Station.</p> <p>An art strategy development for Huntly is being progressed with the community group called Arts Huntly. A working party has been established to engage with the wider Huntly Community to assess future aspirations around art opportunities for the Huntly community. An application has been made on behalf of this group for \$18,000.</p> <p>Work continues with the Matangi Heritage cluster group to support a Blueprint heritage signage project for Matangi, Tauwhari, Tamahere and Eureka.</p> <p>Tauwhari Community Committee are continuing the iconic sculpture project with the support of the Community-Led Development Officer and this project is looking to be completed by September 2021.</p>	<p>Community Waikato, Property Team, Vishal Ramduny (Strategic Projects Manager) and Kiwi Rail, plus Council's Engineering team.</p> <p>Creative Waikato, local Arts Groups and Council's Funding and Partnership team.</p>

Community Resilience Programme	
Activity	Partners and contributions
<p>Youth engagement and employment</p> <p>Our Youth Advisor (Joe Wilson) represents the feedback from grass root youth providers from the district and seeks regional support through its strategies and designs. Connecting and bringing new youth engagement opportunities to the district: Two new projects commenced this quarter.</p> <ol style="list-style-type: none"> 1. A Raglan youth hui took place on 10 March and connected youth workers, employers and local youth providers to discuss local youth employment and engagement in the town of Raglan. The Raglan Area school has started an employer engagement project for 15-year old's linking family, employers and teachers to support youth into employment. The next meeting will take place in June and will be focused on three or four specific topics around disengaged youth and pathways to employment. 2. Huntly youth who have been identified as not engaged in education or community activities have commenced a youth engagement initiative through the Huntly Golf Club. <p>The Youth Advisor has commenced work with the Youth Development Team of Kainga Ora as part of their Community-Led Development Programme for the Te Kauwhata area.</p>	<p>Waikato Plan partners, Ministry of Education, Wintec, MSD, MYD and youth providers.</p> <p>Ministry of Education, Raglan Employers and Waikato Plan.</p> <p>Ministry of Youth and Education, Huntly Youth Providers and Genesis.</p> <p>Kainga Ora and MSD.</p>
<p>Tuakau Youth Centre has been working with the Youth Advisor to seek funding support from various providers. Further work is required to support sustainable funding for the group.</p>	

Economic Development Programme	
Activity	Partners and contributions
<p>Promoting Waikato for investment</p> <p>The Economic Development (ECD) team led the Memorandum of Understanding (MOU) between Auckland Unlimited and Auckland Council with Waikato District Council. His Worship, Mayor Allan Sanson and the Chief Executive (Gavin Ion) of Waikato District Council travelled to Auckland to celebrate the signing of the MOU. The ECD Team and Auckland Unlimited are continuing to work together on their first business investment programme around Hampton Downs.</p> <p>The ECD Manager is taking a lead role in the development of a framework for improving the customer experience for major strategic investors and developers. In order to compete effectively for future growth, internal operations and processes are to be reviewed to identify Waikato District Council as being a place that makes Developer/Employer investment easier.</p>	<p>Auckland Unlimited and MSD.</p> <p>Internal operations across Council.</p>
<p>Business Growth</p> <p>MSD and Wintec are meeting with the ECD team to pull together a skills and training package on behalf of Sleepyhead to grow local skills to prepare for new employment opportunities from Ohinewai.</p> <p>Two new Economic Development / Key Account Managers are currently being recruited. These new roles responsibilities includes managing significant investment opportunities into the district.</p>	

Economic Development Programme	
Activity	Partners and contributions
<p>Economic and Social Survey</p> <p>The follow up Economic and Social Survey has been completed. Full analysis has taken place and a full presentation to Council will take place in June.</p>	SIL Research
Business leadership and development	
Activity	Partners and contributions
<p>The ECD team continue to attend Regional Economic meetings to represent the district and continue to work with Te Waka and other Regional Economic partners to drive.</p>	

LGFA Quarterly Report to Shareholders

March Quarter 2021

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Quarter 2: 2020 - 2021
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A. March quarter highlights

Quarter	Total	Bespoke Maturity	April 2022	April 2023	April 2024	April 2025	April 2026	April 2027	April 2029	April 2033	April 2037
Bonds issued \$m	400	N/A	-	-	100	-	50	60	100	-	90
Term Loans to councils \$m	352.5	228.5	-	-	5.0	10.0	5.0	102.0	2.0	-	-
Term Loans to councils #.	19	9	-	-	1	2	1	5	1	-	-

Financial Year to Date	Total	Bespoke Maturity	April 2022	April 2023	April 2024	April 2025	April 2026	April 2027	April 2029	April 2033	April 2037
Bonds issued \$m	2,300	N/A	450	110	200	60	200	160	360	100	660
Term Loans to councils \$m	2,090	817.1	6.0	49.0	50.8	112.2	329.0	186.5	485.0	4.4	50.0
Term Loans to councils #.	120	62	2	5	11	18	23	19	14	1	1

Key points and highlights for the March quarter:

- The LGFA bond yield curve rose and steepened for the second consecutive quarter. Front end yields rose less than back-end yields e.g. 2023 LGFA bond yields closed the quarter 0.12% higher at 0.54% and 2037 yields were up 0.96% to 2.93%. Global bond markets also experienced similar curve steepening on reflation fears and a more resilient global economic outlook.
- LGFA issued \$400 million of bonds during the quarter across two tenders of \$200 million each. The average term of issuance during the quarter was 8.03 years.
- LGFA borrowing margins were mixed with spreads to swap narrower by 11 bps (2037s) and wider by 4 bps (2027s) during the quarter. LGFA spreads to NZGB widened during the quarter on the improved fiscal outlook implying future reductions in NZGB supply.
- Long dated lending to councils during the quarter of \$352.5 million was less than the December 2020 quarter loans of \$632.3 million, while the average term of lending during the quarter at 5.97 years was also less than the prior quarter's 6.77 years. It was still longer however than the 2019-20 financial year average of 5.42 years.
- LGFA has estimated market share of 81.8% of total council borrowing for the rolling twelve-month period to March 2021 (compared to a historical average since 2012 of 74%).
- Short-term lending to councils has reduced with loans outstanding of \$297.1 million on 31 March 2021. This was a decline of \$50 million over the quarter as councils are more comfortable with holding lower levels of liquidity. The number of councils using this product was unchanged at twenty-six.
- S&P Global Ratings upgraded our long-term domestic currency rating to AAA and the foreign currency rating to AA+.
- LGFA Net Operating Gain (unaudited) for the nine-month period to 31 March 2021 was \$10.583 million which was \$1.815 million above budget, comprising total operating income at \$1.562 million above budget and expenses at \$253k below budget.
- We are meeting seven out of our ten performance objectives with our council loans, market share and number of council visits currently below our target.
- Napier City Council joined LGFA during the quarter bringing total membership to seventy-two while Central Hawkes Bay District Council moved from being a non-guarantor to a guarantor (bringing the number of guarantors to sixty-three). We are expecting a further two councils to join over the next twelve months.

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B. LGFA bond issuance during quarter

LGFA held two bond tenders during the quarter amounting to \$400 million of issuance.

Tender 78: 03 February 2021

\$200 million

Tender 78 - 03 February 2021	15-Apr-24	15-Apr-27	20-Apr-29	15-Apr-37
Total Amount Offered (\$million)	60	60	40	40
Total Amount Allocated (\$million)	60	60	40	40
Total Number of Bids Received	8	10	11	15
Total Amount of Bids Received (\$million)	120	125	73	114
Total Number of Successful Bids	5	5	7	5
Highest Yield Accepted (%)	0.645	1.170	1.505	2.375
Lowest Yield Accepted (%)	0.610	1.115	1.470	2.355
Highest Yield Rejected (%)	0.670	1.205	1.550	2.510
Lowest Yield Rejected (%)	0.645	1.170	1.505	2.375
Weighted Average Accepted Yield (%)	0.631	1.579	1.490	2.374
Weighted Average Rejected Yield (%)	0.654	1.182	1.518	2.402
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	50	80	72	81.8
Coverage Ratio	2.00	2.08	1.83	2.85
NZGB Spread at Issue (bps)	17.00	31.00	35.00	48.00
Swap Spread at Issue (bps)	9.25	18.75	27.25	58.25
Swap Spread: AA council (bps)	31.25	45.25	48.75	78.5
Swap Spread: AA- council (bps)	36.25	50.25	53.75	83.5
Swap Spread: A+ council (bps)	41.25	55.25	58.75	88.5
Swap Spread: Unrated council (bps)	51.25	65.25	68.75	98.5
Coverage Ratio	2.00	2.08	1.83	2.85

The tender outcome was a great result with good volume of bids and good price tension. Price support was strong across the curve with the weighted successful average yield of each bond at mid-market yields.

However, the range of successful bids was unusually wide at between 2 bps and 6 bps and this reflected the intraday volatility and the NZDM issuing \$3.5 billion of a new May 2026 NZGB via syndication at the same time as our bond tender. Bidding volume was good with the overall bid coverage ratio of 2.16x acceptable but slightly below the 2.3x average for the past two years. The bid coverage ratios were consistent and ranged between 1.83x (2029s) and 2.85x (2037s).

Spreads to NZGB were tighter by 4 bps on the 2029s and 7 bps tighter on the 2037s compared to the December tender and issuance spreads to swap were 1.7 bps tighter on the 2029s and 3.7 bps tighter on the 2037s.

The tender size of \$200 million has become the new norm with the past ten bond tenders being of this size and reflects both our larger forecast borrowing requirement (\$3.0 billion in the 2020-21 financial year) and the support provided to the market by the RBNZ LSAP programme.

The average maturity of the \$200 million of LGFA bonds issued in the tender was 7.70 years while we on-lent \$149 million to six councils in the with an average term of lending of 6.8 years.

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Tender 79: 10 March 2021

\$200 million

Tender 79 - 10 March 2021	15-Apr-24	15-Apr-26	20-Apr-29	15-Apr-37
Total Amount Offered (\$million)	40	50	60	50
Total Amount Allocated (\$million)	40	50	60	50
Total Number of Bids Received	8	11	8	22
Total Amount of Bids Received (\$million)	85	114	77	133
Total Number of Successful Bids	1	2	4	1
Highest Yield Accepted (%)	0.915	1.495	2.170	2.990
Lowest Yield Accepted (%)	0.915	1.495	2.120	2.990
Highest Yield Rejected (%)	1.010	1.600	2.275	3.200
Lowest Yield Rejected (%)	0.935	1.495	2.190	3.030
Weighted Average Accepted Yield (%)	0.915	1.495	2.133	2.990
Weighted Average Rejected Yield (%)	0.964	1.543	2.227	3.079
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	100	90.9	100	100
Coverage Ratio	2.13	2.28	1.28	2.66
NZGB Spread at Issue (bps)	32.00	38.00	55.00	69.00
Swap Spread at Issue (bps)	12.25	24.50	37.00	58.50
Swap Spread: AA council (bps)	34.5	45.75	56.25	73.75
Swap Spread: AA- council (bps)	39.5	50.75	61.25	78.75
Swap Spread: A+ council (bps)	44.5	55.75	66.25	83.75
Swap Spread: Unrated council (bps)	54.5	65.75	76.25	93.75
Coverage Ratio	2.13	2.28	1.28	2.66

The tender result was good with a reasonable number of bids, good price tension and support for all the bonds on offer. Price support was better for the two end points of the curve with the weighted successful average yield of each bond at mid-market yields for the 2024s and 2037s. Demand was softer for the two mid curve bonds with the tender going 3 bps to 4 bps above mid-market.

Bidding volume was moderate with a coverage ratio of 2.05x (below the 2.16x last month and the 2.3x average for the past two years). The bid coverage ratios were mixed and ranged between 1.28x (2029s) and 2.66x (2037s). The number of successful bids were one each for the 2024s and 2037s and two for the 2026s and four for the 2029s.

Issuance conditions were more difficult than usual with the selloff in yields, steepening in the curve and a large amount of global bond market volatility. The RBNZ had stopped buying LGFA bonds in the LSAP the prior fortnight and most high-grade spreads (including LGFA) had widened.

The average maturity of the LGFA bonds issued was 8.36 years which was in line with the average for financial year to date of 8.41 years (that includes the 2037 syndication) but much longer than the 6.74 years in the prior 2019/20 financial year.

While we issued \$200 million of LGFA bonds we on-lent \$98.5 million to seven councils with an average term of lending of 6.0 years (72 months). Our issuance term was again longer than the term of our lending.

Quarterly Report

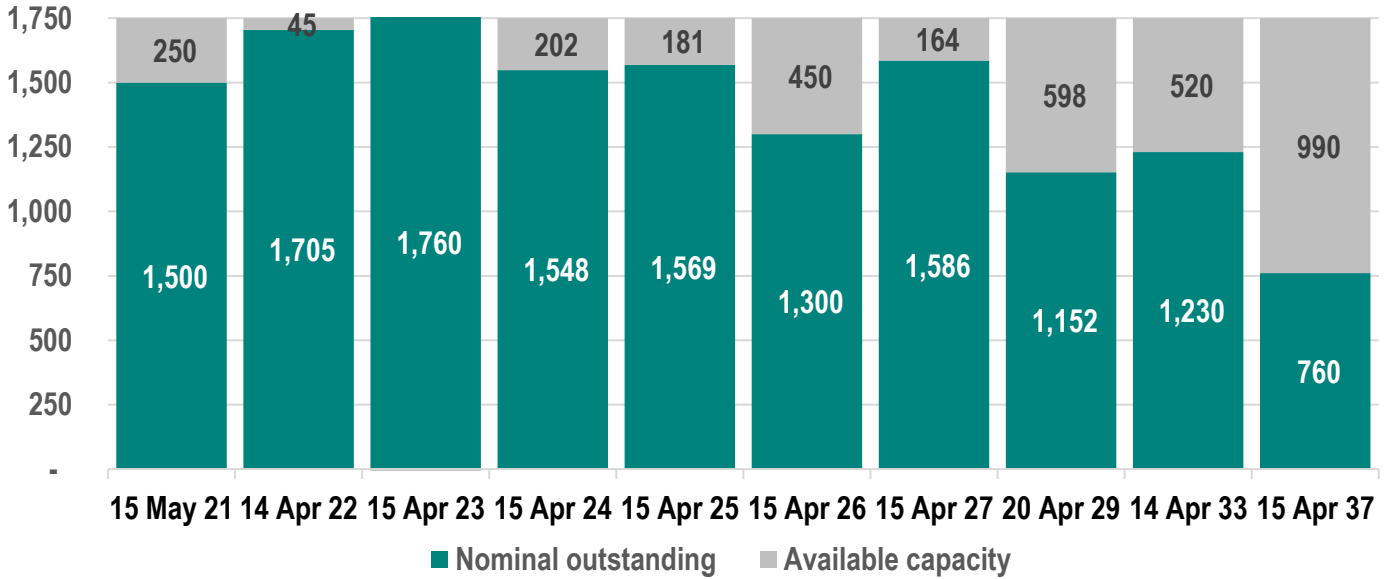
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Bonds on issue as of 31 March 2021 were \$14.11 billion (including \$950 million of Treasury Stock) across ten tranches. We currently have a soft cap per maturity of \$1.75 billion.

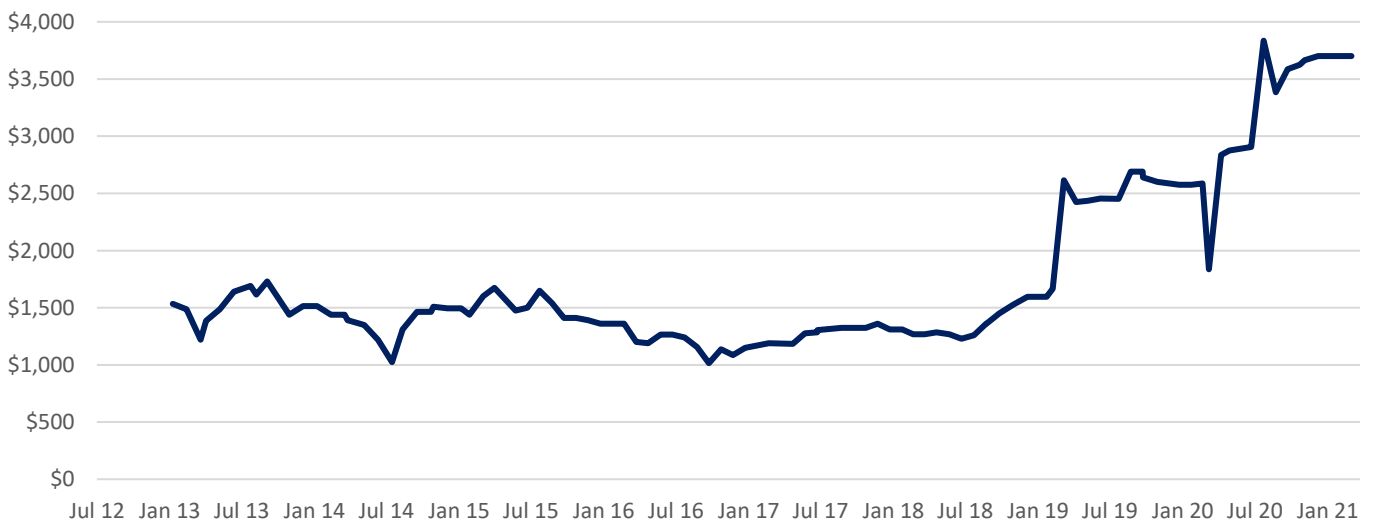
LGFA retail bonds on issue (NZ\$ million)

As 31 March 2021: NZ\$ 14,110 million
 Includes NZ\$950 million treasury stock



In addition to the retail bonds listed on the NZDX, LGFA has NZ\$130 million of Wholesale Floating Rate Notes on issue. Our issuance volume on a rolling 12-month basis of \$3.6 billion remains near historic high levels.

Rolling 12 month Issuance (\$ millions)



Quarterly Report

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Period ended: 31 March 2021

C. Summary financial information (provisional and unaudited)

Financial Year (\$m)	YTD as at Q1	YTD as at Q2	YTD as at Q3	YTD as at Q4
Comprehensive income	30-Sep-20	31-Dec-20	31-Mar-21	30-June-21
Interest income	93.38	190.41	287.12	
Interest expense	82.22	180.52	271.24	
Net interest revenue	4.16	9.89	15.88	
Other operating Income			0.07	
Total operating income	4.16	9.89	15.96	
Issuance and On-lending costs	0.73	1.40	1.95	
Approved issuer levy	Nil	0.59	0.59	
Operating expenses	0.93	1.95	2.84	
Issuance and operating expenses	1.66	3.94	5.38	
Net Profit	2.51	5.95	10.58	

Financial position (\$m)	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21
Retained earnings + comprehensive income	60.25	63.69	68.32	
Total assets (nominal)	13,317.68	13,852.05	14,285.22	
Total LG loans (nominal)	11,906.65	12,289.67	12,349.38	
Total LGFA bills (nominal)	594.50	612.50	620.00	
Total LGFA bonds (nominal)	12,290.00	12,890.00	13,290.00	
Total borrower notes (nominal)	195.92	207.10	210.91	
Total equity	85.24	88.69	93.32	

D. Key performance indicators (Section 5 of SOI)

Section 5 of the SOI sets out the ten key performance targets for LGFA.

We are meeting seven out of our ten performance targets and are optimistic on meeting one further target (council lending) by June 2021. Our market share is lower than expected due to Auckland Council, Christchurch City Holdings and Dunedin City Treasury issuing bonds over the past nine-month period. COVID disruptions and council focus on finalising annual reports for the June 2020 year and working on the draft LTPs has meant that we have not been able to meet with as many council members as expected.

Measure	Prior full year to June 2020	Q1 30 Sept 2020	Q2 31 Dec 2020	Q3 31 Mar 2021	Q4 30 June 2021
LGFA net interest income for the period to June 2021 will be greater than \$18.8 million	Target (\$)	\$4.6 m (YTD as at Q1)	\$9.2 m (YTD as at Q2)	\$14.4 m (YTD as at Q3)	\$18.8 m (FULL YEAR)
	Actual (\$)	\$18.28 m ✗	\$9.9 m ✓	\$15.89 m ✓	
Annual issuance and operating expenses	Target (\$)	\$1.63 m (YTD as at Q1)	\$3.4 m (YTD as at Q2)	\$5.0 m (YTD as at Q3)	\$6.8 m (FULL YEAR)

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(excluding AIL) will be less than \$6.30 million	Actual (\$)	\$6.28 m	\$1.65 m On track	\$3.35 m ✓	\$4.79 m ✓	
Total nominal lending (short and long term) to participating councils to be at least \$11.66 billion	Target (\$)		\$11.45 b (YTD as at Q1)	\$12.19 b (YTD as at Q2)	\$12.62 b (YTD as at Q3)	\$11.66 b (FULL YEAR)
	Actual (\$)	\$10.899 b	\$11.91 b ✓	\$12.33 b ✓	\$12.35 b On track	
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	Target (\$)		Annual Survey in August each year			
	Actual (%)	100%	August 2020 survey outcome of 98.8% ✓			
Meet all lending requests from PLAs	Target (%)		100%	100%	100%	100%
	Actual (%)	100%	100% ✓	100% ✓	100% ✓	
Achieve 85% market share of all council borrowing in New Zealand	Target (%) Rolling annual average		>85%	>85%	>85%	>85%
	Actual (%)	85.7%	76.5% ✗	81.8% ✗	81.8% ✗	
Review each PLA financial position, its headroom under LGFA policies and arrange to meet each PLA at least annually	Target (number)		Council visits to total 67 over one year Financial Position + Headroom Review Undertaken in December Quarter			
	Actual	31	no council visits due to COVID travel difficulties ✗	22 council visits but behind plan due to COVID travel difficulties ✗	35 council visits but behind plan due to COVID travel difficulties ✗	
No breaches of Treasury Policy, any regulatory or legislative requirements including H&S	Target (zero breaches)		nil	nil	nil	nil
	Actual	Two	Nil ✓	Nil ✓	Nil ✓	
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due	Target (%)		100%	100%	100%	100%
	Actual (%)	100%	100% ✓	100% ✓	100% ✓	
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	Target (equivalence)		AA+/AA+			
	Actual	AA+/AA+	AA+/AA+ ✓	AA+/AA+ ✓	AAA/AA+ ✓	

Quarterly Report

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Period ended: 31 March 2021

E. Performance against SOI objectives

Primary objectives (Section 3 of SOI)

Primary Objective:

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 lending base margins are 20 bps for all borrowing terms. The base margin covers our operating costs and provides for capital to grow in line with the growth in our balance sheet. There is an additional credit margin added to the base margin depending upon whether a council has a credit rating or is a guarantor or non-guarantor of LGFA.

LGFA continues to borrow at very competitive spreads compared to the AAA rated SSA issuers (who borrow in the New Zealand debt capital markets), the domestic banks and our closest peer issuer Kainga Ora.

As at 31 March 2021	Comparison to other high grade issuers - secondary market spread to swap (bps)													
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2035	2037
LGFA (AA+)	3	6	11	16	21	23	27	31	33	36	38	40	47	53
Kainga Ora (AA+)		7		19	26		28		37				53	
Asian Development Bank (AAA)		4	11	15	20									
IADB (AAA)		6	11	17			36							
International Finance Corp (AAA)		6	11	17		23								
KBN (AAA)		8	13	20					39					
Rentenbank (AAA)	5	5	11	19										
World Bank (AAA)	5	4	10	16	21	25			36					
Nordic Investment Bank (AAA)		6		18										
ANZ (AA-)		26	30											
BNZ (AA-)		23		39										
Westpac Bank (AA-)	17	26	40	46	57									
SSA Average	5	6	11	17	21	24	36		38					
Bank Average	17	25	35	43										

During the quarter LGFA continued to issue long dated bonds (April 2033s and 2037s) providing councils with the opportunity to extend their borrowing if desired. Both bond tenders were successful.

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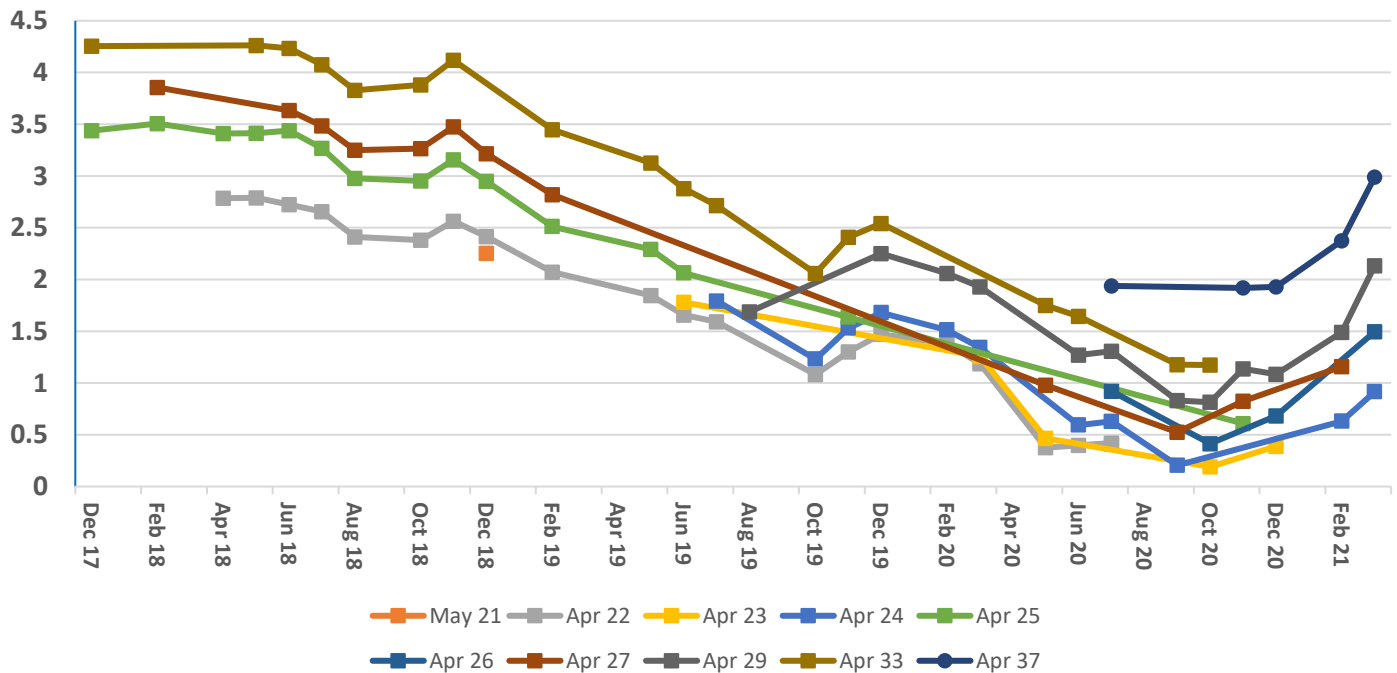
LGFA entered into standby facility agreements of \$100 million during the quarter, bringing total standby facilities outstanding to \$200 million.

The LGFA bond yield curve rose and steepened for the second consecutive quarter. Front end yields rose less than back-end yields e.g., 2023 LGFA bond yields closed the quarter 0.12% higher at 0.54% and 2037 yields were up 0.96% to 2.93%. Global bond markets also experienced similar curve steepening on reflation fears and a more resilient global economic outlook.

LGFA borrowing margins to swap narrowed between 11 bps (2037s) and widened by 4 bps (2027s) during the quarter due to ongoing demand for the very long dated bonds. LGFA spreads to NZGB widened during the quarter on the improved fiscal outlook implying further reductions in NZGB supply. The RBNZ reduced its weekly purchases of LGFA bonds through the Large-Scale Asset Purchase (LSAP) programme over the January-February period to zero by the end of February.

We closely monitor the Kauri market for ongoing supply and price action as this other high-grade issuance by “AAA” rated Supranational issuers such as the International Finance Corporation (IFC), Inter-American Development Bank (IADB) and the Asian Development Bank (ADB) influences LGFA demand and pricing. These borrowers are our peer issuers in the NZD market and have the most influence on our pricing. The March quarter was another very quiet period for Kauri bond issuance except for Asian Development Bank issuing \$700 million of a seven year and KBN (our Norwegian peer agency) issuing \$125 million of a nine- and half-year bond. Issuance activity by global issuers in New Zealand is subdued as they can achieve more favourable borrowing terms in currency markets other than the NZD. Kauri bond maturities in the quarter were \$2.65 billion with a further \$2.2 billion in the June quarter.

LGFA Bond Issuance Yields (%)
 last 30 tenders

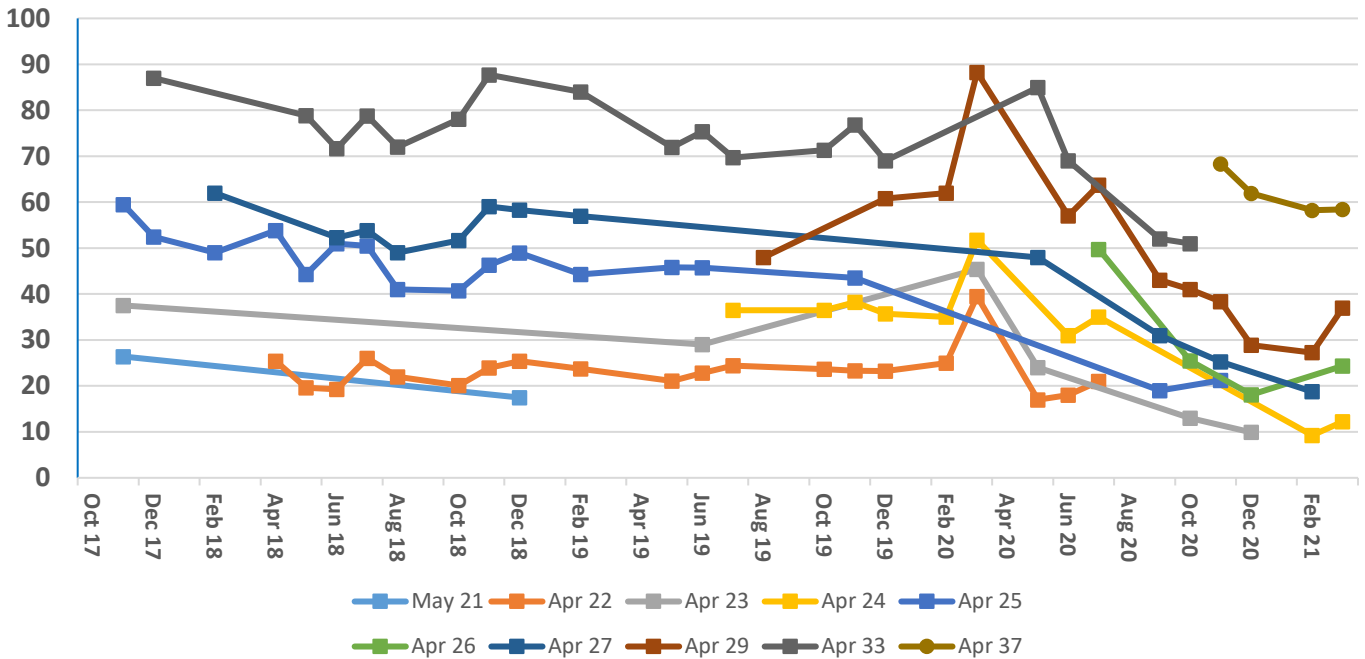


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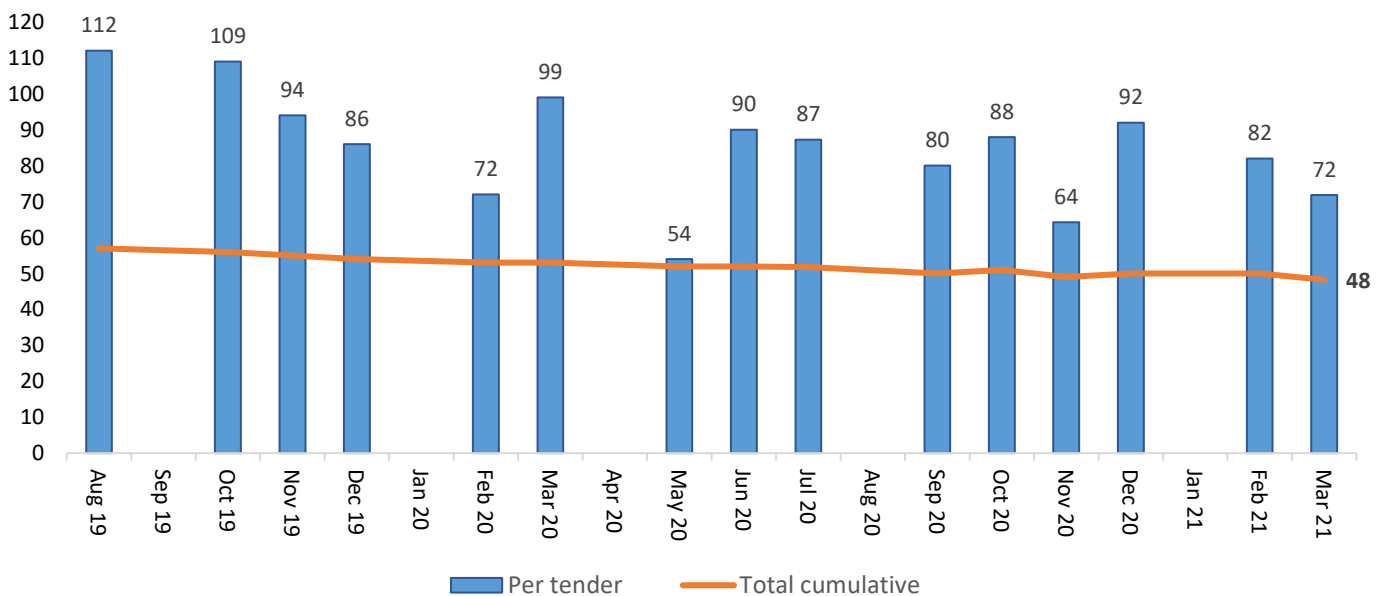


Spread to Swap at Tenders (bps)
 last 30 tenders



The average borrowing term (excluding short-dated borrowing) for the March quarter by council members was 5.97 years which was longer than the average term of 5.42 years for the year to June 2020 but shorter than the prior two quarters. Councils for several reasons remain reluctant to borrow beyond ten years despite tight credit spreads.

Average total months to maturity - On-lending to councils
 Last 15 tenders



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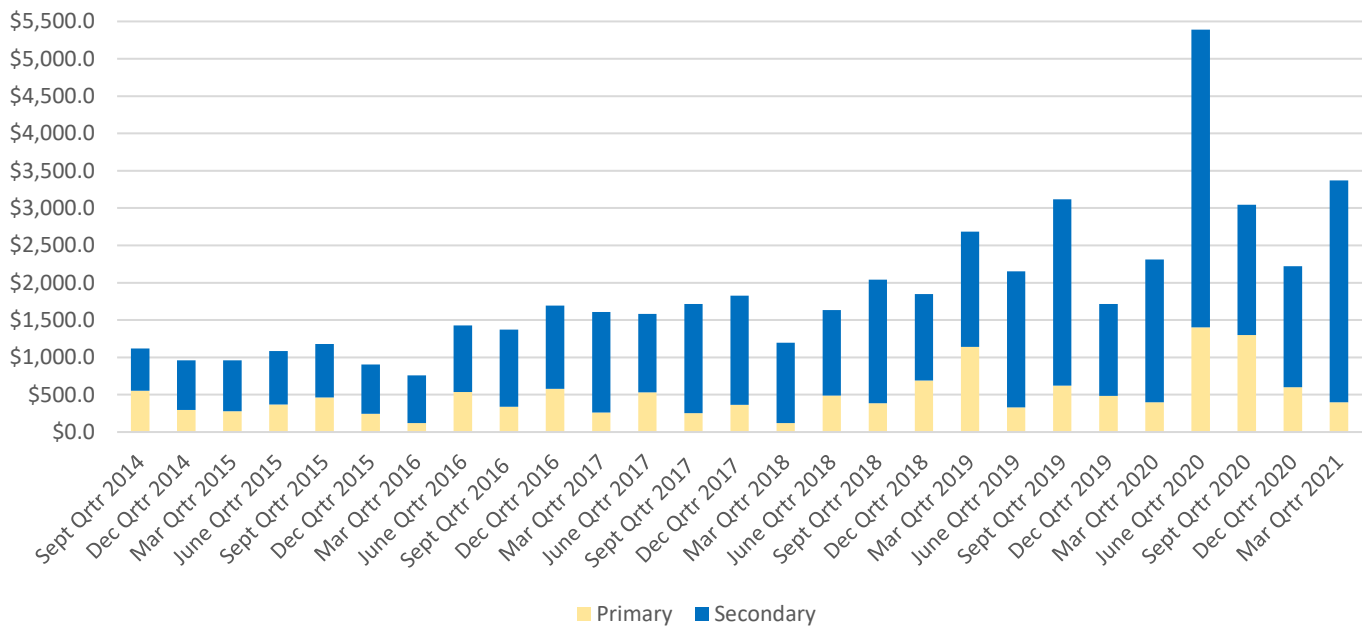


Short-term borrowing by councils with loan terms of between one month and 12 months remains well supported with \$297 million outstanding as at 31 March 2021 to twenty-six councils. The number of councils using this product was unchanged over the quarter while the total amount outstanding decreased by \$50 million.

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 high turnover implies a healthy market.

Activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors) during the quarter was the second highest on record. There was \$400 million of primary issuance and \$1.97 billion of secondary market activity in LGFA bonds during the quarter.

LGFA Primary and Secondary Market Activity - Quarterly (NZ\$ million)



LGFA commenced issuing LGFA Bills and short dated (less than 1 year) lending to councils in late 2015. As at 31 March 2021 there were \$620 million of LGFA Bills on issue. We use proceeds from LGFA bills to fund short term lending to councils and invest the balance in our liquid asset portfolio.

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.

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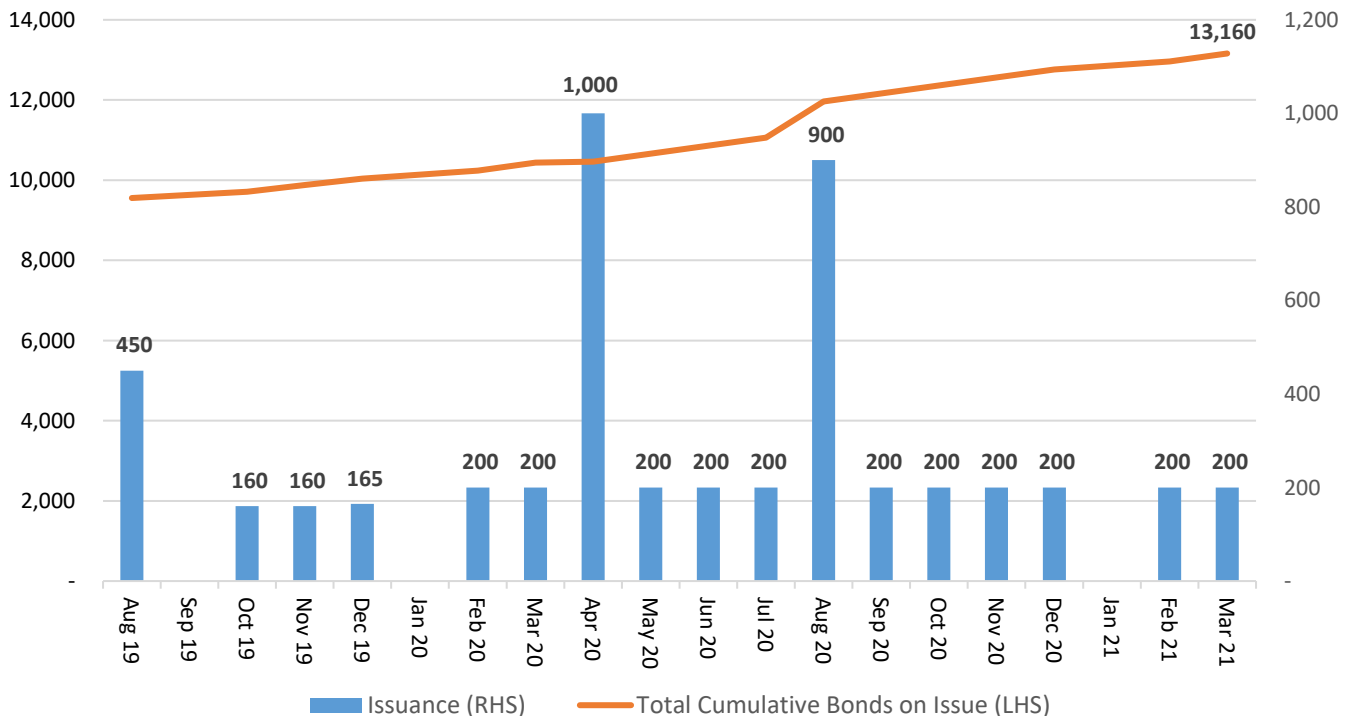


Tender bid coverage ratio
 Last 15 tenders



LGFA bond issuance (\$ million)

Last 15 tenders and syndications. Excludes issuance of treasury stock (\$950m)



We survey our council members each year on their satisfaction with LGFA and the latest stakeholder survey result in August 2020 was a 99% result to the question “How would you rate LGFA in adding value to your borrowing requirements?”. We also received a 97% result to the question “How satisfied are you with the pricing that LGFA has provided to your Council?”

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Primary Objective:

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.**

Following the lifting of COVID-19 travel restrictions that were in place during the previous two quarters, we commenced council visits again in the later months of 2020. We met with thirty-five councils over the past nine months and that number will increase in the June quarter. LGFA continues to review council agendas and management reports on an ongoing basis for those councils on the LGFA borrower watch-list. We have been engaging with councils as they release their Draft Long-Term Plans if we have had concerns with them.

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

During the quarter, we continued to focus on exploring opportunities in the Green, Social and Sustainable lending to councils. The Board and management met with representatives from Central Government on the proposed water reforms. 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.

We continue to assist the sector and their advisers in finding ways for LGFA to play a supporting role in providing solutions to off balance sheet financing for councils. LGFA has been contributing expertise to the proposed Ratepayer Financing Scheme (RFS).

Additional objectives (Section 3 of SOI)

1. **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 ("S&P") and Fitch Ratings ("Fitch") 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.

On 22 February 2021, S&P upgraded our long-term local currency credit rating to AAA and our long-term foreign currency credit rating to AA+. Both ratings are the same as the New Zealand Government.

On 4 November 2020, Fitch reaffirmed 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

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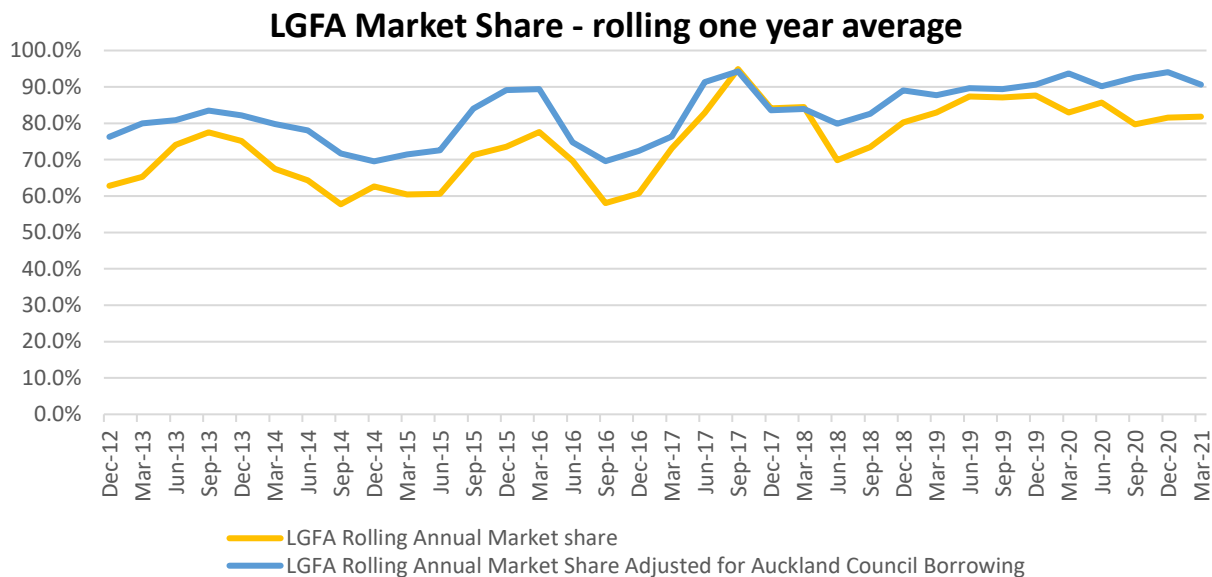
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Period ended: 31 March 2021



those of the New Zealand Government. On 28 January 2020 Fitch placed our foreign currency credit rating of AA on positive outlook but left the local currency credit rating unchanged at AA+ with a stable outlook.

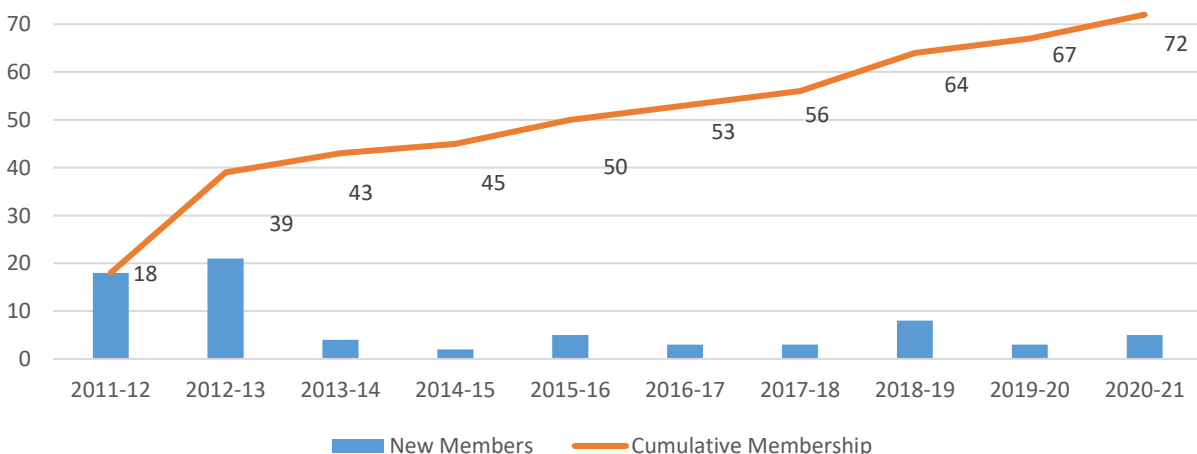
2. Provide at least 85% of aggregate long-term debt funding to the Local Government sector.

We use the PwC Local Government Debt Report as our source of market share. Our estimated market share for the rolling twelve-month period to 31 March 2021 was 81.8%. If we adjust for Auckland Council borrowing, then it increases to 90.6%. This compares to a historical average of 73.7% and our market share is strong compared to our global peers.



As at 31 March 2021, there are seventy-two participating local authority members of LGFA. This was an increase of one over the quarter with Napier City Council joining as a guarantor. We estimate a further two councils could become members in the next twelve months. Hawkes Bay District Council during the quarter moved from being a non-guarantor to a guarantor, bringing the number of guarantors to sixty-three.

Council Membership (as at 31 March 2021)



Quarterly Report

Quarter 2: 2020 - 2021
 Period ended: 31 March 2021



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.

For the nine-month period to 31 March 2021, Net Interest Income (“NII”) was estimated on an unaudited basis to be \$1.49 million above budget while expenses are \$253k below budget. Net Operating Gain of \$10.58 million was \$1.82 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. We have used these swaps to 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 \$1.08 million.

Expenses for the nine-month period on an unaudited basis were \$5.377 million which is \$253k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$1.95 million were \$70k below 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 from lower fees than budgeted relating to the NZDM facility.
- Operating costs at \$2.84 million were \$173k below budget due to lower travel and IT consulting costs offset by higher legal 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 in line with our SOI forecasts.

4. Meet or exceed the Performance Targets outlined in section 5.

See Section D on page 6 of this report.

As at 31 March 2021 we were meeting seven out of the ten performance targets but are confident that we will meet another target by 30 June 2021.

5. 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 are made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no Health and Safety incidents during the quarter.

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

There were no compliance breaches during the nine-month period ending 31 March 2021.

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

Shareholders on 30 June 2020 approved a change to the Foundation Policy covenants. For the financial year ending 30 June 2021 the net debt/total revenue covenant for council borrowers with an external credit rating of at least ‘A+’

Quarterly Report

Quarter 2: 2020 - 2021
 Period ended: 31 March 2021



has been increased from 250% to 300%. This is to provide short term relief from a temporary reduction in revenue and allows councils to coinvest alongside central Government in infrastructure projects in response to COVID-19

As mentioned previously, LGFA has been contributing expertise to the Ratepayer Financing Scheme project that if successful could offer temporary financial relief to ratepayers via rates postponement.

LGFA has introduced a new lending Standby Facility product that will provide greater certainty of access to emergency funding for councils at a lower cost than going to the traditional bank provider.

LGFA has extended the longest dated lending maturity for councils from 2033 to 2037 to enable councils to be better match assets with liabilities and to benefit from record lows in interest rates and borrowings spreads.

F. Investor relations

Managing relations with our investor base is very important as the amount of LGFA bonds on issue has yet to peak and we require investors and banks to support our ongoing tender issuance.

Over the three-month period to 31 March 2021 we issued \$400 million of LGFA bonds and there were no bond maturities. The change in holdings amongst our investor groups during the quarter was

- Offshore investor holdings increased by \$289 million (but reduced by \$169 million from 31 March 2020) and holdings are estimated to be \$3.05 billion on 31 March 2021.
- Domestic bank holdings decreased by \$532 million (but down \$255 million from 31 March 2020), and holdings are estimated to be \$3.90 billion on 31 March 2021.
- Domestic investor (retail and institutional) holdings increased by \$551 million (and up \$1.27 billion from 31 March 2020), and holdings are estimated to be \$4.36 billion as of 31 March 2021.
- The Reserve Bank of New Zealand (RBNZ) increased their holdings by \$113 million over the quarter and held \$1.91 billion as at 31 March 2021.

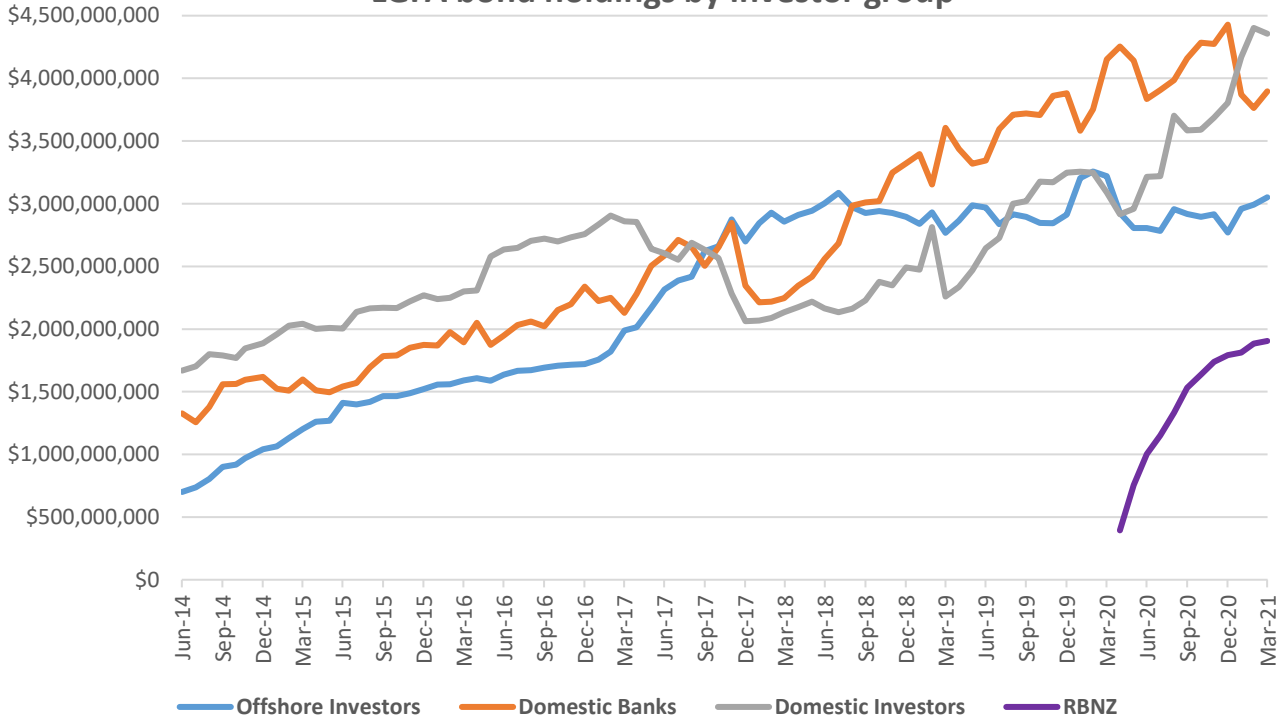
Domestic bank trading books reduced their positions as both offshore and domestic investors purchased high grade NZD bonds following the rise in yields and steeper yield curve. The absence of Kauri issuance over the quarter increased demand for LGFA bonds. The small increase in offshore investor holdings was pleasing given the relative unattractiveness of NZ to other markets.

Quarterly Report

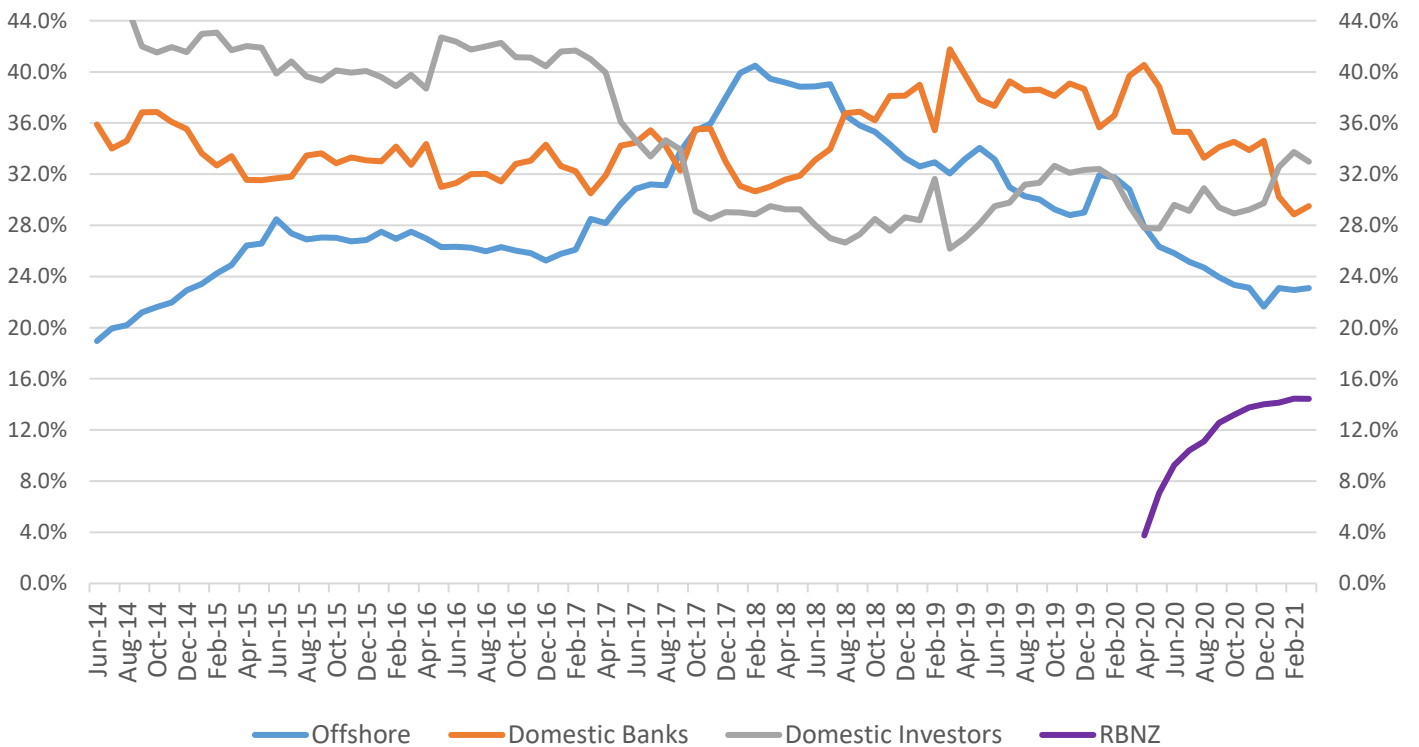
Quarter 2: 2020 - 2021
 Period ended: 31 March 2021



LGFA bond holdings by investor group



LGFA Bond Holders by Investor Group





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

LGFA Guarantors as at 31 March 2021 (alphabetical order)	Long Term Issuer Credit Rating		
	S&P Global Ratings	Fitch Ratings	Moodys
Ashburton District Council		AA+	
Auckland Council	AA		Aa2
Bay of Plenty Regional District Council	AA		
Canterbury Regional Council		AA+	
Central Hawke's Bay District Council			
Central Otago District Council			
Christchurch City Council	AA-		
Clutha District Council			
Far North District Council			
Gisborne District Council			
Gore District Council			
Greater Wellington Regional Council	AA+		
Grey District Council			
Hamilton City Council	AA-		
Hastings District Council	AA (negative)		
Hauraki District Council			
Horizons Regional Council			
Hawkes Bay Regional Council			
Horowhenua District Council	A+		
Hurunui District Council			
Hutt City Council	AA		
Invercargill City Council		AA+	
Kaipara District Council			
Kapiti Coast District Council	AA		
Manawatu District Council			
Marlborough District Council	AA+		
Masterton District Council			
Matamata-Piako District Council			
Napier City Council			
Nelson City Council	AA		
New Plymouth District Council	AA+		
Northland Regional Council			
Otorohanga District Council			
Palmerston North City Council	AA		
Porirua City Council	AA		
Queenstown Lakes District Council		AA-	
Rotorua Lakes District Council		AA-	
Ruapehu District Council			
Selwyn District Council		AA+	
South Taranaki District Council	AA- (positive)		
South Waikato District Council			
South Wairarapa District Council			
Stratford District Council			
Taranaki Regional Council			
Tararua District Council			
Tasman District Council	AA (negative)		
Taupo District Council	AA+		
Tauranga City Council	A+		
Thames-Coromandel District Council			
Timaru District Council		AA-	
Upper Hutt City Council			
Waikato District Council			
Waikato Regional Council			
Waimakariri District Council	AA		
Waipa District Council		AA-	
Waitaki District Council			
Waitomo District Council			
Westland District Council			
Wellington City Council	AA+		
Western Bay of Plenty District Council	AA (positive)		
Whakatane District Council			
Whanganui District Council	AA		
Whangarei District Council	AA+		



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

Council	Long Term Issuer Credit Rating		
	S&P Global Ratings	Fitch Ratings	Moodys
Auckland Council	AA		Aa2
Bay of Plenty Regional District Council	AA		
Christchurch City Council	A+ (positive)		
Dunedin City Council	AA		
Greater Wellington Regional Council	AA+		
Hamilton City Council	AA-		
Hastings District Council	AA		
Horowhenua District Council	A+		
Hutt City Council	AA		
Invercargill City Council		AA	
Kapiti Coast District Council	A+ (positive)		
Marlborough District Council	AA+		
Nelson City Council	AA		
New Plymouth District Council	AA+		
Palmerston North City Council	AA (positive)		
Porirua City Council	AA		
Queenstown Lakes District Council		AA- (negative)	
Rotorua Lakes District Council		AA-	
Selwyn District Council		AA+	
South Taranaki District Council	AA-(positive)		
Tasman District Council	AA		
Taupo District Council	AA+		
Tauranga City Council	A+		
Timaru District Council		AA-	
Waimakariri District Council	AA (negative)		
Waipa District Council		AA-	
Wellington City Council	AA+		
Western Bay of Plenty District Council	AA		
Whanganui District Council	AA		
Whangarei District Council	AA+		

Open Meeting

To	Strategy & Finance Committee
From	Alison Diaz Chief Financial Officer
Date	28 May 2021
Prepared by	Colin Bailey Finance Manager
Chief Executive Approved	Y
Reference #	GOV1318/ 3098431
Report Title	2020 District Valuation

I. EXECUTIVE SUMMARY

This report summarises the outcomes from the 2020 District Valuation as a precursor to the presentation from Richard Allen, General Manager, Quotable Value (QV).

The 2020 District Valuation was completed in April 2021, has an effective date of 1 October 2020 and for rating purposes applies from 1 July 2021.

District valuations are required to be undertaken at least every three years and usually have an effective date of 1 July. In this case the district valuation effective was delayed due to the Covid-19 lockdown earlier in 2020, resulting in the later effective date of 1 October 2020.

In summary, capital values have increased since the previous valuation in 2017 by an average of 18.4%, with large variances between property categories and locations. The district wide capital value now amounts to \$35.2 billion, of which \$21.6 billion is attributable to land.

Further details of the breakdown of the values and increases since 2017 can be found in the QV presentation.

2. RECOMMENDATION

THAT the presentation from Quotable Value be received.

3. KEY MESSAGES FROM THE REVALUATION

The key messages are:

- 2.1. House values in all the major townships in the district have grown reasonably strongly over the last three years and have bounced back positively post-lockdown due to low interest rates, strong demand, and a paucity of listings. The demand has seen the lower end of the market increase strongly in many of the smaller towns and villages.
- 2.2. Over the last three years commercial and industrial rentals have either remained static or increased slightly with yields strengthening depending on location.
- 2.3. The demand for residential expansion in Pokeno, Te Kauwhata, and Tuakau and on the fringe of some of the smaller towns and villages such as Ngaruawahia, Taupiri and Raglan has increased over the last three years. This is a direct result of the higher priced Auckland market pushing potential purchasers out of the market, as well as the beneficial effect of the newly opened Waikato Expressway and the Te Huia Passenger Rail Service. The completion of the expressway corridor which now provides a safer and quicker route between Hamilton and Auckland has to a degree influenced the demand for residential development land along the corridor between Pokeno and Hamilton particularly in Te Kauwhata and to a lesser degree in some of the smaller towns and villages, such as Huntly, Taupiri, and Ngaruawahia.
- 2.4. The COVID impact on the commercial accommodation sector in the district has been varied and is dependent on location and the sector of the market catered to.
- 2.5. In the lifestyle market premium prices are being paid for properties with good sea views, in the Raglan area and for properties located on the fringes of the established towns and Hamilton City.
- 2.6. Sales of residential and lifestyle properties since the revaluation date have shown the market is still moving with recent 2021 sales 10-15% above October 2020 levels.
- 2.7. Dairy property values have declined on average 10-15% over the past 18 months and pastoral properties have increased on average 5% and 15%. Properties with multiple titles have performed better with the ability for future subdivision and sale of rural lots.
- 2.8. There has been good demand for horticultural properties and kiwifruit blocks have increased in the vicinity of 30% on average.

At the time of writing this report there are 276 objections resulting from the district valuation: 114 are lifestyle, 93 residential, 45 agricultural, 17 commercial and industrial, and 7 other. The objection period closes on 11 June 2021.

4. CONCLUSION

The increase in capital values, with large variances between property categories and locations is likely to result in further financial stress for ratepayers already struggling to meet their commitments. The 2020 capital values have been used to calculate General Rates for the Long Term Plan 2021/31 to be adopted on 28 June 2021.

5. ATTACHMENTS

2020 Revaluation presentation



Waikato District Revaluation 2020

14 June 2021





Agenda

Process

Key dates

Results

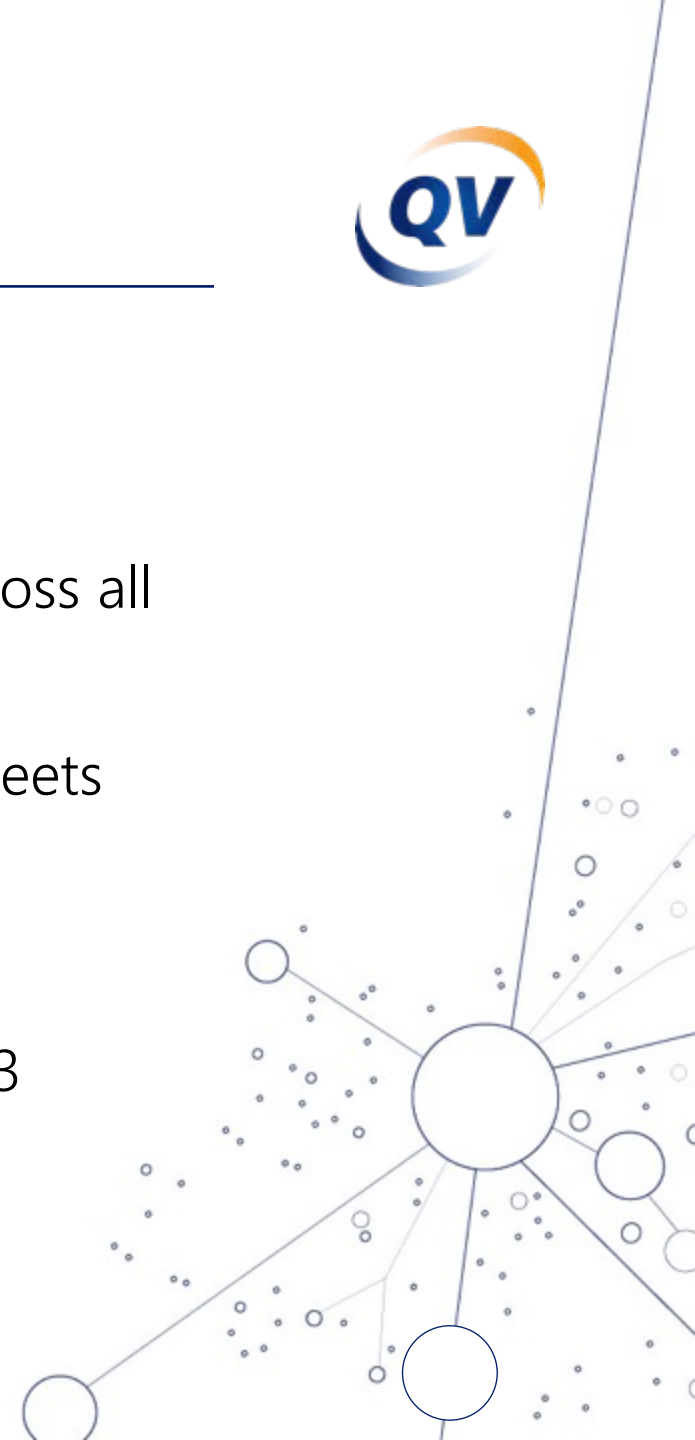
Questions



Process



- Rating values assessed in accordance with legislation
- Property data updates – constant process over 3 years
- A detailed market analysis and sales inspection is undertaken across all property types
- Trends applied to like properties with individual valuation worksheets held on the majority of business and rural properties
- Inspections by valuers to check and review valuations
- Office of the Valuer General. (LINZ) audit process generally over 3 weeks – the revaluation has been approved



Office of the Valuer General Audit



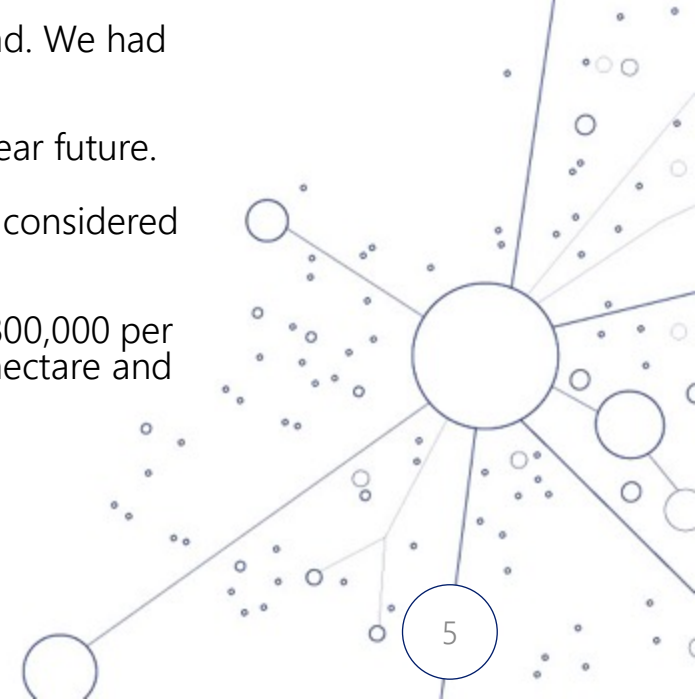
- Rating Unit compliance (Rule 2.4.1.2)was undertaken prior to the revaluation commencing when a full review of all rural assessments was carried out to identify properties that should be amalgamated. Potential amalgamations were identified and passed on to Council for final checking. This resulted in 23 subdivisions. Post this exercise sales that have sold with multiple assessments have been looked at on an individual basis.
- Also as part of the Rating Unit checks a full check of rural properties with multiple titles in the lifestyle areas close to Hamilton City was carried out and 20 assessments were identified to be split out into lifestyle blocks.
- The decision on whether or not a property is to be split or amalgamated has been done on a case by case basis depending on locality, number of titles and size/type of property.
- With regard to future subdivisional potential, a check of all rural properties with pre 1997 CTs and multiple titles was carried out identifying those with future potential for boundary realignment and creating rural lots. These blocks were identified using LINZ title data and the exercise resulted in approximately 630 changes to values.
- As well as the ability to create rural lots, the potential of future development was also looked at. This involved a full review of all rural properties within the 2A zone carried out in conjunction with lifestyle properties in the same zone. Rural values were also individually checked on the fringes of townships particularly Tuakau and Pokeno and along the new expressway from Hamilton to Auckland.



Office of the Valuer General Audit



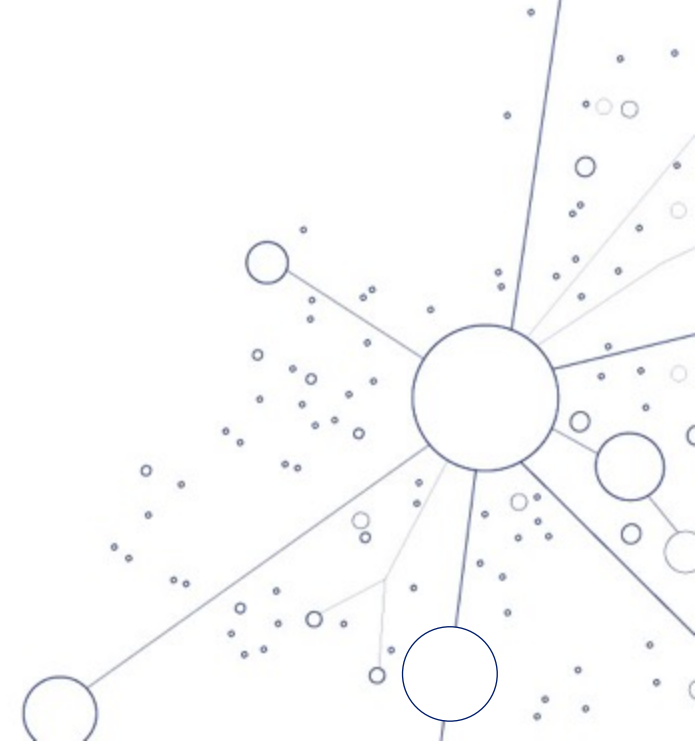
- OVG particularly interested that all development properties in the district were identified and valued appropriately.
- “The Corridor Effect” - Strong demand has been evident for residential development land in Pokeno and Te Kauwhata over recent years. Significant additional areas are now zoned Residential under the Proposed District Plan to cater for continued expansion in these towns. More recently, some demand has arisen in the more affordable towns of Ngaruawahia, Huntly and Taupiri and similarly, additional land has now been zoned Residential under the Proposed Plan.
- The Waikato Urban Expansion Policy Areas relates to a strategic agreement between Waikato District Council and Hamilton City Council to transfer land between the city’s current boundary and the Waikato Expressway.
- Clear evidence of land banking in these areas particularly in the R2 area to the east of Gordonton Road. We had to value and categorise the properties in these areas in line with the evidence available.
- Approximately 73 properties were identified as being suitable for development in the immediate to near future.
- Approximately 157 properties were identified as being able to be subdivided in the future but are still considered to have a highest and best use as lifestyle properties.
- The sales analysed in the district indicate block land values in Pokeno ranging from \$1,000,000 to \$3,800,000 per hectare, Te Kauwhata from \$815,000 to \$940,000 per hectare, Huntly from \$140,000 to \$220,000 per hectare and \$600,000 to \$1,300,000 per hectare in Ngaruawahia dependent on size contour and locality.



Rating Values vs. Market Values



- Rating values are a 'snapshot' of the market at a single point in time
- If market prices change, a rating valuation cannot be expected to represent the market value for an extended period
- Rating values do not include plant and chattels, or tree worth
- The community and market set property value levels
 - QV interprets this to form rating values



Key Dates



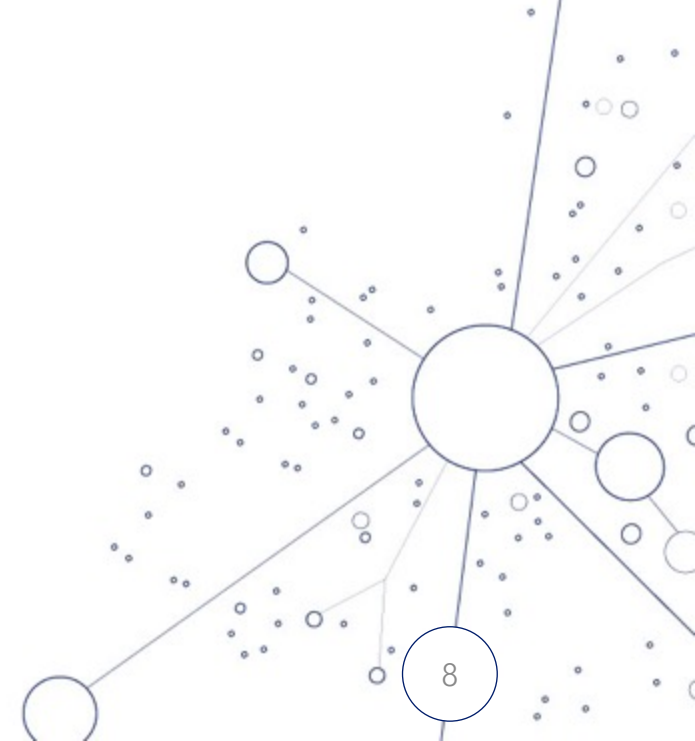
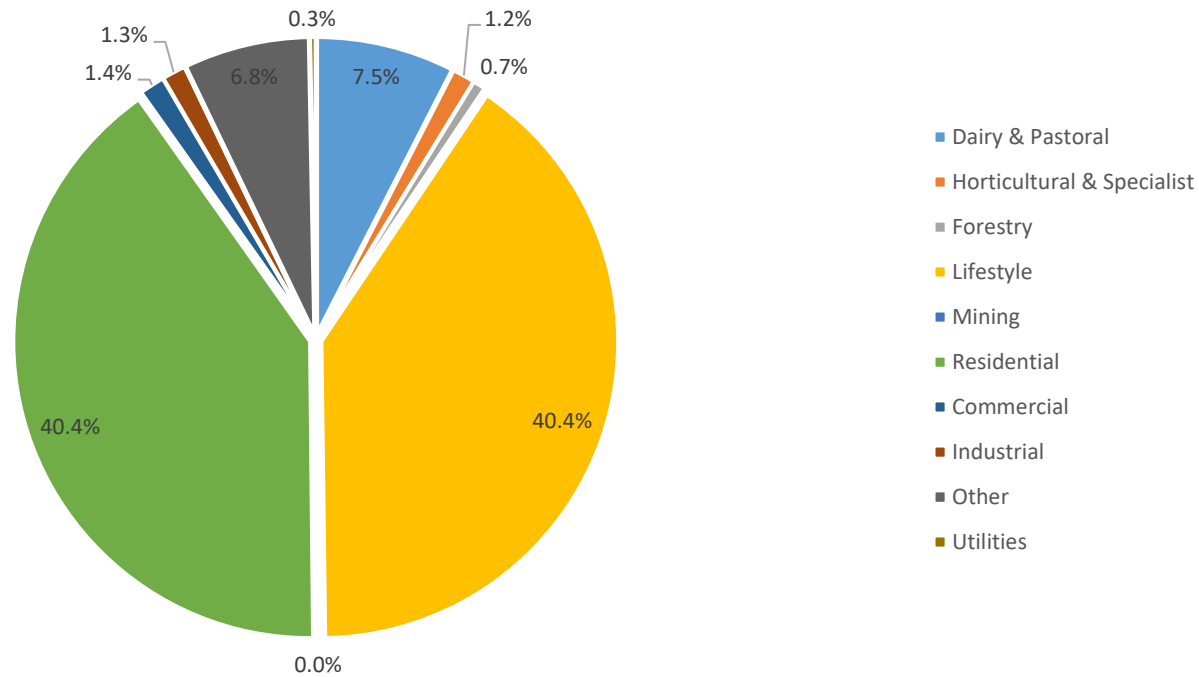
- Effective date of valuation: 1 October 2020
- Public notice date: 29 April 2021
- Owners notices posted from 5 May 2021
- Objection period closes 11 June 2021
- 2020 Rating Values used for 2021 rating year.



Waikato District Property Mix 2020



Waikato District 2020 - Property Mix
(by Number of Properties)

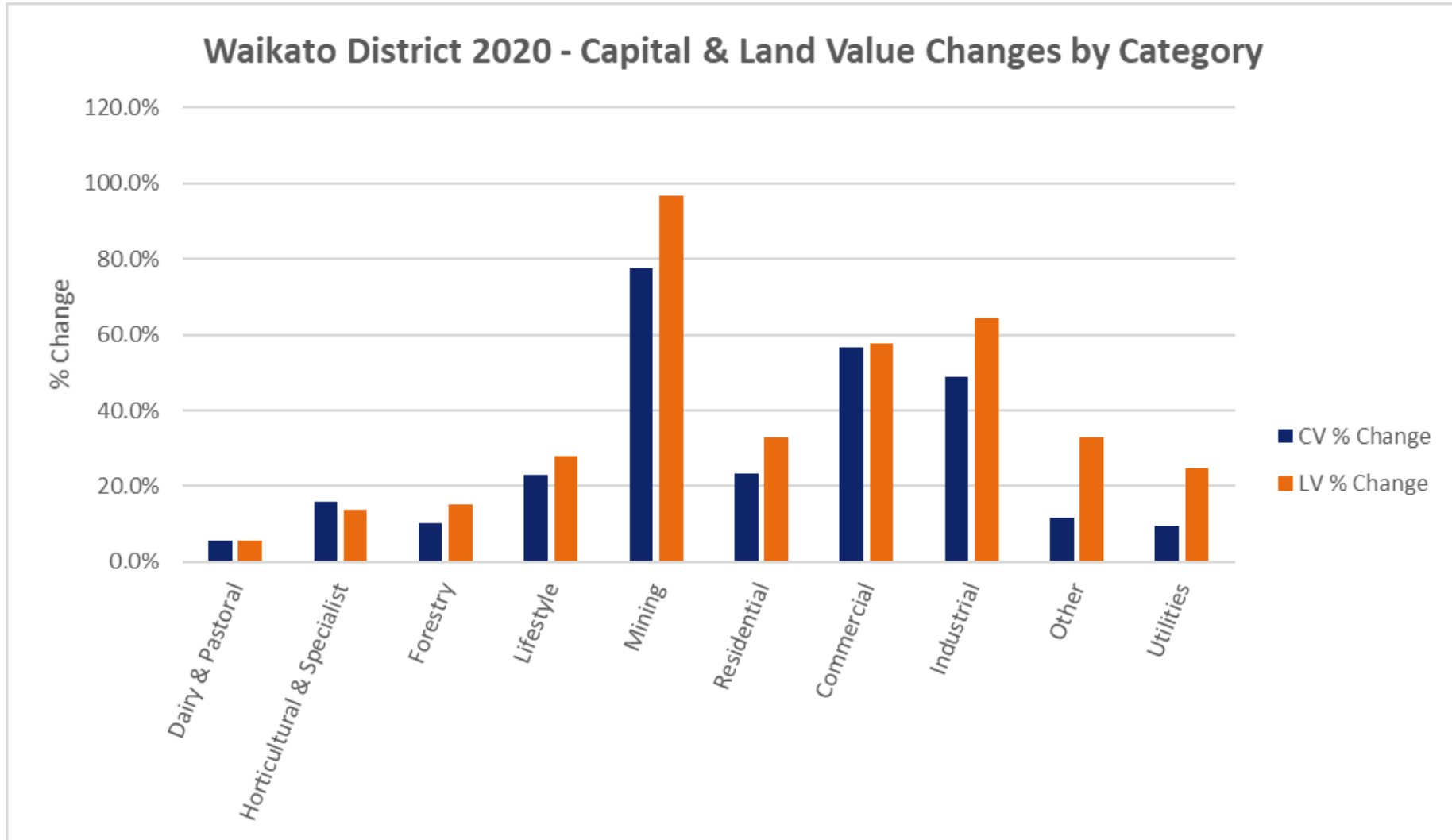




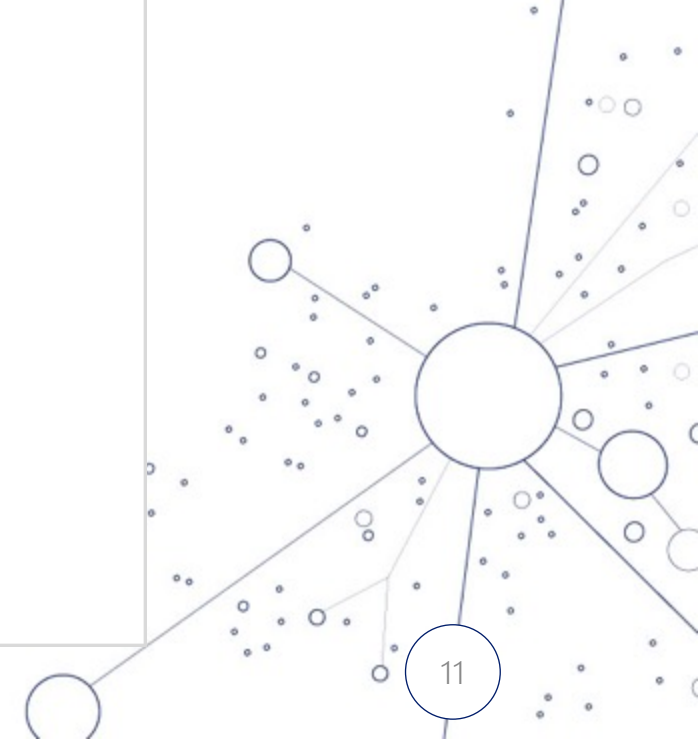
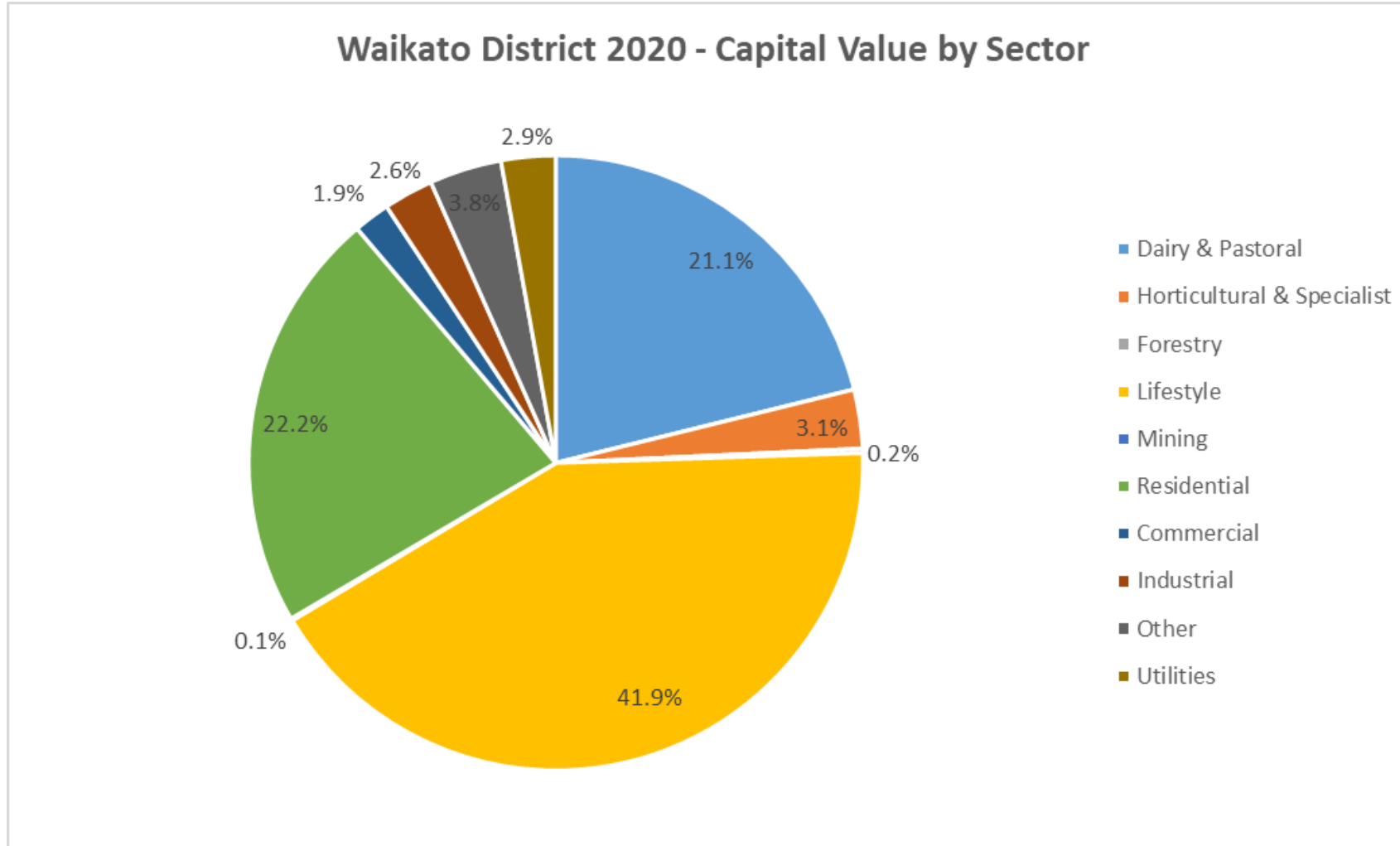
Overall Results (\$)

Sector	No. Assets	2020 CV (\$000)	CV % Change	2020 LV (\$000)	LV % Change
Dairy & Pastoral	2,592	\$7,447,724	5.6%	\$6,309,463	5.6%
Horticultural & Specialist	424	\$1,091,600	15.7%	\$666,661	13.6%
Forestry	232	\$80,966	10.3%	\$71,987	15.3%
Lifestyle	13,905	\$14,767,019	23.0%	\$8,705,267	27.8%
Mining	16	\$41,870	77.7%	\$37,895	96.6%
Residential	13,903	\$7,831,537	23.4%	\$4,597,805	32.8%
Commercial	476	\$671,114	56.6%	\$265,374	57.8%
Industrial	444	\$921,790	48.9%	\$532,017	64.5%
Other	2,353	\$1,341,272	11.6%	\$425,093	32.8%
Utilities	103	\$1,009,363	9.6%	\$24,712	24.6%
TOTAL	34,448	\$35,238,276	18.4%	\$21,607,574	

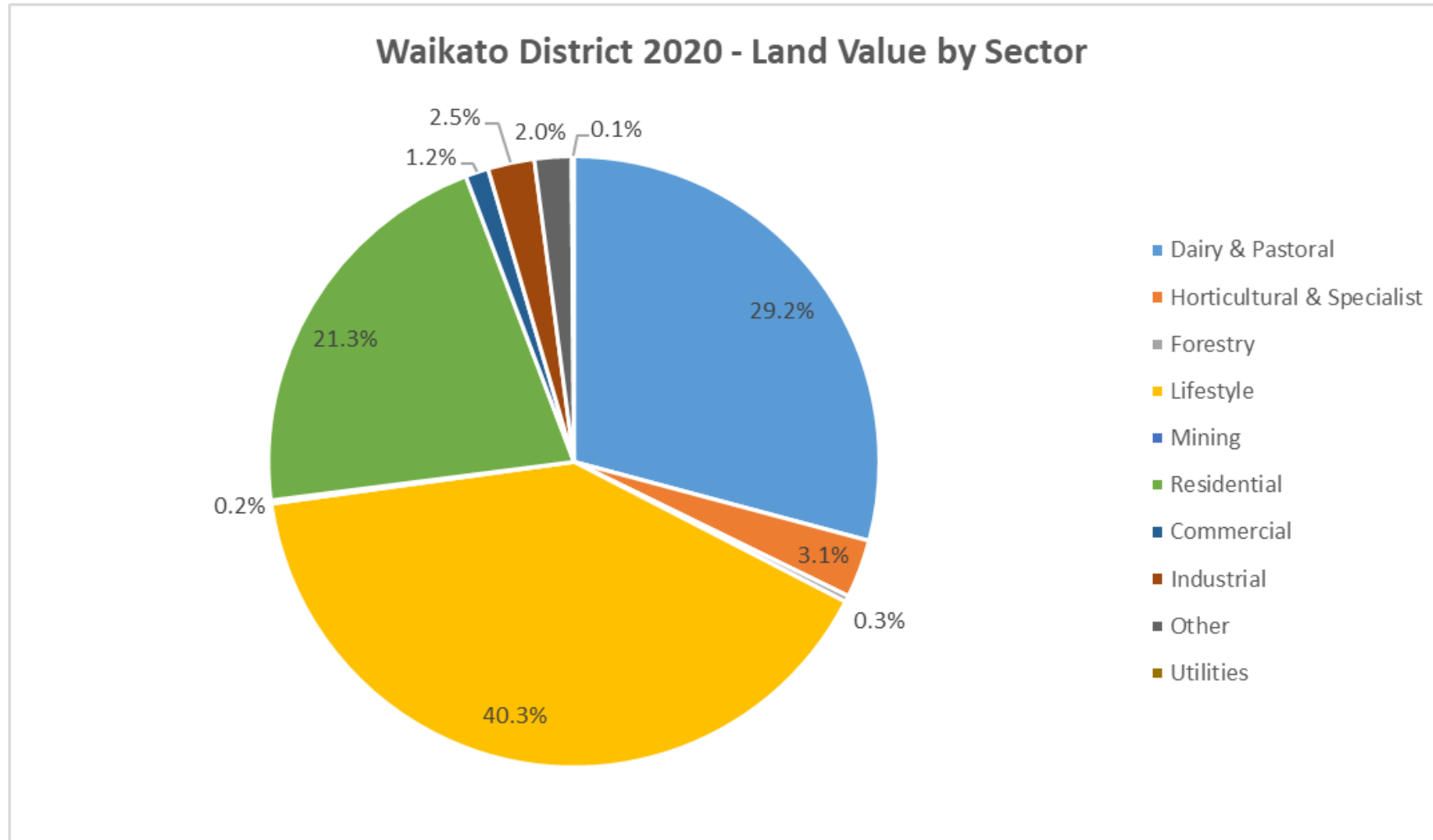
Revaluation Overview



2020 Capital Value by Sector



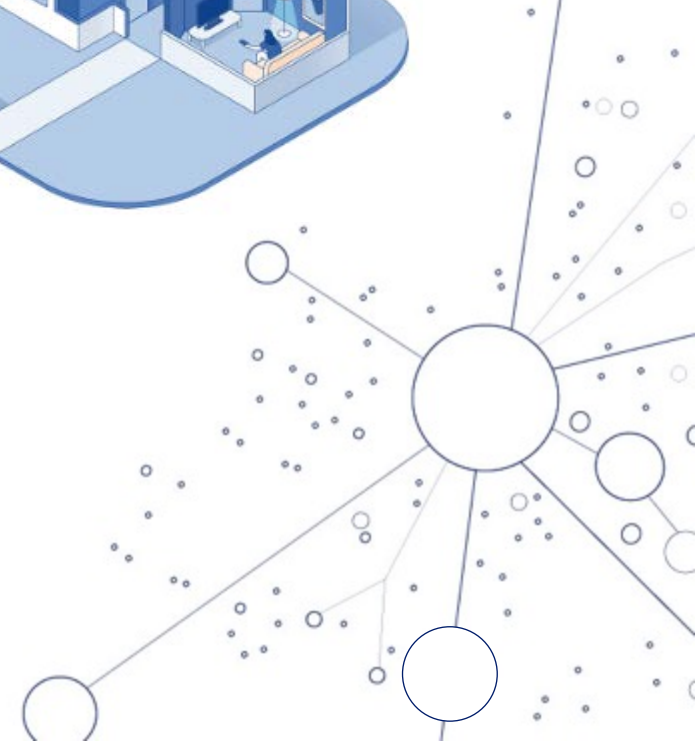
2020 Land Value by Sector



Residential Market



- House values in all the major townships in the district have grown reasonably strongly over the last three years and have bounced back positively post-lockdown as a result of low interest rates, strong demand for property in the district and a paucity of listings.
- The demand has seen the lower end of the market increase strongly in many of the smaller towns and villages.
- The demand for residential expansion in Pokeno, Te Kauwhata, and Tuakau and on the fringe of some of the smaller towns and villages such as Ngaruawahia, Taupiri and Raglan has increased during the three yearly revaluation period. This is a direct result of the higher priced Auckland market pushing potential purchasers out of the market, as well as the beneficial effect of the newly opened Waikato Expressway and the Te Huia Passenger Rail Service that will run between Hamilton and Auckland in 2021.
- House values increased on average by 23.4% with the range being 9.4 %-67.3% above 2017 capital values

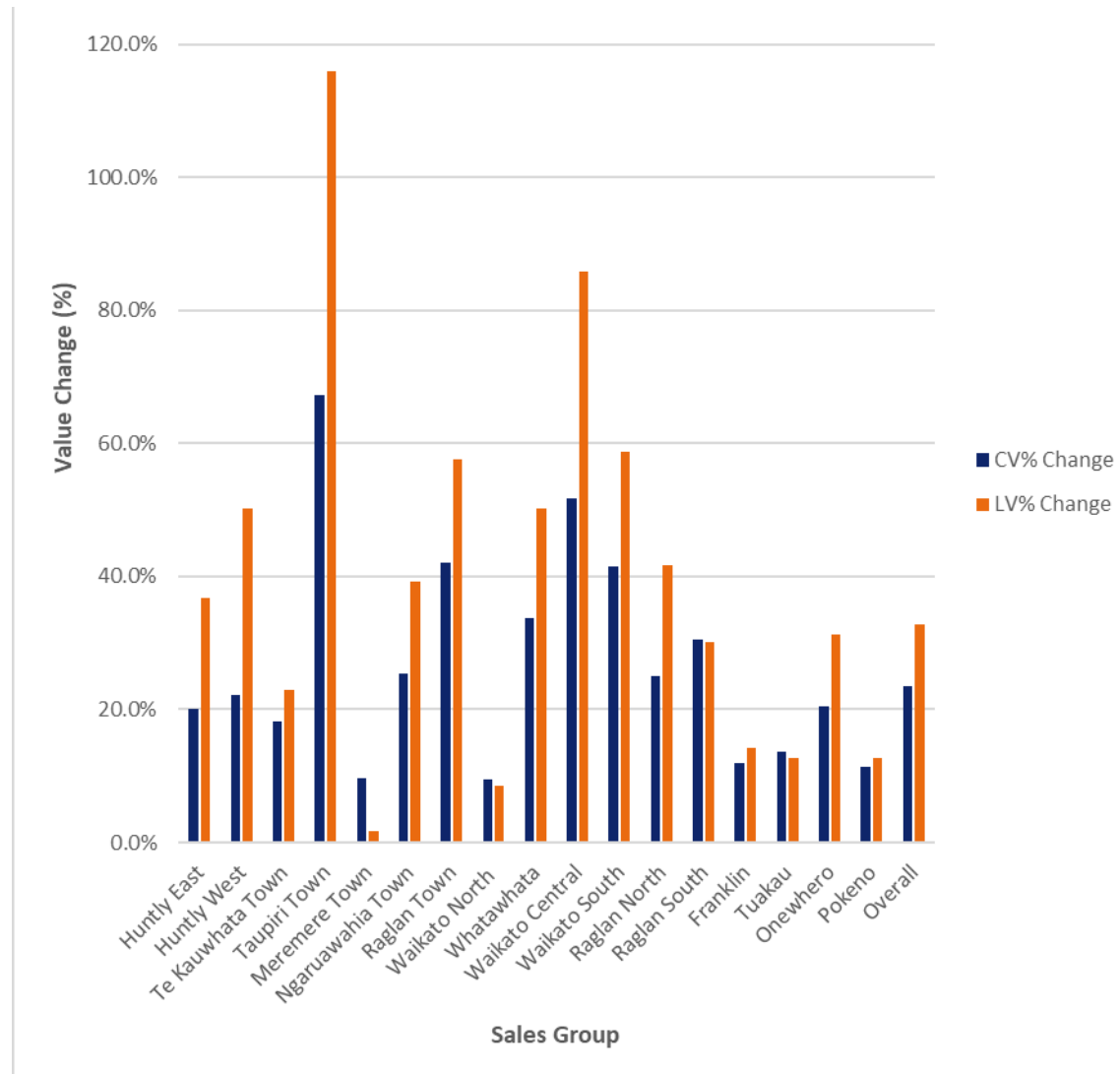


Residential Dwelling Changes

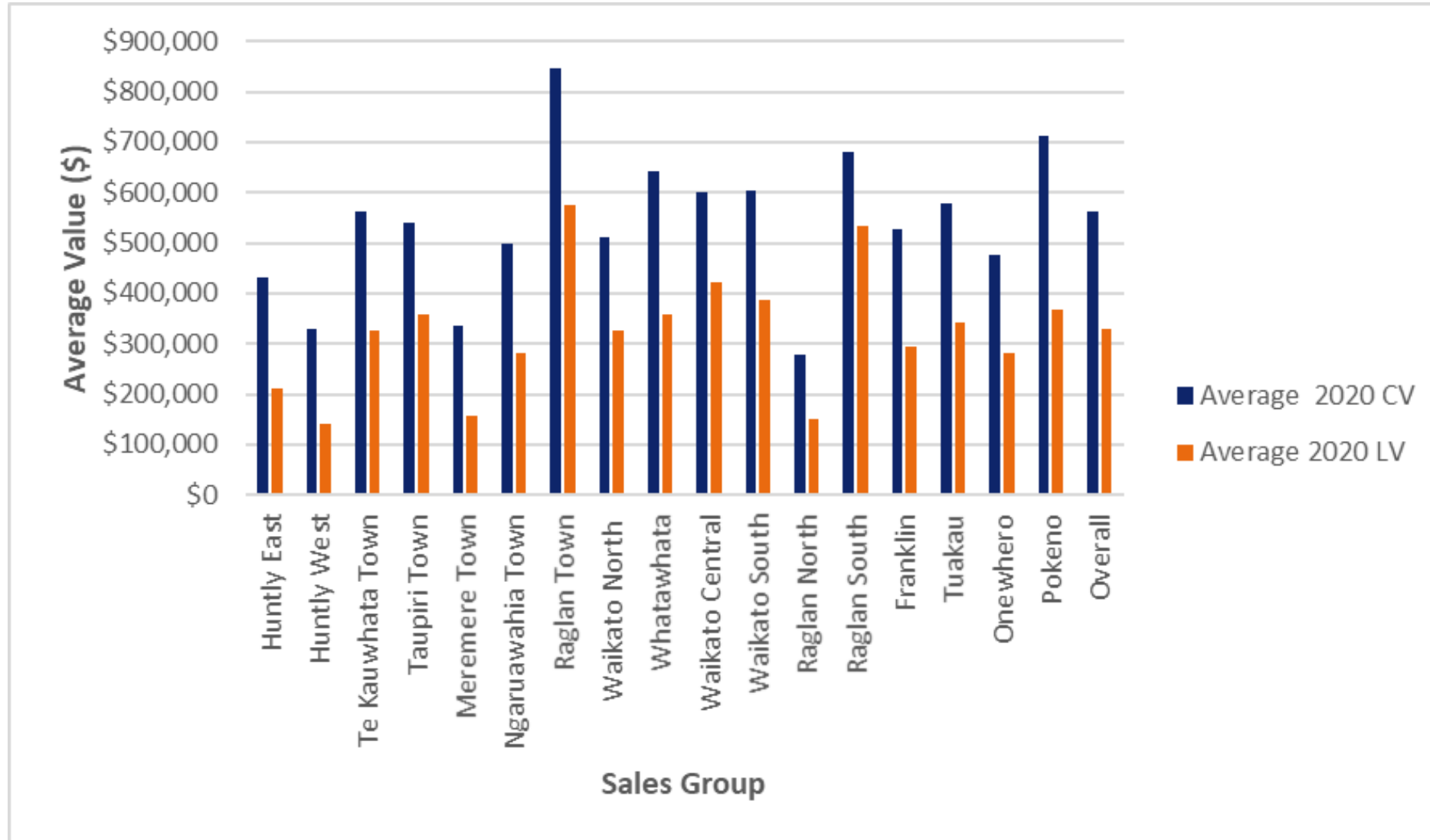


Sales Group	Average 2020 CV	Average 2020 LV	CV% Change	LV% Change
Huntly East	\$432,056	\$210,227	20.0%	36.7%
Huntly West	\$330,858	\$140,970	22.2%	50.3%
Te Kauwhata Town	\$563,799	\$327,032	18.2%	23.0%
Taupiri Town	\$538,373	\$357,819	67.3%	116.0%
Meremere Town	\$336,887	\$155,742	9.7%	1.7%
Ngaruawahia Town	\$497,306	\$280,978	25.4%	39.2%
Raglan Town	\$845,343	\$574,622	42.0%	57.6%
Waikato North	\$511,531	\$326,351	9.4%	8.6%
Whatawhata	\$642,937	\$358,890	33.8%	50.3%
Waikato Central	\$599,367	\$422,975	51.8%	85.8%
Waikato South	\$602,277	\$385,753	41.5%	58.8%
Raglan North	\$277,240	\$151,000	25.1%	41.7%
Raglan South	\$681,375	\$532,661	30.6%	30.2%
Franklin	\$526,090	\$295,667	12.0%	14.3%
Tuakau	\$579,588	\$341,285	13.6%	12.7%
Onewhero	\$475,465	\$282,685	20.5%	31.3%
Pokeno	\$711,549	\$368,809	11.4%	12.7%
Overall	\$563,217	\$330,658	23.4%	32.8%

Residential Dwellings Value Change 2020



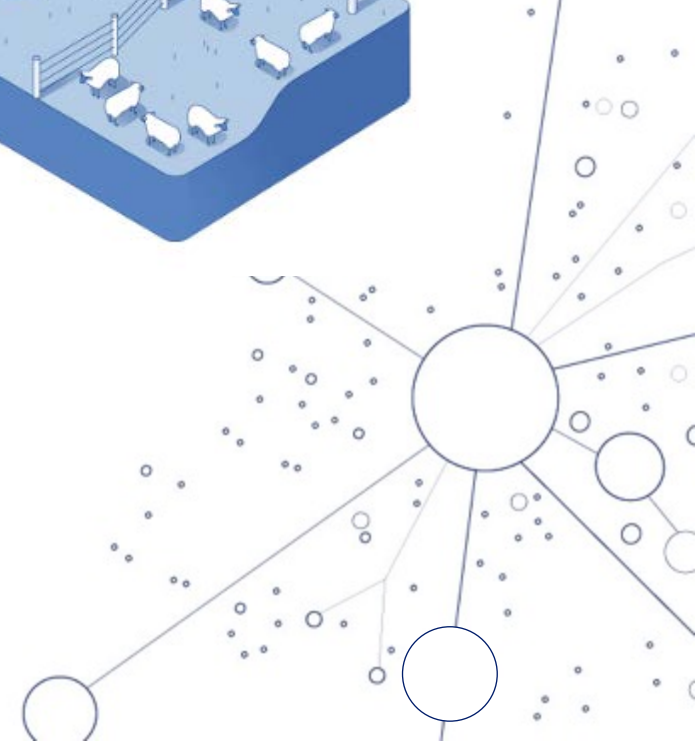
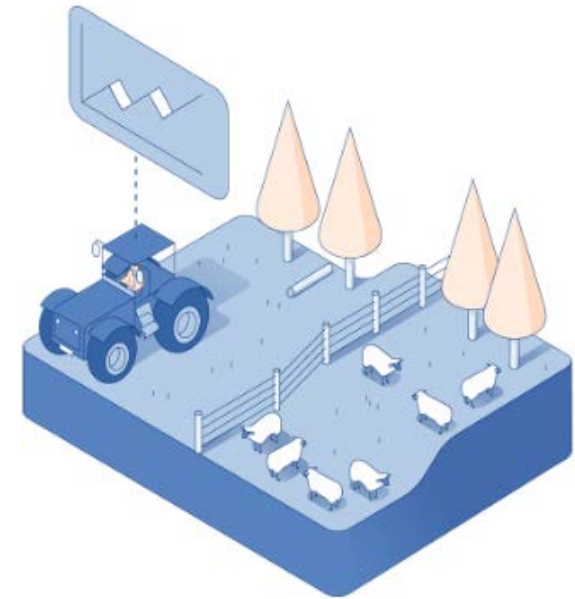
Residential Dwelling Average Values 2020



Rural Market



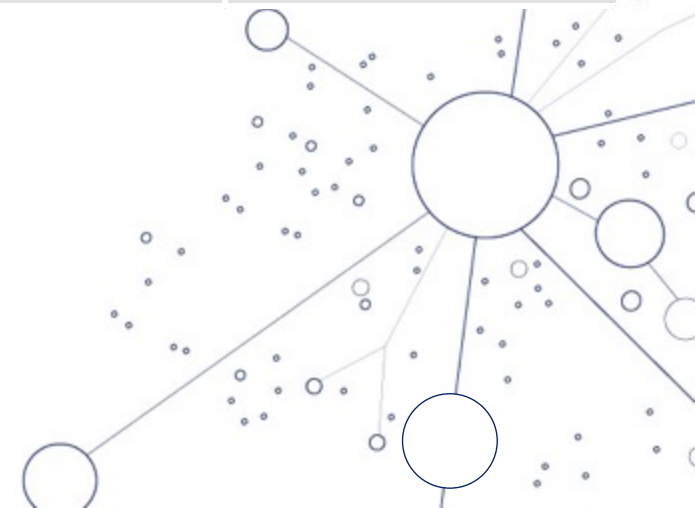
- In general dairy values have come back on average 10-15% over the past 18 months and pastoral properties have increased on average between 5% and 15%.
- Properties with multiple titles have performed better with the ability for future subdivision and sale of rural lots.
- There has been good demand for horticultural properties and kiwifruit blocks have increased in the vicinity of 30% on average. Gold G3 kiwifruit licenses have now been included in the value of improvements.



Rural Value Change 2017-2020



Sector	No. Assts	Old CV (\$000)	Old LV (\$000)	New CV (\$000)	New LV (\$000)	% Change Capital Value	% Change Land Value
Dairy	1347	\$4,827,191	\$4,104,024	\$4,891,239	\$4,126,985	1.3%	0.6%
Pastoral	1245	\$2,227,807	\$1,880,636	\$2,556,485	\$2,182,478	14.8%	16.0%
Horticulture	286	\$537,084	\$387,769	\$636,032	\$439,005	18.4%	13.2%
Specialist Livestock	138	\$406,296	\$199,031	\$455,568	\$227,656	12.1%	14.4%
Forestry	232	\$73,383	\$62,444	\$80,966	\$71,987	10.3%	15.3%
Mining	16	\$23,558	\$19,279	\$41,870	\$37,895	77.7%	96.6%



Rural-Residential Lifestyle Market



- The rural-residential and lifestyle market was strong with an average CV increase of 23.0% increase.
- Premium prices paid for properties with good sea views, in the Raglan area and for properties located on the fringes of the established towns and Hamilton City.
- Sales of residential and lifestyle properties since the revaluation date have shown the market is still moving with recent 2021 sales 10-15% above October 2020 levels.
- We are also seeing FOMO [fear of missing out] occurring as with other parts of the country where very high prices are being paid just to secure a property.

Sales Group	Average 2020 CV	Average 2020 LV	CV% Change	LV% Change
Huntly East	\$524,754	\$299,344	26.8%	35.6%
Huntly West	\$395,833	\$208,333	25.0%	45.9%
Te Kauwhata Town	\$721,000	\$569,000	14.0%	14.9%
Taupiri Town	\$667,310	\$434,524	33.9%	39.0%
Ngaruawahia Town	\$780,508	\$567,951	36.6%	43.3%
Raglan Town	\$1,096,765	\$885,735	45.3%	57.1%
Waikato North	\$782,047	\$454,072	15.5%	15.6%
Whatawhata	\$1,135,654	\$646,322	32.5%	43.6%
Waikato Central	\$1,097,334	\$663,735	30.6%	36.4%
Waikato South	\$1,450,946	\$836,904	28.8%	36.2%
Raglan North	\$656,145	\$361,997	26.1%	35.6%
Raglan South	\$864,224	\$515,361	31.3%	39.2%
Franklin	\$1,020,179	\$633,055	7.6%	7.8%
Tuakau	\$901,727	\$521,491	8.3%	10.3%
Onewhero	\$755,440	\$479,326	6.4%	5.8%
Pokeno	\$917,958	\$473,351	4.6%	11.2%
Overall	\$1,062,146	\$626,143	23.0%	27.8%



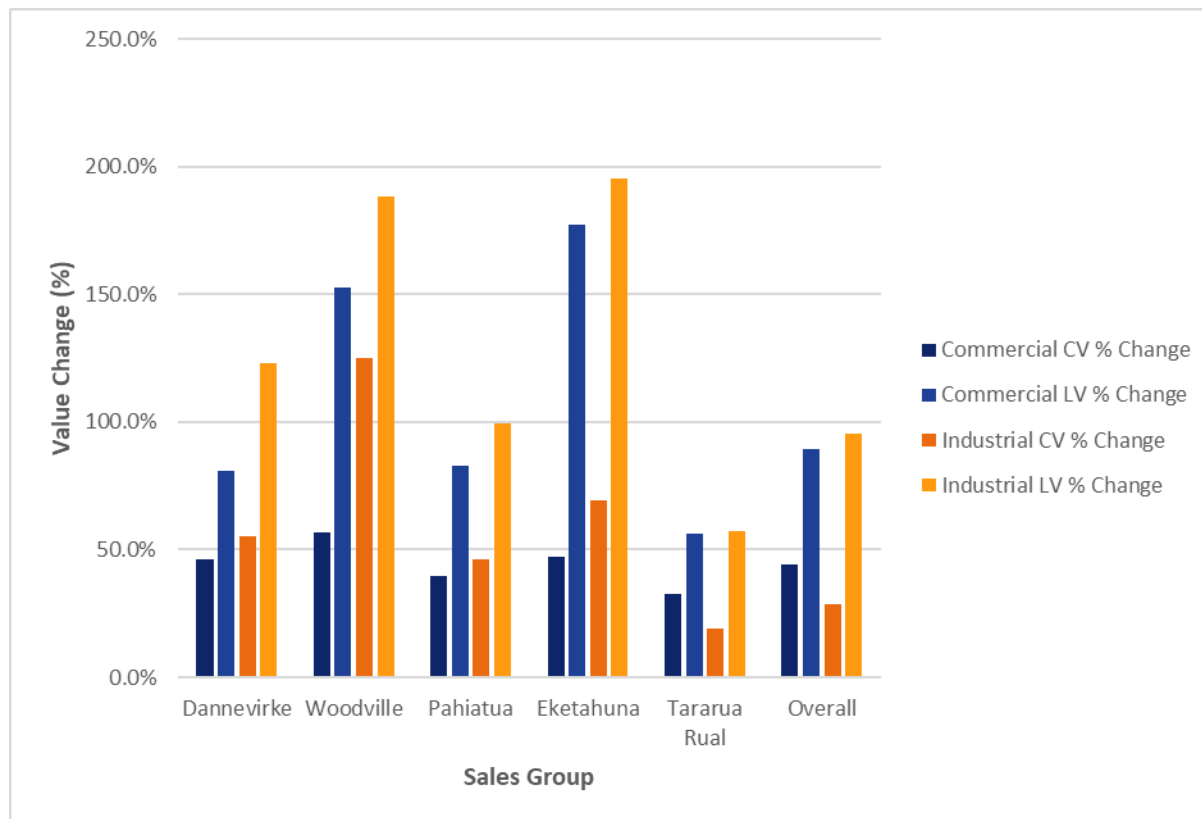
Business Properties

- Regional confidence filtering through to nearly all business types
- No significant effect from COVID-19
- The COVID-19 impact on the commercial accommodation sector in the district has been varied and is dependent on location and the sector of the market catered to
- Significant increases in capital values & land values throughout the District
- Interest rates are low, with some investors opting for business property investments to obtain better investment returns





Business Properties Value Change 2017-2020



Objections



- Recommend calling QV on 0800 787 284 in the first instance to discuss valuation
- Can lodge objections on line at www.ratingvalues.co.nz
- Objection window closes date 11 June 2021
 - Objections can't be lodged after this date
- Objections processed from 11 June 2021 onwards





Thank you



Open Meeting

To	Strategy & Finance Committee
From	Alison Diaz Chief Financial Officer
Date	17 May 2021
Prepared by	Jean de Abreu Financial Accountant
Chief Executive Approved	Y
Reference #	CVN0102/ 3098281
Report Title	Waikato District Community Wellbeing Trust – Final Statement of Intent for the year ending 30 June 2022

1. EXECUTIVE SUMMARY

Pursuant to section 64 of the Local Government Act 2002, Council-Controlled Organisation's (CCO's) are required to provide a final Statement of Intent to its shareholder(s) (Council) by 1 July each year.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received;

3. BACKGROUND

The Trustees of the Waikato District Community Wellbeing Trust (Wellbeing Trust) are required to present a final Statement of Intent for the year ending 30 June 2022 to Council by 1 July 2021. This Statement of Intent retains the principles developed in the inaugural Statement of Intent which are:

- Ensure the real (inflation-adjusted) value of the fund is protected;
- Ensure that the total grants distributed do not exceed 50% of the accumulated retained net income after allowing for the CPI movement and expenses;
- Ensure no more than 10% of the capital is distributed in any one year;
- Identify opportunities to grow the fund;
- Have a process for promoting the fund availability and for allocating the fund; and,
- Monitor performance of investments by receiving and considering financial information.

In previous years, the Statements of Intent have been prepared based on receiving a long term, sustainable return on investment of 7.26% before fund management fees. In recognition of the

economic downturn resulting from the COVID-19 pandemic, advice was sought from Kiwi Wealth Limited regarding the sustainability of this level of return. Based on that advice, the assumed rate of return used in this final Statement of Intent was reduced to 5% up to 30 June 2021 and 4% per annum for financial years 2022 to 2024 before expenses.

Budgeted grant distributions are based on the principles identified above and on discussions between the Trustees and Kiwi Wealth Limited.

4. CONCLUSION

The final Statement of Intent for the Waikato District Community Wellbeing Trust for 2021/22 is received.

5. ATTACHMENTS

Waikato District Community Wellbeing Trust Final Statement of Intent for the year ended 30 June 2022.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

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Waikato District Community Wellbeing Trust

Statement of intent

For the year ending 30 June 2022

Introduction

This Statement of Intent (SOI) is presented by the Waikato District Community Wellbeing Trust (the Trust) as required by Section 64(1) of the Local Government Act 2002.

The SOI forms the basis for the accountability of the Trustees to Waikato District Council, and sets out the objectives, scope of activities undertaken, and performance targets by which the Trust will be measured.

The purpose of this statement of intent is to:

- State publicly the activities and intentions of this council-controlled organisation for the year and the objectives to which those activities will contribute;
- Provide a basis for accountability and transparency.

This Statement of Intent covers the year to 30 June 2022 and includes prospective financial information for the following two financial years.

Jacqui Church (Chair)

Entity information

Legal name

Waikato District Community Wellbeing Trust.

Type of entity and legal basis

The Trust was incorporated on 1 November 2010 under the Charitable Trust Act 1957 and is domiciled in New Zealand. On the same date the Trust was registered in accordance with the Charities Act 2005 to give it charitable status.

The Trust was established by Waikato District Council (WDC) and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002, by virtue of WDC's right to appoint the Trustees.

Waikato District Community Wellbeing Trust

Statement of intent

For the year ending 30 June 2022

Objectives of the Trust

The principal activities of the Trust are undertaken to:

- Promote the social, environmental, and cultural wellbeing of the Waikato district and its communities;
- Deliver on the aspirations and community outcomes of the Waikato district as identified and promoted by the community; and,
- Fund projects identified by Council's planning documents.

Governance

The Trust will be governed in accordance with the terms of the Trust Deed.

Objective

1. To comply with the terms of the Trust Deed and in particular with the duties of the Trust as set out in clause 11 of the Deed.

Clause 11 of the Deed lists the Trust's objectives as:

- a) To consider and approve projects submitted by Waikato District Council (Council);
- b) To publicise the projects and activities of the Trust;
- c) To actively promote the work of the Trust with a view to ensuring the long-term operations of the Trust;
- d) To ensure information about the Trust's activities and objectives is available to people within the area and fosters a sense of community achievement and betterment;
- e) To develop appropriate funding allocation mechanisms; and,
- f) To be guided by a clearly defined set of principles.

Performance measure

1. Undertake an annual legal review of compliance with the Trust Deed; no later than two months after the end of the financial year.

Investment

The Trust will, in accordance with the Trust Deed, invest or reinvest part or parts of the Trust Fund not immediately required for the purposes of the Trust (whether income or capital) in investments or securities, as the Trust Board considers beneficial to the Trust Fund. The Trust will also seek other opportunities and avenues for growing the trust Fund. The intention of the Trustees is that the real value of the Trust Fund is preserved.

Objective

1. To adhere to the Trust's *Management of Investment Portfolio and Distribution Policy*.
2. To review, on an annual basis, the investment mandate, and the performance of the portfolio manager.

Performance measure

1. At each quarterly meeting, review compliance with the Trust's *Management of Investment Portfolio and Distribution Policy* during that quarter.

Waikato District Community Wellbeing Trust

Statement of intent

For the year ending 30 June 2022

Fund disbursement

The Trust will, as appropriate, disburse funds towards projects that meet the Trust's criteria and meet the objectives of the Trust Deed.

Objective

1. As per the *Management of Investment Portfolio and Distribution Policy*, to distribute total grants that do not exceed 50% of the accumulated net income after allowing for accumulated expenses, inflation movements and prior year distributions.

Performance measures

1. A distribution process is undertaken that distributes the annual fund to eligible recipients in accordance with funding targets set up by the Trustees in accordance with the *Management of Investment Portfolio and Distribution Policy* for the current year.
2. Six monthly reports are received from all successful applicants within the required time frames.

Portfolio and distribution policy compliance

Agreed targets

1. Ensure that the real (inflation-adjusted) value of the Fund is protected.
2. Ensure that no more than 10% of the capital is distributed in any one year.
3. The portfolio investment manager will report regularly to the Trustees.
4. The Trustees will annually review the performance of the portfolio manager.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of five Trustees who oversee the governance of the Trust.

The Trustees are:

Mayor	Allan Sanson
Councillor	Jacqui Church (Chair)
Councillor	Rob McGuire
WDC appointee	Judi Muru
WDC appointee	vacant position

The operation and administration of the Trust are undertaken by staff of WDC. Those staff are: Chief Financial Officer, EA to the Chief Operating Officer, Community Development Coordinator and Financial Accountant.

Main sources of the Trust's cash and resources

The Trust's introductory fund was provided by distribution of the capital fund of the Waikato Foundation Trust.

The proceeds of that distribution are invested in a portfolio of financial assets managed by Kiwi Wealth Limited. The returns from the portfolio are the Trust's source of continuing revenue.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

Prospective statement of financial performance

Prospective performance reports for the years ending 30 June 2021 - 2024

Prospective statement of financial performance

	FY Budget	FY Forecast			
	2020/21	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$
Revenue					
Finance income	241	97	378	378	378
Dividend income from portfolio of investments managed by Kiwi Wealth Limited	-	-	-	-	-
Realised gains on investments	55,464	79,615	41,153	40,952	40,604
Unrealised gains on investments	161,194	403,112	148,490	147,768	146,513
Total revenue	216,899	482,824	190,021	189,098	187,495
Expenses					
Audit fees	7,810	8,627	8,627	8,627	8,627
Portfolio management fees	30,452	31,949	33,480	33,150	32,858
Other expenditure	2,159	1,866	1,905	1,997	2,047
Grants	190,719	122,000	185,481	59,015	33,763
Unrealised losses on investments	-	-	-	-	-
Total expenses	231,140	164,442	229,493	102,789	77,295
Surplus/(deficit) for the period	(14,241)	318,382	(39,472)	86,309	110,200

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

Prospective statement of financial position

Prospective statement of financial position

	FY Budget	FY Forecast			
	2020/21	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	9,214	14,528	14,422	14,268	14,474
Other financial assets	4,383,471	4,736,840	4,713,845	4,673,876	4,758,641
Prepaid insurance	408	434	490	503	517
Total current assets	4,393,093	4,751,802	4,728,757	4,688,647	4,773,632
Total assets	4,393,093	4,751,802	4,728,757	4,688,647	4,773,632
Liabilities					
Current liabilities					
Creditors and other payables	202,991	182,178	198,595	72,166	46,941
Accrued expenses	8,166	8,972	8,982	8,992	9,002
Total current liabilities	211,157	191,150	207,577	81,158	55,943
Total liabilities	211,157	191,150	207,577	81,158	55,943
Net assets	4,181,936	4,560,651	4,521,180	4,607,489	4,717,689
Equity					
Introductory fund	2,579,899	2,579,899	2,579,899	2,579,899	2,579,899
Capital maintenance fund	648,626	649,547	740,761	831,184	923,334
Accumulated funds	953,411	1,331,205	1,200,520	1,196,406	1,214,456
Total net assets / equity	4,181,936	4,560,651	4,521,180	4,607,489	4,717,689

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

Prospective statement of cash flows

Prospective performance reports for the years ending 30 June 2021 - 2024 (cont)

Prospective statement of cash flows

	FY Budget	FY Forecast			
	2020/21	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$
Cash flows from operating activities					
Cash was received from:					
Interest receipts	241	97	378	378	378
Dividends received	-	-	-	-	-
Cash was applied to:					
Payments to donees	(123,056)	(158,217)	(171,556)	(185,481)	(59,015)
Payments to suppliers	(39,806)	(59,250)	(41,210)	(43,554)	(40,569)
Net cash flows from operating activities	(162,621)	(217,370)	(212,388)	(228,657)	(99,206)
Cash flows from investing and financing activities					
Cash was received from (applied to):					
Realised gains from investments	55,464	79,615	41,153	40,952	40,604
Sale (acquisition) of investments	107,220	115,175	171,129	187,551	58,808
Net cash flows from investing and financing activities	162,684	194,790	212,282	228,503	99,412
Foreign exchange translation differences	-	-	-	-	-
Net increase (decrease) in cash for the year	63	(22,580)	(106)	(154)	206
add opening bank accounts and cash	9,151	37,108	14,528	14,422	14,268
Closing bank accounts and cash	9,214	14,528	14,422	14,268	14,474

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

Statement of accounting policies

Basis of preparation

The Board of Trustees has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* for Tier 3 entities on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2million.

Notwithstanding the comments above, the following Tier 2 PBE accounting standards have been applied:

PBE IPSAS 4 The effects of changes in foreign exchange rates; and

PBE IPSAS 41 Financial instruments.

Note, IPSAS 41 Financial instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement, effective for reporting periods beginning on or after 1 Jan 2022 (early adoption is permitted). Council has adopted this new standard and there are no material changes as the requirements are similar to that of PBE IPSAS 29.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Goods and services tax

The Trust is not registered for GST. All amounts in the performance report are inclusive of GST.

Significant accounting policies

Interest and dividend revenue

Interest revenue is recognised as it is earned during the year.

Dividend revenue is recognised when the dividend is declared.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand Dollars using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at the end of the period exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in surplus (deficit) for the year.

Grant expenditure

All grants made by the Trust are classified as discretionary.

Discretionary grants are those grants where the Trust has no obligation to award on receipt of the grant application. Such grants are recognised as expenditure when approved without condition by the Board and the approval has been communicated to the applicant. Discretionary grants made subject to conditions are recognised as expenditure when all conditions have been met.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

Statement of accounting policies (cont.)

Income tax

The Trust has charitable status and is exempt from income tax.

Bank accounts and cash

Bank accounts and cash comprise cash on hand and deposits held at call with financial institutions.

Investment portfolio

Components of the investment portfolio are classified as follows:

Financial Asset

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Fixed Interest Investment

After initial measurement, the investment is subsequently measured at amortised cost, using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Growth (Equity) Investment

Financial assets at fair value through surplus or deficit include financial assets held for trading. After initial recognition, this investment is measured at its fair value with gains or losses on re-measurement recognised in the surplus or deficit.

All financial assets in the portfolio are classified as a current asset.

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

Forecast assumptions

1. Portfolio income

Kiwi Wealth has estimated an average return on the portfolio of 5% for the remaining six months to 30 June 2021 and 4% per annum for financial years 2022 to 2024 before expenses.

The split of the total return between interest, dividends and gains/losses is estimated using proportions calculated from an average of past results while taking into account changes to the components of the portfolio.

2. Expenses

Audit fees are estimated at \$8,627 for each of the four forecast years.

Portfolio management fees are assumed at a rate of 0.61% of the opening portfolio value in each year.

Other expenditure comprises annual return fees, bank charges, general expenses, and audit disbursements.

3. Grant's expenditure

It is assumed that for the current (2021) year all outstanding grants will be paid by 30 June 2021. It is further assumed that in subsequent years 80% of the maximum allowable distribution will be approved and fully paid by year end.

The maximum allowable distribution is set out in the *Management of Investment Portfolio and Distribution Policy*. Total grants must not exceed 50% of the accumulated net income after allowing for accumulated expenses, inflation movements and prior year distributions.

4. Prepayments

Prepayments represent four months of insurance costs.

5. Creditors and other payables

Creditors and other payables are made up of the amount owing to Waikato District Council and the June portfolio management fee.

It is assumed that the year-end balance owing to WDC is paid in full in the following year.

6. Accrued expenses

Accrued expenses comprise audit fees and disbursements.

7. Equity

The Trust was established with an initial capital contribution resulting from the transfer of 35% of funds previously held by the Waikato Foundation Trust as of 31 January 2012. This was recognised as revenue in that year and transferred to the introductory fund.

The capital maintenance fund is made up of accumulated annual charges transferred from accumulated funds to maintain the real value of the Trust fund.

The accumulated funds and capital maintenance funds together represent the total net increase in the fund value since the inception of the Trust.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2022

Other financial disclosures

Ratios

The Local Government Act 2002 requires a statement of intent to include the projected ratio of equity to total assets.

The ratio of equity to total assets is forecast as follows:

2020/21	96.0%
2021/22	95.6%
2022/23	98.3%
2023/24	98.8%

Compensation

The Trustees will not seek any fees or expenses for work undertaken on behalf of Waikato District Community Wellbeing Trust.

Information to be provided to the Trustees

The Trustees will be provided with the following information:

- Within four months of the end of the financial year the audited financial statements plus a summary of how the Trust has performed against its objectives and performance targets;
- Quarterly reports on the performance of investments; and,
- A draft statement of intent for consideration in February of each year.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker Chief Operating Officer
Date	28 April 2021
Prepared by	Debra Dalbeth Business Improvement Analyst
Chief Executive Approved	Y
Document Set #	GOV1318
Report Title	2020-2021 Third Quarter Non-Financial Performance Report

I. EXECUTIVE SUMMARY

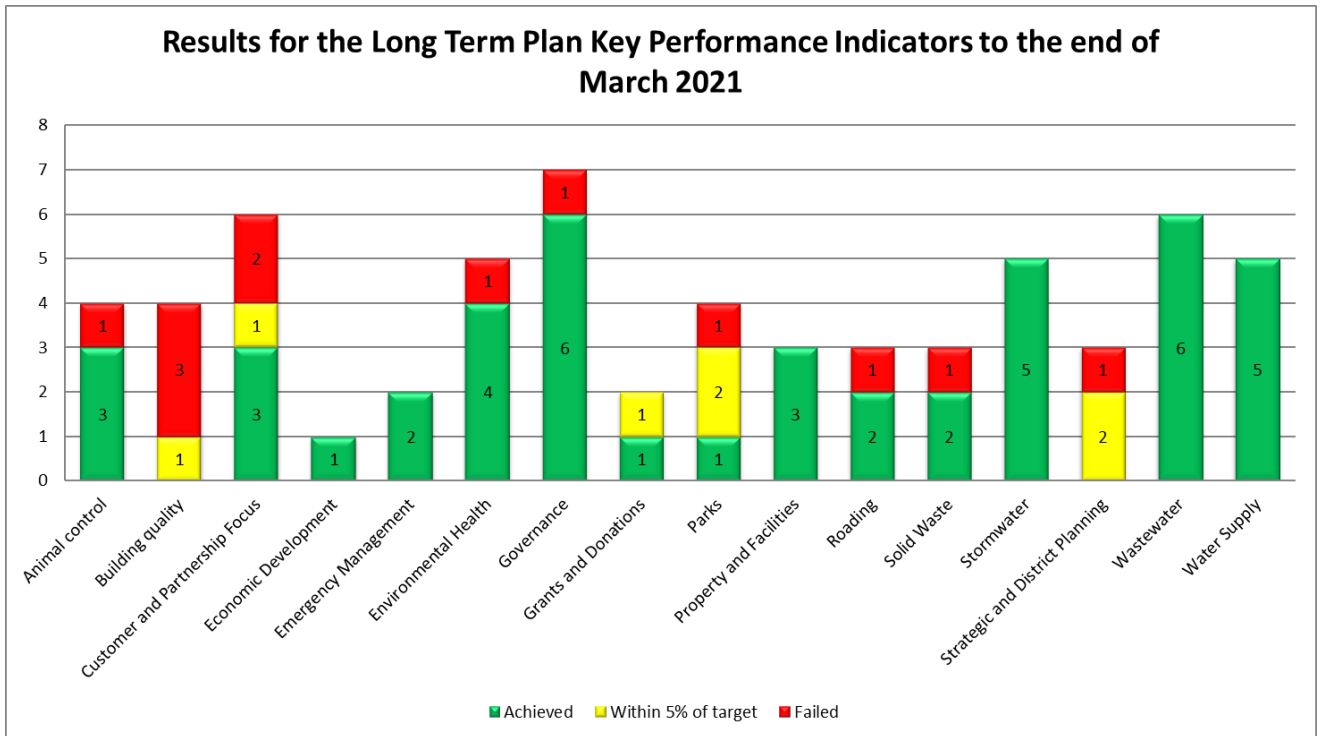
The purpose of this report is to provide the Committee with the third quarter non-financial performance results. This includes the 2020/21 Long Term Plan (“LTP”) Key Performance Indicators (“KPIs”) and the Resident Satisfaction survey.

These results will be used to inform the Annual Report.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. LTP KPIs



Achieved	Within 5% of target	Failed
70%	11%	19%

There are 79 KPIs that are reported in the Annual Report. Currently 21 are measured monthly, 37 quarterly, five half yearly and 16 annually.

The above graph shows the number of KPIs that were achieved, came close or did not achieve, grouped by category.

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021 3rd quarter
Achieved	67 (68%)	65 (66%)	57 (58%)	62 (78%)	53 (67%)	44 (70%)
On track	8 (8%)	4 (4%)	6 (6%)	5 (6%)	10 (13%)	7 (11%)
Not achieved	23 (24%)	29 (30%)	35 (36%)	11 (14%)	16 (20%)	12 (19%)
Unknown				1 (1%)		
TOTAL MEASURES	98	98	98	79	79	63

Where we have not met the target:

Animal control: The revisit to higher alert levels in February put a stop to education visits due to the need for 2m social distancing. Other options for presenting to classes are being considered (digital options). There has been very positive feedback from schools that were visited.

Building: Inspection rates have been impacted by Covid-19 restrictions and the loss of two staff, along with an increase in inspection workloads. Currently a contractor is engaged to assist and recruitment is underway to fill the vacant positions.

Customer and Partnership: The failing KPIs are measured from the resident satisfaction survey. A significant number respond neutrally to these questions. Those who are satisfied may not be reaching our ambitious target of 60%, however considering the neutral responses, those who do not fall into the dis-satisfied categories are in the 70% to 80% range.

Environmental Health: Three years ago an aspirational target of contacting the customer was set at three days. In this financial year the target has not been achieved due to increased complaints following Covid-19 lockdowns and workloads, however, there is 85.09% compliance with the Councils five day KPI target.

Parks: Satisfaction is measured in the resident satisfaction survey and has dropped in regard to public toilets. The result for the third quarter was 91% which has improved the overall year to date figure but has still not reached target. Additional cleans are being undertaken over the peak seasons to ensure customers' expectations are met.

Roading: The mandatory performance measure around the change from the previous year in the number of fatalities and serious injury crashes has a target to decrease by one each year. There have been a similar number of injury crashes over this period compared to the previous period however, there has been an increase in serious crashes and a 50% reduction in fatal crashes. These results indicate that crash severity risk on our network is still high particularly for motorcycles, continued investment in safety interventions are required in the next LTP.

Solid Waste: Processes have changed; instead of engaging an external contractor within three days, reports of illegal dumping are now screened by Council staff to resolve the issue in-house or to investigate for enforcement purposes before external contractors are engaged. This practice has delayed timeframes and therefore performance.

Strategic and District Planning: Monitoring of land use consents that are older than two years have not reached the target. The reporting period includes retrospective holiday periods as well as two-three months where monitoring could not take place due to Covid-19 restrictions. This KPI captures activity for the two years prior to this date so the effects of Covid-19 will be reflected in these reports for at least the next year.

Attached *Appendix 1 – 2020-21 Third Quarter LTP KPI Report.*

4. RESIDENTS SATISFACTION SURVEY

Some questions from the Resident Satisfaction Survey feed into the LTP but the majority of questions are to provide an indication of how residents view services and the performance across Council. These results also allow us to compare performance against other Councils and to track trends in our performance over several years.

The National Research Bureau (“NRB”) was chosen as the preferred provider as they were cost effective and they conducted a ‘Communitrak’ survey every two years which enabled us to benchmark ourselves against all other New Zealand Councils.

NRB have notified us that due to staff changes, the impact of increased competition and Covid, they decided that it is no longer financially viable to continue with Communitrak survey or the Council surveys. As a result we will receive the final report at the end of this financial year.

A WDC project team has assembled to review the survey and define what is needed from it. There are nine KPIs proposed for the next LTP that rely on a survey. This requirement along with the Voice of the Customer work has been a key consideration when looking at providers. We have gone out with a closed ‘Request For Quote’ to two providers and have received their proposals. These will be evaluated by the project team.

Attached *Appendix 2 – 2020-21 Third Quarter Satisfaction Survey Summary*

What we do well:

Results around satisfaction with our parks and reserves is consistently high. Our Libraries, Wastewater, Cemeteries, rubbish and recycling satisfaction is also consistently over 80%. Dis-satisfaction around these services is generally on par or below dis-satisfaction that our peer groups receive.

Positive comments consistently mention staff who are knowledgeable, helpful and friendly and that make the customers interaction quick and easy. We received positive comments about tidy reserves, walkways and footpaths.

Where we could improve:

Negative comments from the residents survey include dissatisfaction around the dump going into the quarry, Huntly needing more attention, outsourcing to Watercare, spraying, high rates, not getting value for money, Council people not doing anything, poor roads, high and low speed limits and poor communication.

Attached *Appendix 3 – Third Quarter Survey Trend Graph*

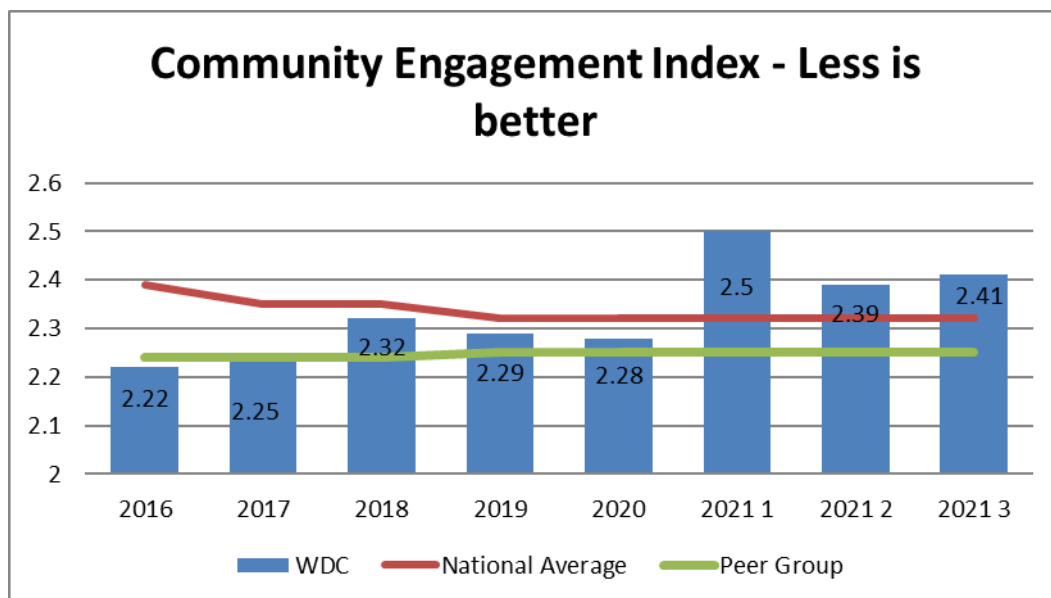
5. ENGAGEMENT

Engagement is measured from five key questions in our Residents Survey. These were chosen as they are also asked in the NRB’s Communitrak survey which gives us benchmarking data against other Councils.

1. Satisfaction with the way council involves the public in the decisions it makes
2. Satisfaction with Rates Spending
3. Satisfaction with Community Spirit
4. Satisfaction with Quality of Life
5. Satisfaction that Council makes decisions that meet the needs and aspirations of their residents

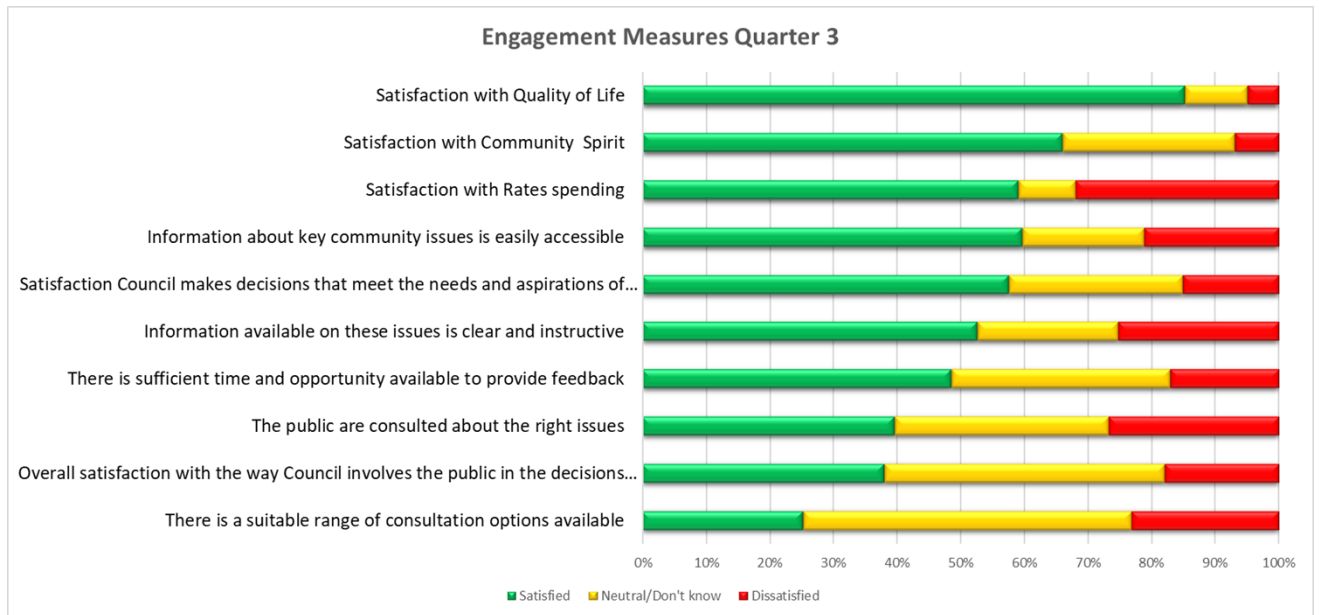
Residents are asked for their satisfaction on a scale of one to five and the results from these five questions form an engagement index, the target we have set for ourselves is to have 2.25 or less.

Our peer group of Councils have an index of 2.25, the national average is slightly higher at 2.32, the Waikato District Council result from the third quarter has slightly improved on the first quarter but reduced against the second quarter and sits at 2.41.



While the satisfaction with some of the questions reduced in the third quarter, some have continued to improve. Our peer group results come from the Communitrak survey that was conducted in November 2018, pre-Covid, which makes comparisons out of date.

Reporting only satisfaction on the engagement questions does not give the full picture. Dissatisfaction is generally low with the neutrals and 'don't knows' relatively high. The Waikato District is a widely varied district with a high proportion of young residents, who traditionally do not engage with Councils. The following graph may more clearly show the responses to engagement type questions.



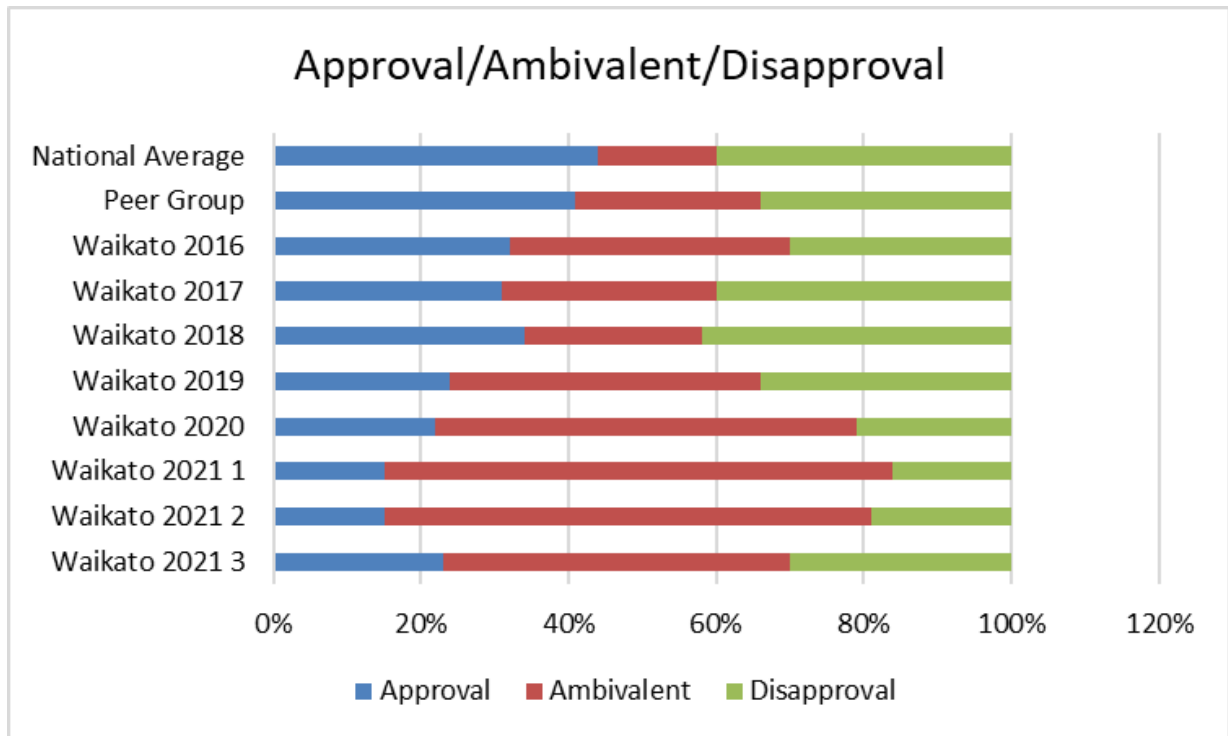
Trend graphs of the results from the individual questions are at the end of *Appendix 3*.

6. OUTCOMES

1. Is there any one thing about the Council's actions, decisions or management in the last few months that comes to mind as something you do like or approve of?
2. Is there any one thing that comes to mind regarding the Council's actions, decisions or management in the last few months that you dislike or disapprove of?

This is asked to gauge the level of support residents had for Council's actions and decisions. The % of residents who approve of Council's actions or decisions dropped from 22% at the end of 2020 to 15% in the first two quarters of this year but has improved to 23% in the third quarter. The percentage of residents who disapprove of Council's actions and decisions had also decreased in the first two quarters but has increased from 21% at the end of last year to 30% in the third quarter.

A combined rating of 53% shows that 47% of those surveyed have found nothing to approve or disapprove of. While more people are engaging with this question, almost half don't which could suggest a district that is ambivalent with council actions; it may be disengagement with our communities; or that Council is functioning as expected and there is nothing to peak the resident interest. Without further data we are not able to draw a conclusion.



7. GOVERNANCE / DEMOCRACY

In regard to Governance/Democracy, residents were asked if they feel they have the opportunity to be involved and participate in the way the Council makes decisions; 58% said yes they feel they have the opportunity while 22% said they had actually tried to participate.

Trend graphs in *Appendix 3*, show a continued decrease in satisfaction with the governance section of questions. The neutral responses are high, and the dis-satisfied responses are low. The quarterly result for the question about satisfaction with the ability to contact the Councillors/Mayor has a large margin of error as only four people responded to this question in the first quarter, nine in the second quarter and three in the third quarter. Of those three people, two were very satisfied and one very dis-satisfied. The margin of error is high so conclusions can only be made at the end of the year with the full weighted results. Councillors and the Mayors contact details are widely available via social media, websites, from staff and written communications. It could be that satisfaction is not around being contactable but around the response to the resident query.

8. CONCLUSION

We are in the final year of the LTP. The Performance Measures are being monitored monthly by the Executive Leadership Team and communicated quarterly to staff. The Residents Survey results are sent to staff along with comments so that these can influence the work program.

This is the final year of the residents satisfaction survey in this format. Next year reporting on the survey will stand alone and be presented in a different format.

9. ATTACHMENTS

- Appendix 1 – 2020-21 Third Quarter LTP KPI Report
- Appendix 2 – 2020-21 Third Quarter Satisfaction Survey Summary
- Appendix 3 – 2020-21 Third Quarter Survey Trend Graph



Waikato District Council

Scorecard Report

Period: Jul-20 - Mar-21

Scorecard Name
2019-21 LTP Year to Date Report

96
Date From
01-Jul-2020

Date To
31-Mar-2021

LINKED ITEMS

UNIT

TARGET

ACTUAL

INDICATOR

2019-21 LTP Animal Control - LTP

LTP - The number of reported serious dog attacks on people in public places (where medical attention is required) that occur in our district does not exceed 10 per year

#

7.50

2.00



COMMENTS: Whilst no serious attacks have happened in public places, Animal Control has attended 5 serious attacks on people that have occurred at private residences.

LTP - The percentage of complaints regarding stray stock that have council personnel on site within 1 hour

%

95.00

100.00



COMMENTS: Animal Control attended all current stock complaints within one hour of the job being logged.

LTP - Complete Engagement and Education Visits throughout the district

#

90.00

55.00



COMMENTS: We had excellent feedback from one school visit in March. Multiple parents approached Animal Control and mentioned it was all their kids talked about for days after the visit.

LTP - The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour

%

95.00

100.00



COMMENTS: Animal Control attended all aggressive dog complaints within one hour of receiving the call from the public.

2019-21 LTP Economic Development

LTP - The percentage delivery of the Economic Development strategic work programme

%

95.00

95.00



COMMENTS: Work programme completed with less work investment and more community engagement following on from work in Recovery

2019-21 LTP Grants and Donations

LTP - The percentage of community funding/grant recipients meeting grant obligations, as evidenced through accountability reports

%

100.00

95.00



COMMENTS: Staff are preparing reminders for outstanding accountabilities for period ending March 2021.

LTP - Number of discretionary grant funding rounds undertaken per year

#

3.00

5.00



COMMENTS: on track

2019-21 LTP Governance

Percentage of district plan changes that are undertaken as per the RMA statutory process

%

100.00

100.00



COMMENTS: The Resource Management Policy team of Council is focusing on a full review of the District Plan. This process, known as the District Plan Review, is being conducted in accordance with the required RMA processes. The District Plan Review has previously been split into two stages. Stage 1 covers all aspects of the District Plan apart from issues relating to natural hazard risk and climate change which form part of Stage 2. Stage 2 has now caught up with Stage 1; the "Stage 1" and "Stage 2" terminology has begun to phase away. The remaining hearings are Zoning, Hazards, and a final hearing. An integrated decision on the submissions is due before mid September 2021.

Percentage of minutes of all open meetings that are made publicly available via the Council's website	%	100.00	100.00	
---	---	--------	--------	--

Iwi ki te Haapori - Number of joint committee meetings held per annum	#	3.00	4.00	
---	---	------	------	--

COMMENTS: Joint Hui: Waikato-Tainui - Waikato JMA Partner Councils Co-governance hui held 31 March 2021.
Waikato Raupatu River Trust and Waikato Council Co-Governance Joint Committee Meeting scheduled for 14 April 2021.

Iwi ki te Haapori - Number of formal governance hui held between council and iwi / hapu groups	#	3.00	4.00	
--	---	------	------	--

COMMENTS: Joint Hui: Waikato-Tainui - Waikato JMA Partner Councils Co-governance hui held 31 March 2021.
A number of other meetings have also been held on various topics which are not governance but engagement and working together with iwi/hapu groups. eg Attendance at Horahora Marae for Poukai Event; Taniwha Marae hui re Regional Council launching of Environment Funding; hui at Waahi Paa Huntly providing station updates for kaumaatua; Event with Waikato Iwi in Te Teko re Whatawhata Hall project; Hui at Taniwha Marae; Event with HCC - He Pou Ora with Iwi Groups @ Hamilton Gardens; Attendance at Hukanui Marae hui; Nga Marae Toopu Zoom Meeting (80 people); Maurea Marae – Poukai; Hui with Chair of Tauranganui Marae Port Waikato; Hui with Kaumaatua – Raahui Pookeka re H2A; Attended Poukai @ Maketu Marae Kawhia; Hui with with Papa o Rotu Marae Chair; Attended Taniwha Marae hui; H2A meeting with Iwi groups, Regional Council and Kings Rep; Poukai @ Turangawaewae; Turangawaewae Royal Regatta 2021; Hui at Te Kauri Marae with Waikato Tainui / Te Ara Taura / Ngaati Whaawhaakia; Attend Te Kuiti Marae Poukai

Iwi ki te Haapori - Number of identified or notified breaches/ objections under Joint Management Agreements, MOU's and MOA's	#	0.00	0.00	
--	---	------	------	--

COMMENTS: Nil received

Percentage of Council decisions that comply with statutory requirements	%	100.00	100.00	
---	---	--------	--------	--

COMMENTS: Council decisions comply with statutory requirements

Satisfaction of residents that they were able to contact their Councillor as and when required	%	90.00	77.33	
--	---	-------	-------	--

COMMENTS: Only 3 people responded in the third quarter. 2 were very satisfied and 1 was very dissatisfied.

2019-21 LTP Emergency Management

Council maintains a minimum number of trained staff to foundation level, to fulfil core Emergency Operations Centre roles	#	100.00	153.00	
---	---	--------	--------	--

COMMENTS: We continue to offer this course on a quarterly basis to staff. The uptake has been low.

Council maintains a minimum number of trained staff to Intermediate level, to fulfil core Emergency Operations Centre roles.	#	30.00	78.00	
--	---	-------	-------	--

COMMENTS: This course continues to be offered monthly around the region and in-house twice per year. The uptake for this course has been very low with two WDC staff attending the last course with four withdrawing.

2019-21 LTP Solid Waste

The percentage of kerbside collection complaints that are resolved within agreed timeframes.	%	97.00	97.79	
--	---	-------	-------	--

COMMENTS: Following some issues in the busy summer period with collection vehicles, contractors are back to full capacity.

The percentage of schools in the district that receive solid waste education	%	30.00	58.00	
--	---	-------	-------	--

COMMENTS: 7 Schools, 40 classrooms in Feb/March. January School holidays

LTP - The % of time a contractor was engaged within 5 days from receiving the service request to remove rubbish to resolution	%	95.00	24.00	
---	---	-------	-------	--

COMMENTS: Changes made to our process and the inclusion of initial triage of reported illegal dumping of rubbish has affected the timeframe and incidence of engaging a contractor. Reporting of illegal dumping of rubbish is now screened before a contractor is engaged. If the Compliance Officer is able to resolve the issue then this is carried out by the Officer. If an investigation is required for enforcement purposes then this is now carried out before a contractor is engaged. This KPI will be revised in due course to better reflect current practice. Given this change in process it is unlikely that we will meet this target by the end of the year, although the change in process does result in cost efficiencies for ratepayers and investigation of illegal dumping that would otherwise have only been collected, potentially preventing further dumping

2019-21 LTP Environmental Health - LTP

LTP - Percentage of excessive noise complaints responded to within agreed timeframes. (Due to geographical characteristics of the district response times will vary in different parts of the district)	%	85.00	85.00	
---	---	-------	-------	--

COMMENTS: The target has been achieved and we continue to work with our contractors to achieve further improvements.

LTP - The percentage of hazardous land use information (Hail) reports that will be completed within 10 working days.	%	90.00	100.00	
--	---	-------	--------	--

COMMENTS: All reports were completed within the required timeframe and achievement against the target remains consistently high during the year.

LTP - The percentage of medium risk or higher fee category licensed premises that are inspected annually	%	100.00	100.00	
--	---	--------	--------	--

COMMENTS: This target has been achieved. All medium risk and high risk licensed premises were inspected during this financial year.

LTP - Percentage of environmental health complaints where the customer has been contacted within 3 working days	%	90.00	67.00	
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COMMENTS: This KPI is a team operational response target. The team has achieved compliance with the Council 5 day KPI target. Continued improvement remains a focus in this area with an increase in complaints following lifting of lockdown.

LTP - The percentage of licensed food premises that are verified/inspected annually	%	100.00	100.00	
---	---	--------	--------	--

COMMENTS: All licensed food premises have been inspected as required within this year.

2019-21 LTP Roading

The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP	%	80.00	95.41	
--	---	-------	-------	--

COMMENTS: YTD 95.41% (109 service requests) of customer service requests were responded to within the timeframe specified in the LTP

The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	%	80.00	95.29	
--	---	-------	-------	--

COMMENTS: YTD 95.29% (1421 service requests) of customer service requests were responded to within the timeframe specified in the LTP

The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	#	-1.00	5.00	
--	---	-------	------	--

COMMENTS: For 2020 (1/7/20-31/12/20) – 29 DSI crashes
2 fatal crashes, 27 serious crashes
Social cost of crashes \$35,244,000
There has been 94 injury crashes (this includes minor injury crashes)

For same period 2019 (01/07/2019-31/12/2019) – 24 DSI crashes
4 fatal crashes , 20 serious crashes \$33,313,000
There has been 92 injury crashes (this includes minor injury crashes)

The period has more or less the same injury crashes, but an increase in serious crashes, but 50% less fatal crashes.

The 2020 period includes 12 motorcycle injury crashes – 1 fatal, 4 serious and 7 minor injury

The same period 2019 there were 14 - 4 serious, 10 minor injury

These results indicate that crash severity risk on our network is still high particularly for motorcycles , continued investment in safety interventions are required in the next LTP

2019-21 LTP Parks

Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall	%	90.00	86.67	
--	---	-------	-------	--

COMMENTS: KPI is below target for this quarter. Survey queries reflect a desire for increased levels of service, particularly around increased asset Despite this contractors continue to work hard to maintain the districts parks and reserves. Council's staff continue to audit and oversee the maintenance of parks and continually work with contractors to improve results.

		100		
Percentage of customers who are satisfied with the presentation of WDC cemeteries	%	95.00	92.33	
<i>COMMENTS:</i>	All feedback suggests customers and members of the public appear very satisfied with the presentation of Waikato District Council Cemeteries. All graves are tidied and leveled within the require 28 days following a burial. Lawns are kept tidied and all queries are responded to appropriately and within a timely manner.			
Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey	%	75.00	70.67	
<i>COMMENTS:</i>	Great to reach 91% customer satisfaction for the quarter. Contractors continue to perform well in a difficult area. Additional cleans are being undertaken over the peak seasons to ensure customers' expectations are met.			
Percentage of new playgrounds built to New Zealand Standard - Playground Equipment and Surfacing (NZS 5828:2015)	%	100.00	100.00	
<i>COMMENTS:</i>	No new playgrounds to date			
2019-21 LTP Building Quality				
The percentage of swimming pools that are inspected for compliance annually - YTD	%	24.75	10.76	
<i>COMMENTS:</i>	We've not been able to meet this KPI due to the unexpected increase in inspection workloads and the loss of 2 staff. We have recruited another Inspector and currently recruiting for another one and hope to fill these early in the next month. However even with the new staff, the current high workload will mean we'll not be able to meet this KPI. We are using a contractor to assist us at present though they can only assist two days a week. We've tried to look for other contractors but the industry is so busy there is no capacity. No first initial inspection were carried out in March but 6 recheck inspections were carried out. YTD there has been 244 pool inspections carried out. Target per calendar year is 660.			
LTP - The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually - YTD	%	24.75	13.00	
<i>COMMENTS:</i>	No BWOA Audits completed this month due to high volume of building inspections required and no resource for audits.			
The percentage of buildings that provide sleeping care or paid accommodation which are audited for compliance annually - YTD	%	75.00	48.00	
<i>COMMENTS:</i>	No BWOA Audits completed on buildings with sleeping facilities this month due to high volume of building inspections required and no resource for audits.			
The percentage of building consent applications which are processed within 20 working days - YTD	%	100.00	95.04	
<i>COMMENTS:</i>	YTD - Currently we are processing 95.04% of building consents within the statutory timeframe. For March, Dwellings were processed at 91.67% having 8 dwellings go over the 20 working day timeframe. Consents in general (including dwellings) were processed at 90.70% with a total of 20 going over the 20 working day timeframe. Amendments were processed at 88.46% with 3 going over the 20 working day timeframe. This is due to staff shortages and Contractors going over timeframes also.			

2019-21 LTP Wastewater

Wastewater - The median attendance time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time that Council receives notification to the time that service personnel reach the site. <i>COMMENTS:</i> Target met	m	60.00	41.50	
---	---	-------	-------	--

Wastewater - The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system <i>COMMENTS:</i> Target met	#	3.00	0.00	
--	---	------	------	--

Wastewater - The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system. (expressed per 1000 connections to the sewerage system): <i>COMMENTS:</i> Target met	#	10.00	6.74	
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Wastewater - The median resolution time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time Council receives notification to the time personnel confirm resolution of the blockage or other fault. <i>COMMENTS:</i> Target met	m	240.00	142.00	
--	---	--------	--------	--

Wastewater - Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders <i>COMMENTS:</i> No Abatement Notices were issued during the period. As at 31 Mar 2021, there are two active Abatement Notices (Meremere and Te Kauwhata). The Meremere Abatement Notice is now technically resolved as the new consent allows for the elevated levels of suspended solids for the next year until the new plant currently being built is commissioned. A mid Waikato Servicing Strategy has been completed and solutions for Te Kauwhata identified; the solution for the plant upgrade has been finalised and once implemented will ultimately resolve the non compliances; consultation with stakeholders will determine the discharge location.	#	2.00	0.00	
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Wastewater - Council's level of Compliance with resource consents, measured by the number of Convictions for discharge from its wastewater system, <i>COMMENTS:</i> Target met	#	0.00	0.00	
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2019-21 LTP Water Supply

Water Supply - The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system <i>COMMENTS:</i> There were 94 urgent faults logged in the year to the end of March 2021. The median time to resolve these was 110 minutes.	m	240.00	110.00	
--	---	--------	--------	--

Water Supply - The median on site attendance time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system <i>COMMENTS:</i> There were 94 urgent faults logged in the year to the end of March 2021. The median time to attend to these was 37 minutes.	m	60.00	37.00	
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Water Supply - The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system)	102 #	25.00	13.09	
Water Supply - The median resolution time for a non-urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system <i>COMMENTS:</i> There were 411 non-urgent faults logged in the year to the end of March 2021. The median time to resolve was less than 1 day.	Days	5.00	0.00	
Water Supply - The median on site attendance time for a non-urgent call out, where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system <i>COMMENTS:</i> There were 411 non-urgent faults logged in the year to the end of March 2021. The median time to attend was less than 1 day.	Days	5.00	0.00	

2019-21 LTP Customer and Partnership Focus - EOY

Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go) <i>COMMENTS:</i> We were able to survey 413 of our customers and the result was a very positive one. The results was consistent district wide.	%	90.00	97.00	
Level of customer satisfaction that the quality of libraries resources meets their needs <i>COMMENTS:</i> This was an excellent result that was consistent across all six of our library sites. We were able to survey 413 of our customers	%	90.00	98.50	
Percentage of customers satisfied with the ease of access and clarity of information regarding key community issues	%	60.00	53.00	
Level of Customer effort	#	3.00	2.38	
Percentage of customers satisfied that council consults with the community regarding the right issues	%	60.00	40.00	
Percentage of time that access to a free internet service is available in libraries <i>COMMENTS:</i> Heavy rainfall in Ngaruawahia caused flooding to the library and damage to the APNK computers. This caused them to be closed for approximately 3 days. All other sites had uninterrupted service.	%	100.00	99.44	


2019-21 LTP Strategic and District Planning

LTP - The percentage of current land use consents that are older than 2 years which have been monitored in the past 2 years	%	80.00	69.00	
---	---	-------	-------	--

COMMENTS: The reporting period for this month includes retrospective holiday periods for the 2019 and 2020 years as well as 2-3 months where monitoring could not take place (COVID). As this KPI captures monitoring activity for two years prior to the date of the report, COVID effects will continue to be reflected in these reports for at least the next 18 months. This KPI will be adjusted for the LTP to accommodate this. The Monitoring Team is currently also preparing for a team member to be seconded to assist with this work. It is hoped that the additional (pro-rata) FTE will assist with catch up.

Percentage of resource consent applications which are processed within the statutory time frames	%	100.00	99.70	
--	---	--------	-------	---


COMMENTS: In March 2021 89 consents were issued all within statutory timeframes. This equates to 99.70% of consents being issued within timeframes for the year to date. The team will be unable to meet our KPI by Year End as there will always now be a minimum of 2 out of time. This cannot be rectified before year end. The team will take every possible measure to attain amber status by the end of the year.

LTP - The number parking patrols that are carried out in communities that have parking controls under the bylaw.	#	112.50	108.00	
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2019-21 LTP Stormwater

Stormwater - The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system	#	4.00	1.39	
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COMMENTS: Target met

Stormwater - The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	m	120.00	0.00	
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COMMENTS: There were no flooding events in the year to the end of March 2021

Stormwater - The number of flooding events that occurred throughout the district	#	5.00	0.00	
--	---	------	------	---

COMMENTS: There were no flooding events in the year to the end of March 2021

Stormwater - The number of habitable floors affected in a stormwater flooding event expressed per 1000 properties connected to the councils stormwater system per event	#	0.30	0.00	
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COMMENTS: There were no flooding events in the year to the end of March 2021

Stormwater - Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents.	#	0.00	0.00	
---	---	------	------	---

COMMENTS: No Abatement Notices were issued during the period. As at 31 Mar 2021, there is one active Abatement Notice for Raglan urban area and work to resolve the non-compliances has been completed for some items and is well underway for remaining items; one item will take an extended period to resolve due to the need for a complex consent.

2019-21 LTP Property and Facilities

LTP - Percentage of customers who are satisfied with the service provided at the Raglan campground	%	90.00	91.00	
--	---	-------	-------	---

COMMENTS: The Camp continues to have high bookings coming through for the off peak season from local New Zealanders.
The camp has had a very busy quarter with the end of the public holidays and the fully booked Sound Splash Weekend. The Camp made the site Alcohol free for soundsplash weekend but still experienced alcohol related incidences from the customers. This will be reviewed for next years event if it goes ahead.

LTP - Percentage of customers who are satisfied with the service provided at the Huntly campground	%	90.00	99.00	
--	---	-------	-------	--

COMMENTS: The camp continues to be doing well with strong repeat customers from the Dive school, Navy and Army.

LTP - Percentage of visitors that find the facilities clean, accessible and welcoming (pools)	%	90.00	95.00	
---	---	-------	-------	--

COMMENTS: Information obtained from Belgravia's weekly customer satisfaction survey

Overall Performance	%	0.00	0.00	
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**NATIONAL RESEARCH BUREAU LTD**

PO Box 10118, Mt Eden, Auckland, New Zealand

P (09) 6300 655, www.nrb.co.nz

To: Debbie Dalbeth

From: Ken Sutton and Janette Simpson

Of: Waikato District Council

Date: 16 April 2021

Dear Debbie,

QUARTERLY SUMMARY OF ONGOING SATISFACTION SURVEY RESULTS

The following is a quarterly summary of your Ongoing Satisfaction survey results for the 3rd quarter period.

If you have any queries, please give one of us a call.

Kind regards,

Ken Sutton

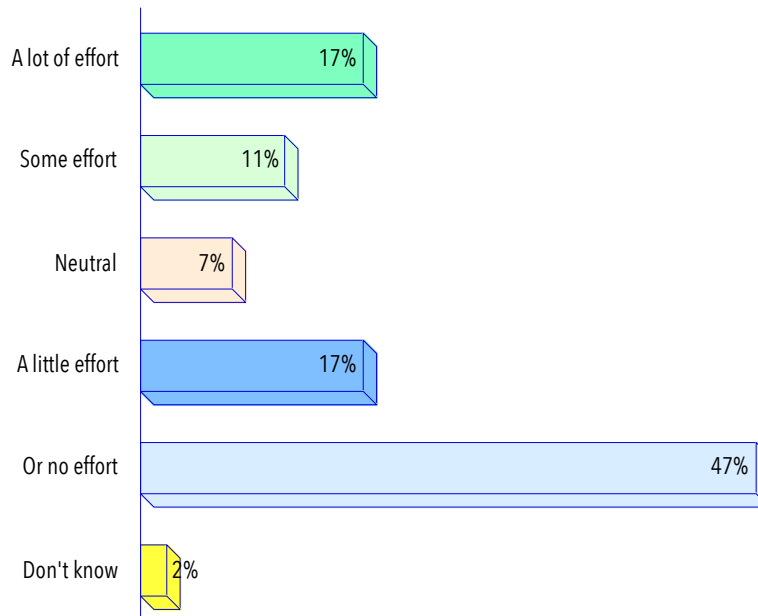
Janette Simpson

National Research Bureau Ltd

CONTACT WITH COUNCIL

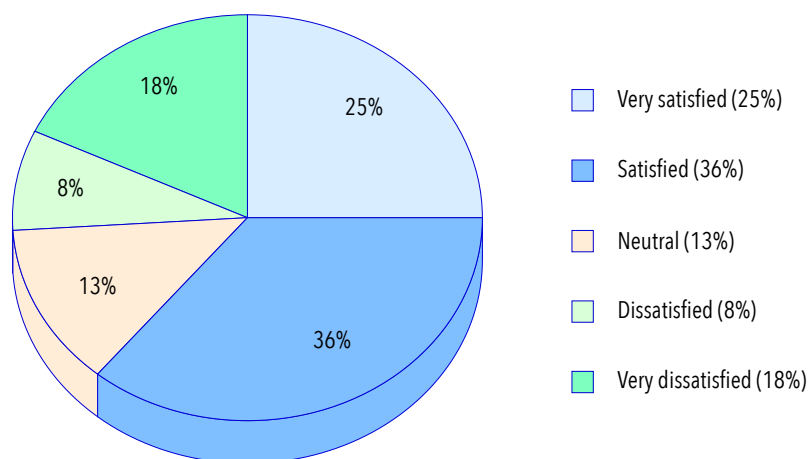
43% of residents have contacted Council staff at the Council offices or service centres by phone, in person and/or by email, in the last 12 months.

How much effort did it take to conduct business with Council ...



Base = 43[†]
(does not add to 100% due to rounding)

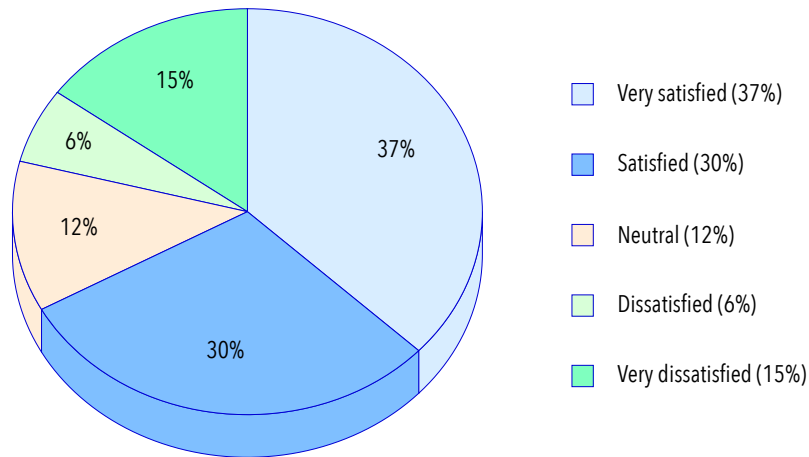
Satisfaction with how issue was resolved



Base = 43[†]

[†] those residents who say they have contacted Council in last 12 months

Satisfaction with overall service received



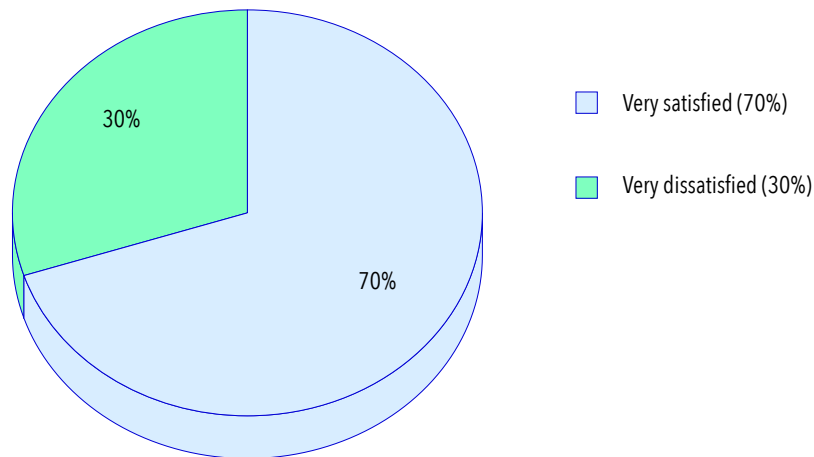
Base = 43[†]

[†] those residents who say they have contacted Council in last 12 months

Contact with Councillors/Mayor

In the last 12 months 3% of residents have contacted, or attempted to contact, a Councillor (including the Mayor).

Satisfaction that they are able to contact them should the need arise ...



Base = 3[†]

Caution: very small base

[†] those residents who say they have contacted or attempted to contact a Councillor in last 12 months

SATISFACTION WITH SERVICES AND FACILITIES - OVERALL

	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Standard of Council's roads overall (excluding State Highways)	47	20	33	-
Stormwater services	45	6	17	32

SATISFACTION WITH COUNCIL SERVICES/FACILITIES - USERS/VISITORS

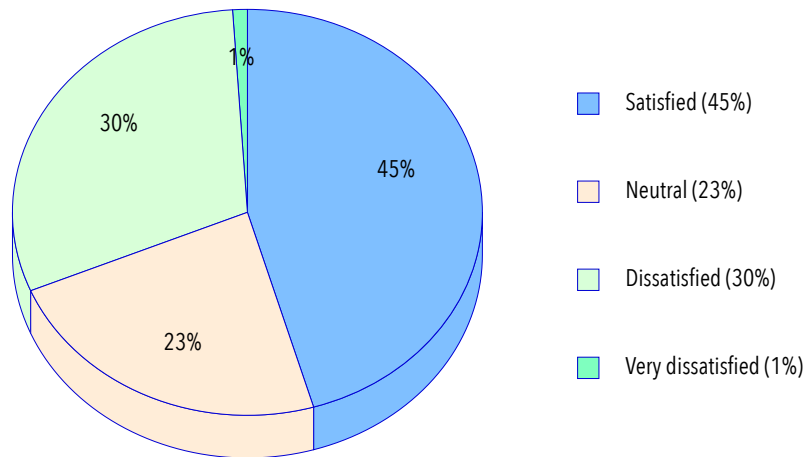
	Base	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Presentation of cemeteries*†	34	98	3	-	-
Public toilets	40	91	3	6	-
Parks and reserves, including sports fields and playgrounds	57	85	8	7	-
Public libraries	30	82	9	9	-
Recycling services	94	78	6	14	2
Footpaths	77	74	12	14	-
Building and inspection services*	15	66	16	18	-
Animal control, ie, stock and dog control*†	12	60	5	36	-

* caution: very small/small base

† does not add to 100% due to rounding

Satisfaction with the standard of Council's unsealed roads

Driven on an unsealed Council road



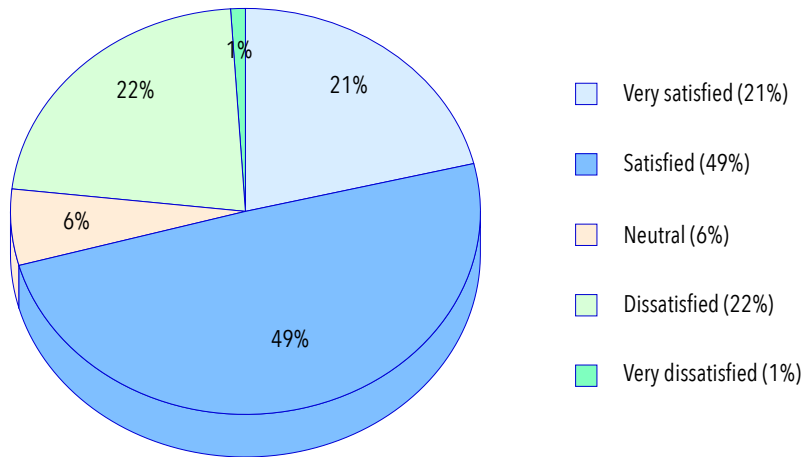
Base = 44

(does not add to 100% due to rounding)

SATISFACTION WITH SERVICES PROVIDED BY COUNCIL

Water service

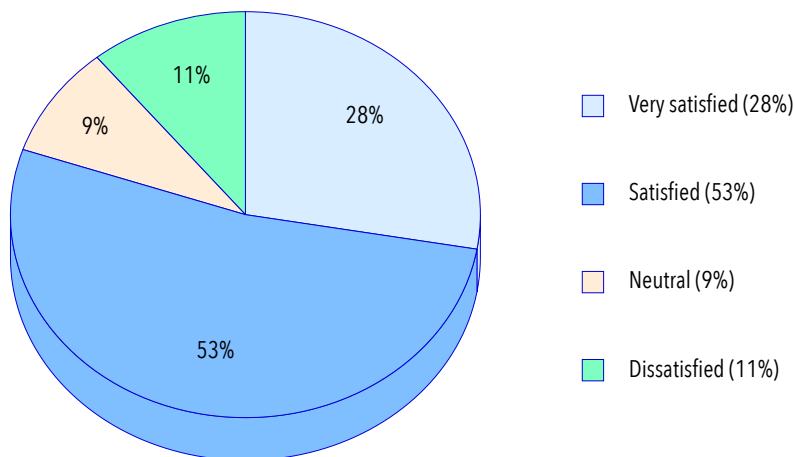
Council Provided Piped Water Supply



Base = 45
(does not add to 100% due to rounding)

Wastewater services

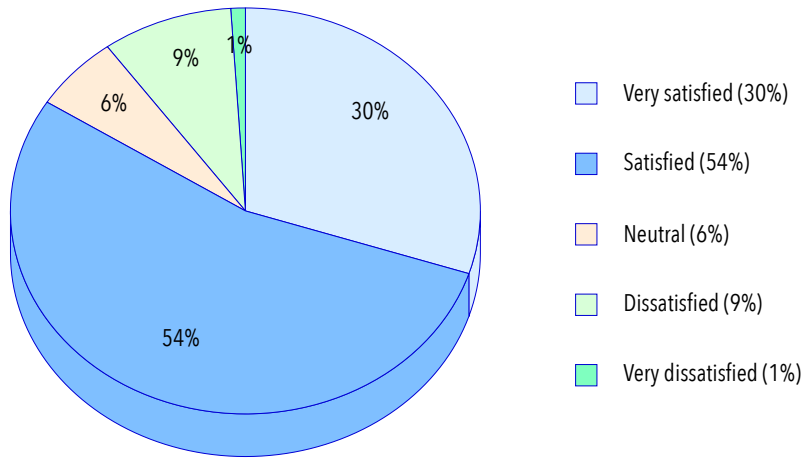
Council provided sewerage system



Base = 31
(does not add to 100% due to rounding)

Rubbish collection service

Council provided regular rubbish collection service



Base = 91

LOCAL ISSUES

Governance/democracy

58% of residents feel that as a ratepayer or resident they have the opportunity to be involved and to participate in the way the Council makes decisions, while 42% say they don't.

22% of residents have tried to participate in Council's decision making process.

Level of satisfaction

	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Information about key community issues is easily accessible [†]	59	15	21	4
Information available on these issues is clear and instructive [†]	52	18	25	4
There is sufficient time and opportunity available to provide feedback [†]	48	19	17	15
The public are consulted about the right issues [†]	40	30	27	4
There is a suitable range of consultation options available [†]	25	25	23	26

Base = 23* (those residents who say they have tried to participate in Council's decision making process)

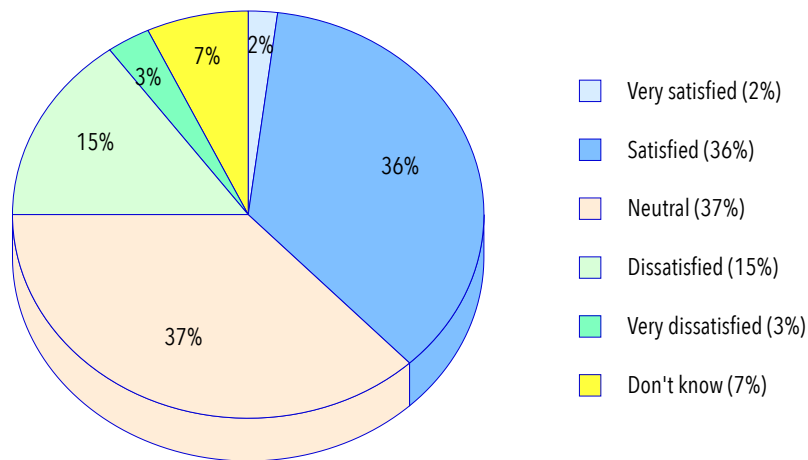
% read across

* caution: small base

[†] does not add to 100% due to rounding

Overall satisfaction with the way Council involves the public in the decisions it makes

Overall



Participation In Decision Making Process

In general 16% of residents are interested in participating in Council's decision making process, 30% say they are not, while 53% say it depends on the issue. 1% are unable to comment

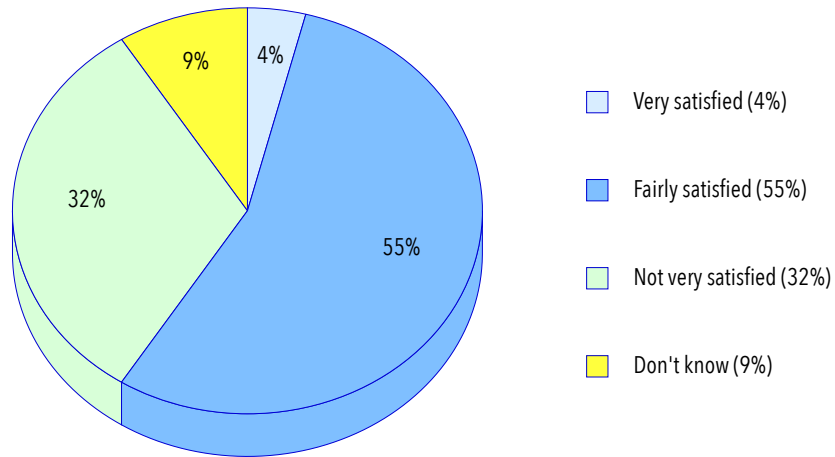
Outcomes

30% of residents say there is a Council action/decision/management they **dislike or disapprove** of, while 23% say there is a Council action/decision/management they **like or approve** of.

Community engagement

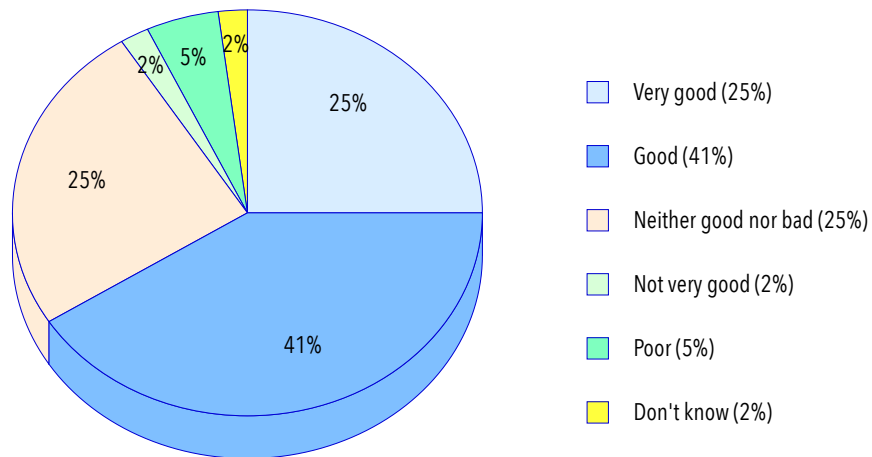
Satisfaction with rates spending

Overall



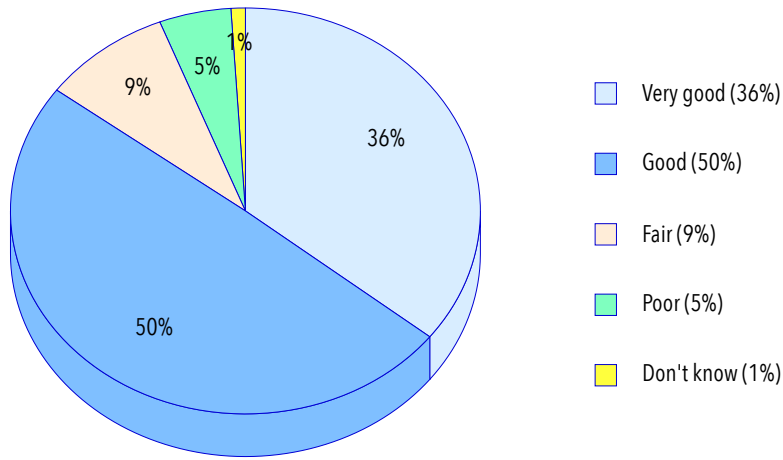
Community spirit

Overall



Quality of life

Overall



(does not add to 100% due to rounding)

Place to live, work and play

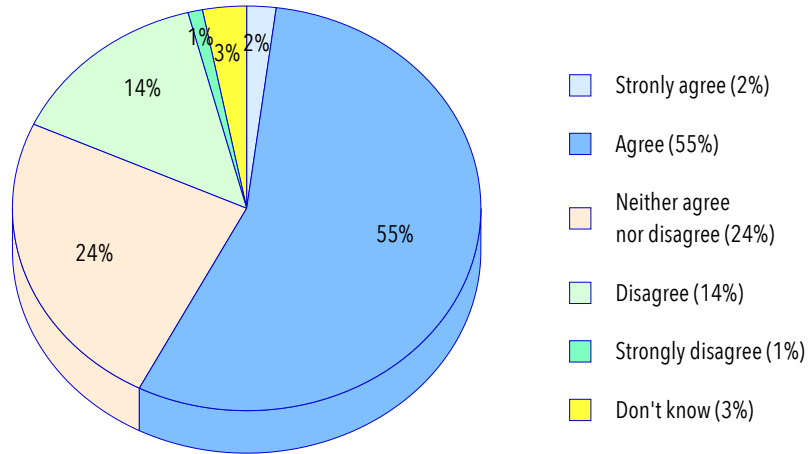
Using a scale of 0 to 10, where 0 is not at all likely and 10 is extremely likely, residents were asked to say how likely it is that they would recommend the Waikato District as a place to live.

Not at all likely 0 %	1 %	2 %	3 %	4 %	5 %	6 %	7 %	8 %	9 %	Extremely likely 10 %
-	2	-	2	1	11	10	19	26	13	16

Council consultation and community involvement

Council makes decisions that meet the needs and aspirations of their residents?

Overall



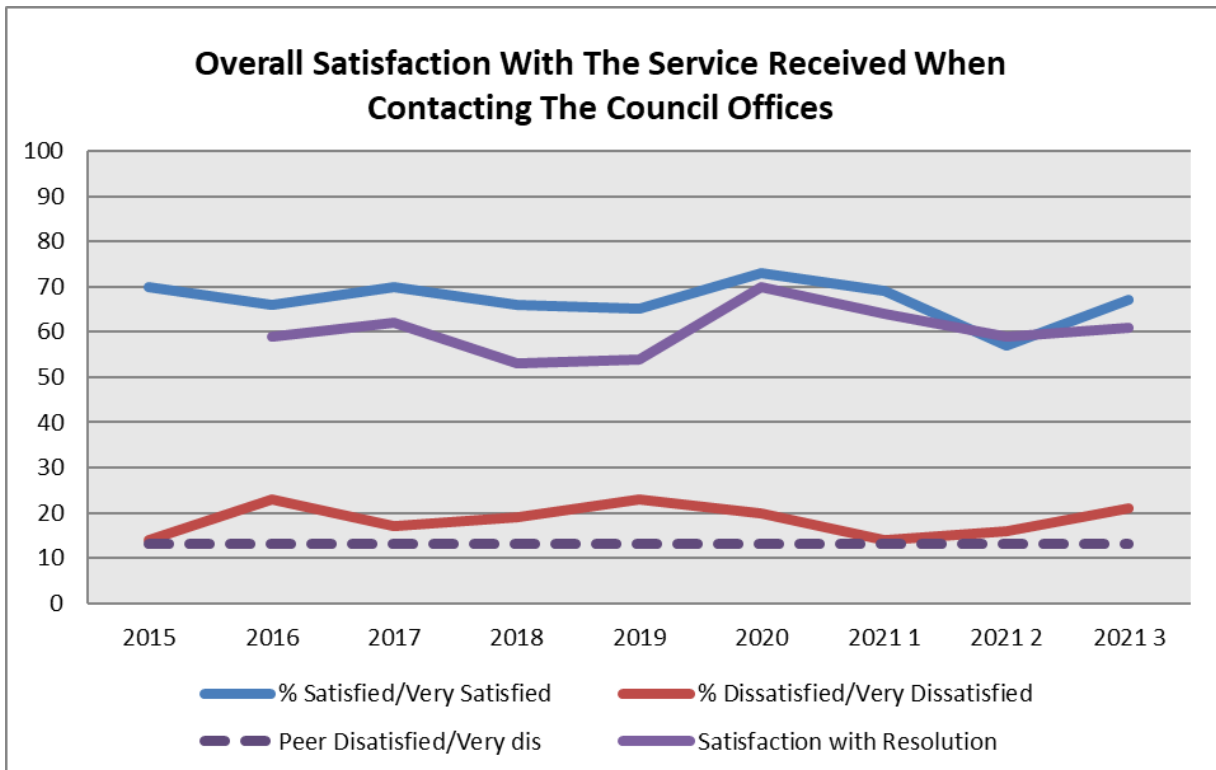
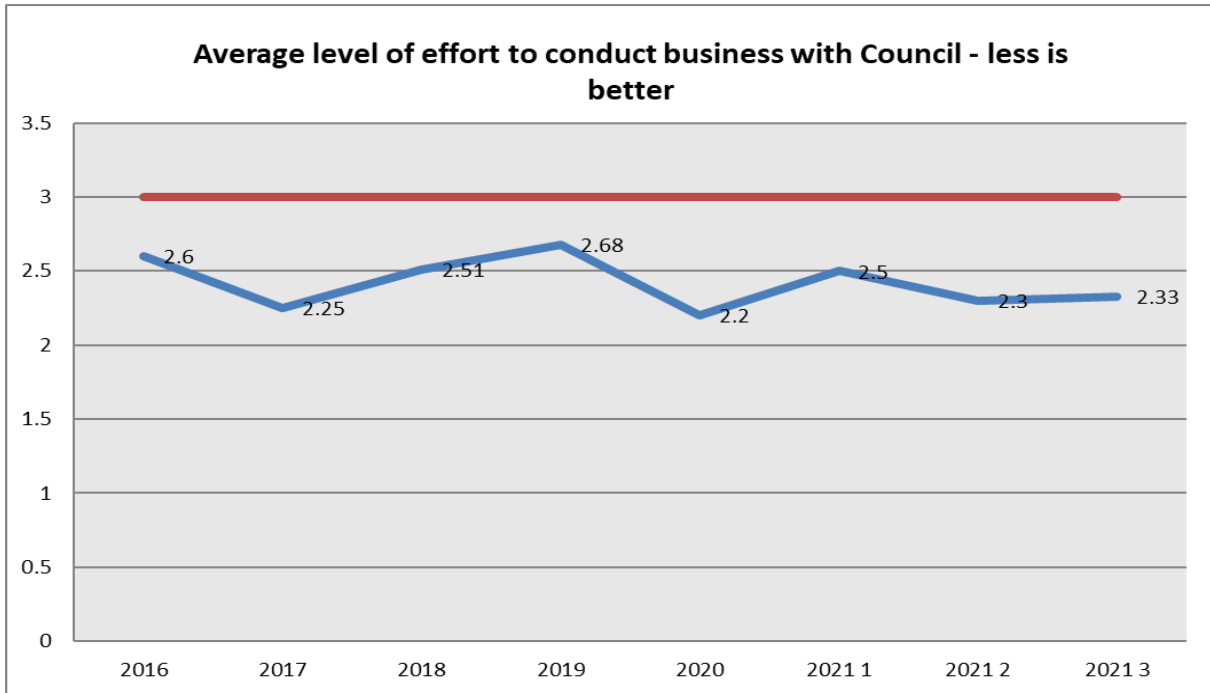
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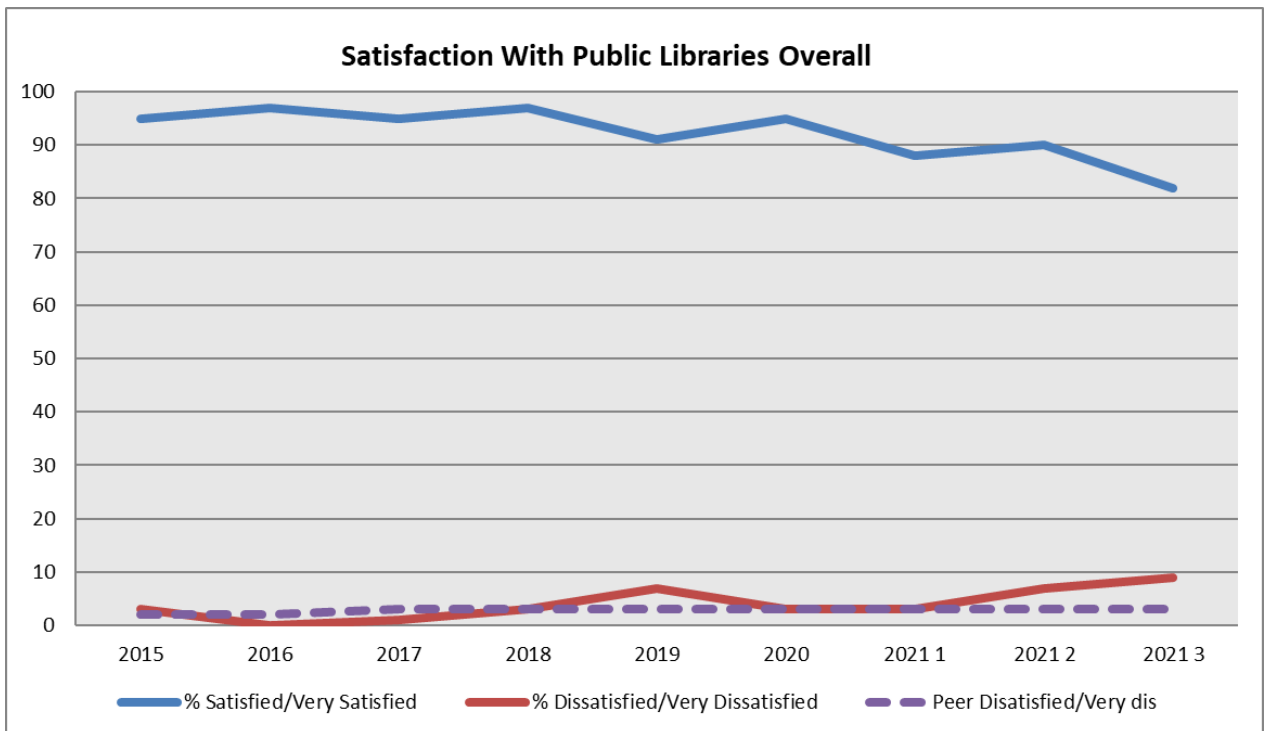
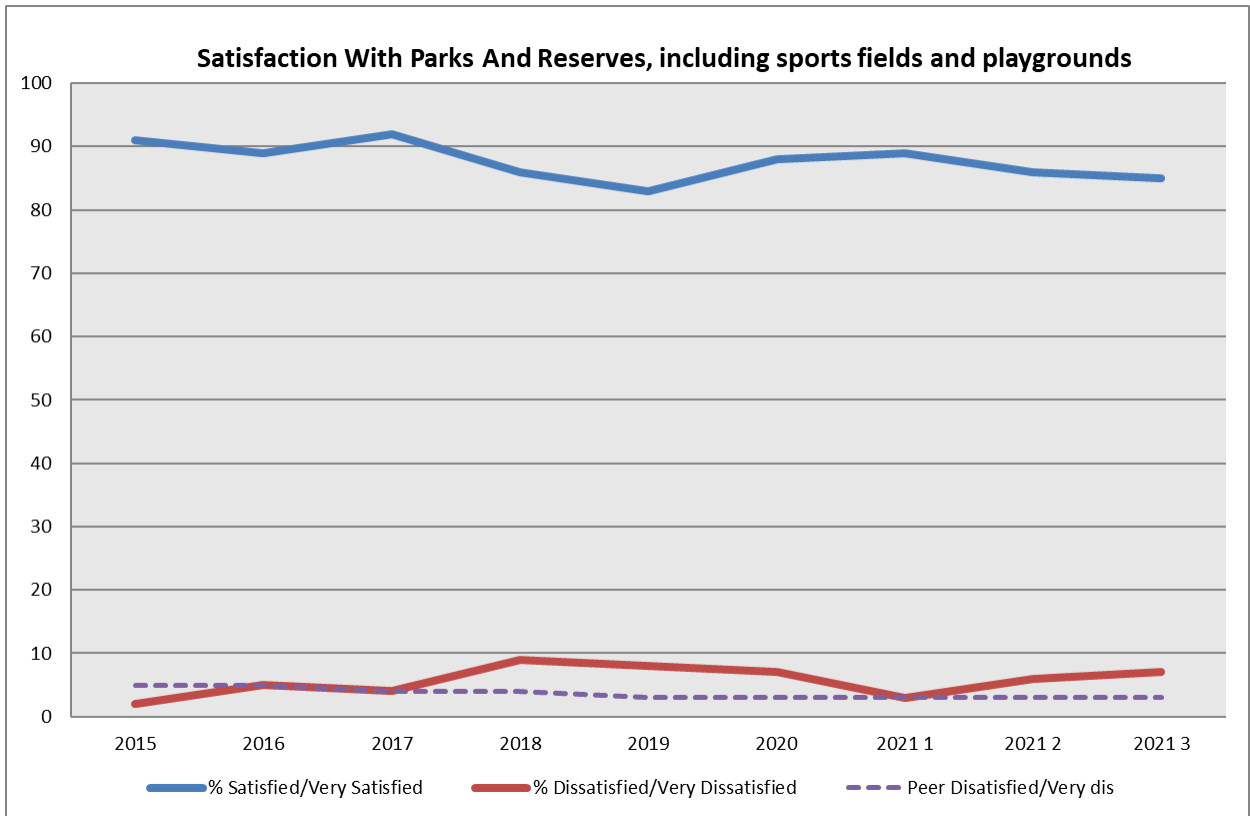
Appendix 3 – 3rd

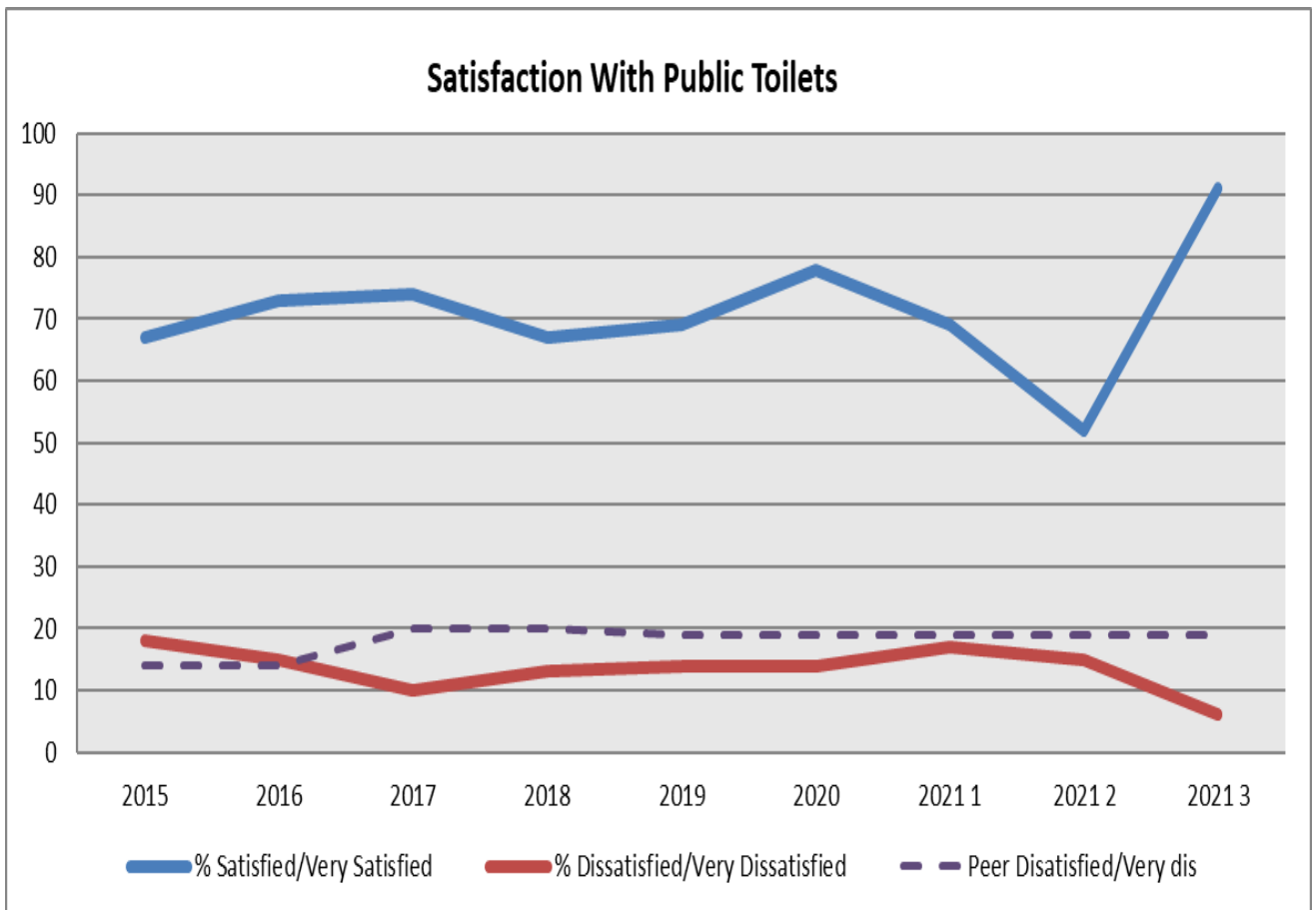
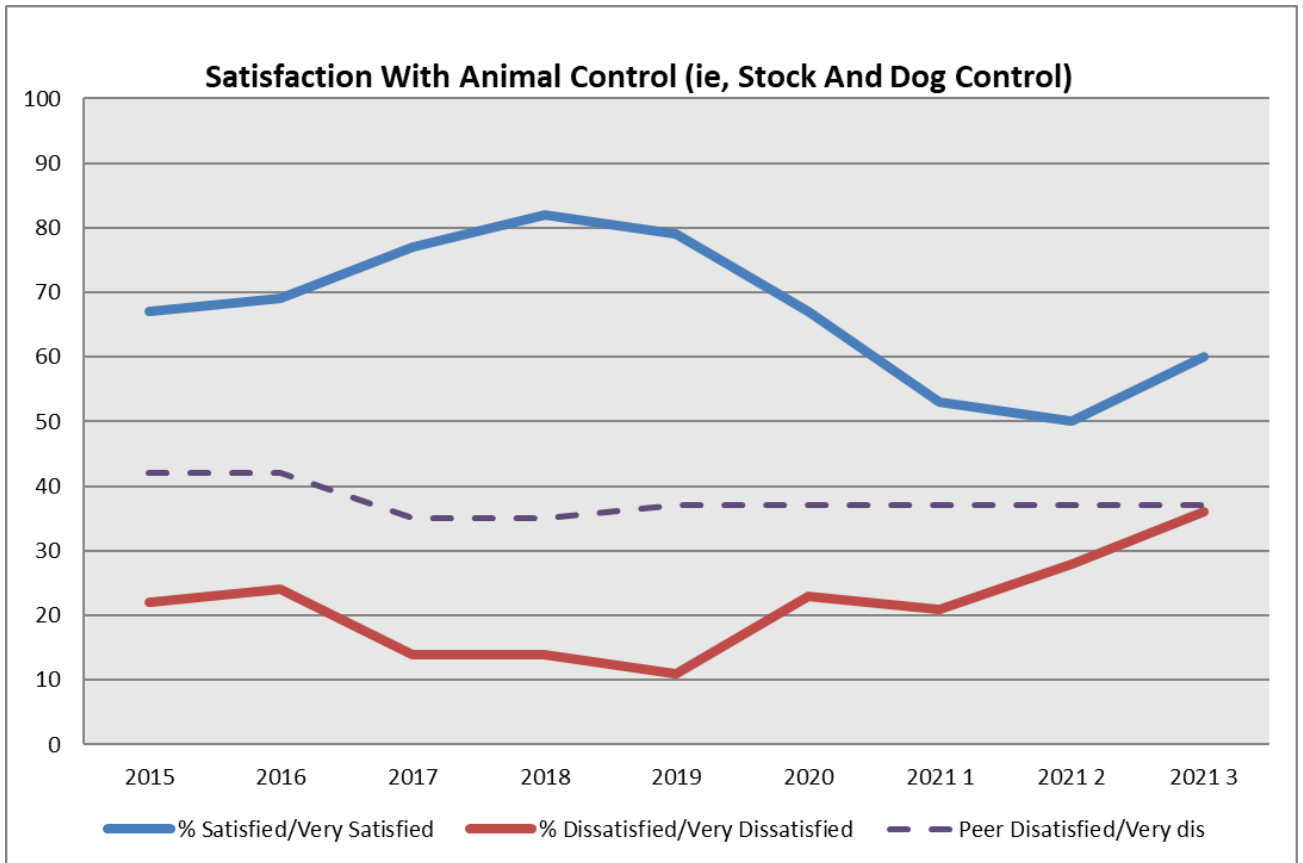
- 2021 2 is the second quarter result from the survey

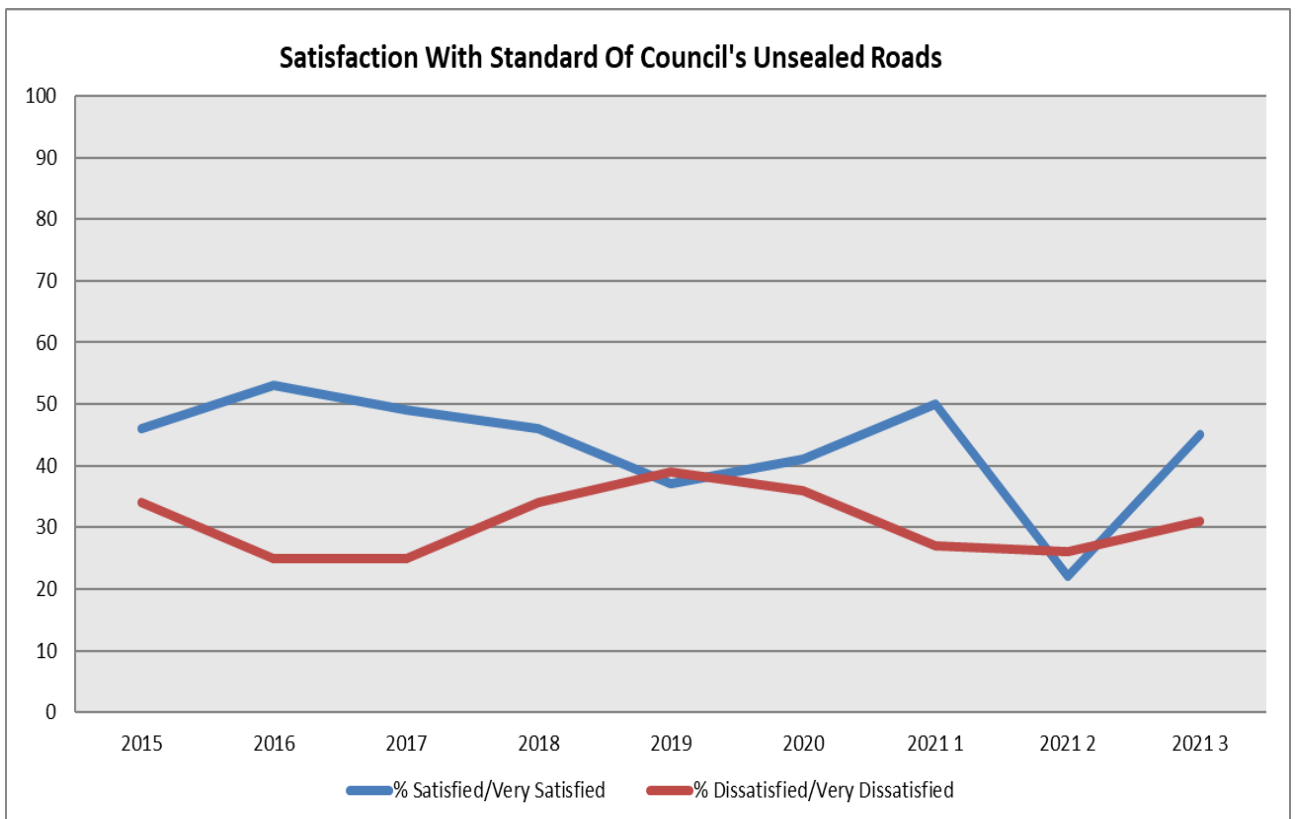
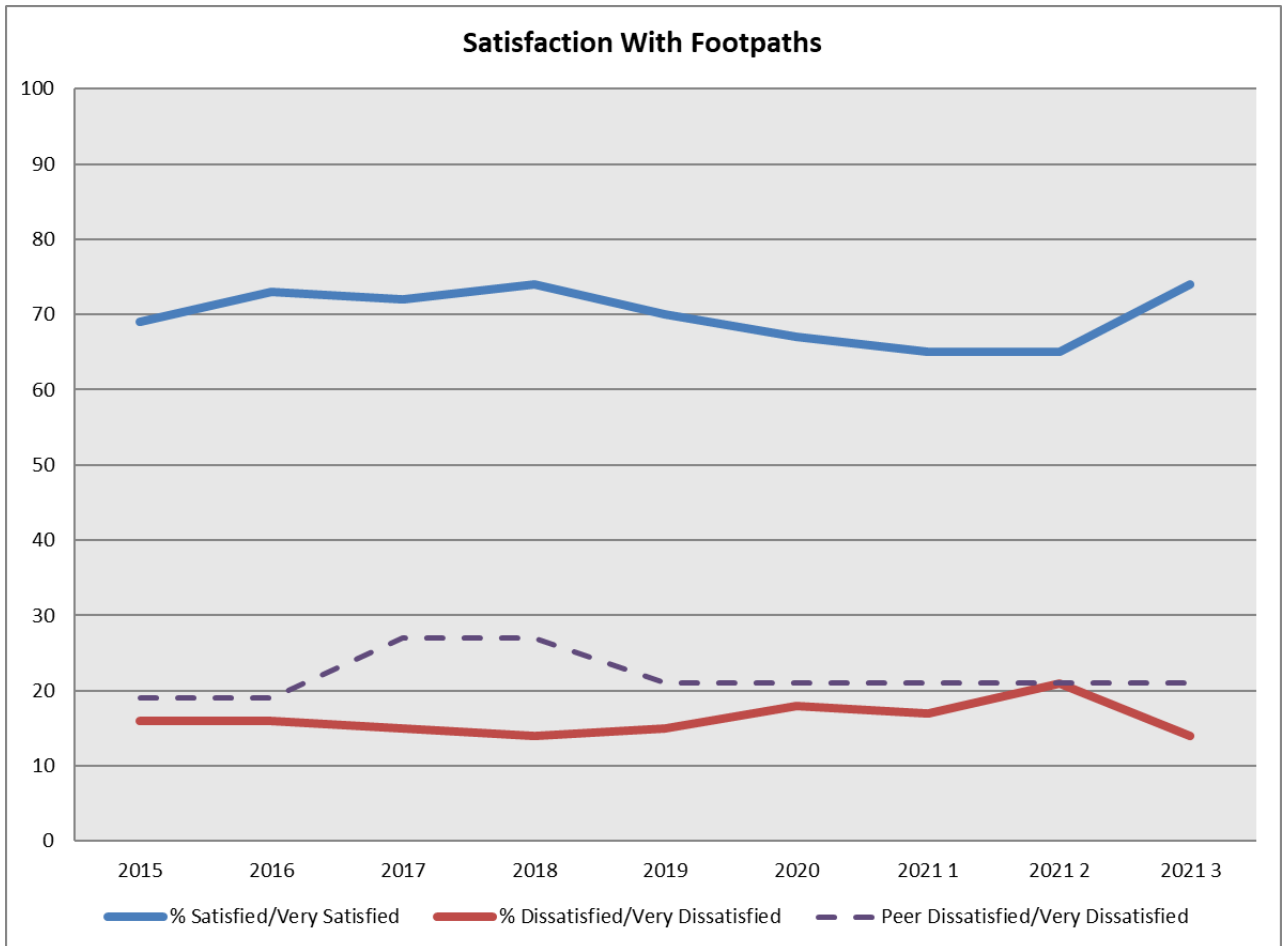
Quarter Survey Trend Graphs 2021

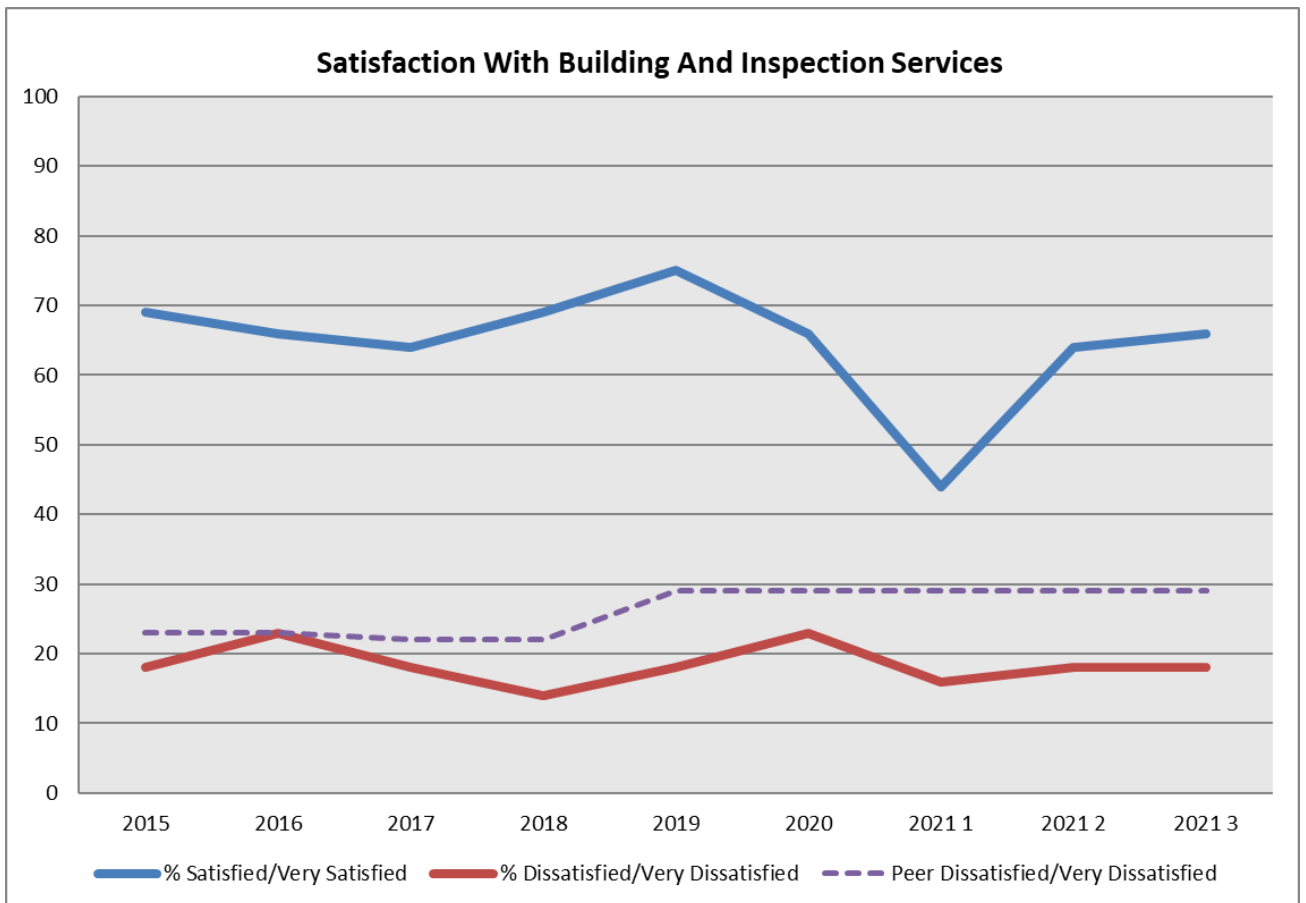
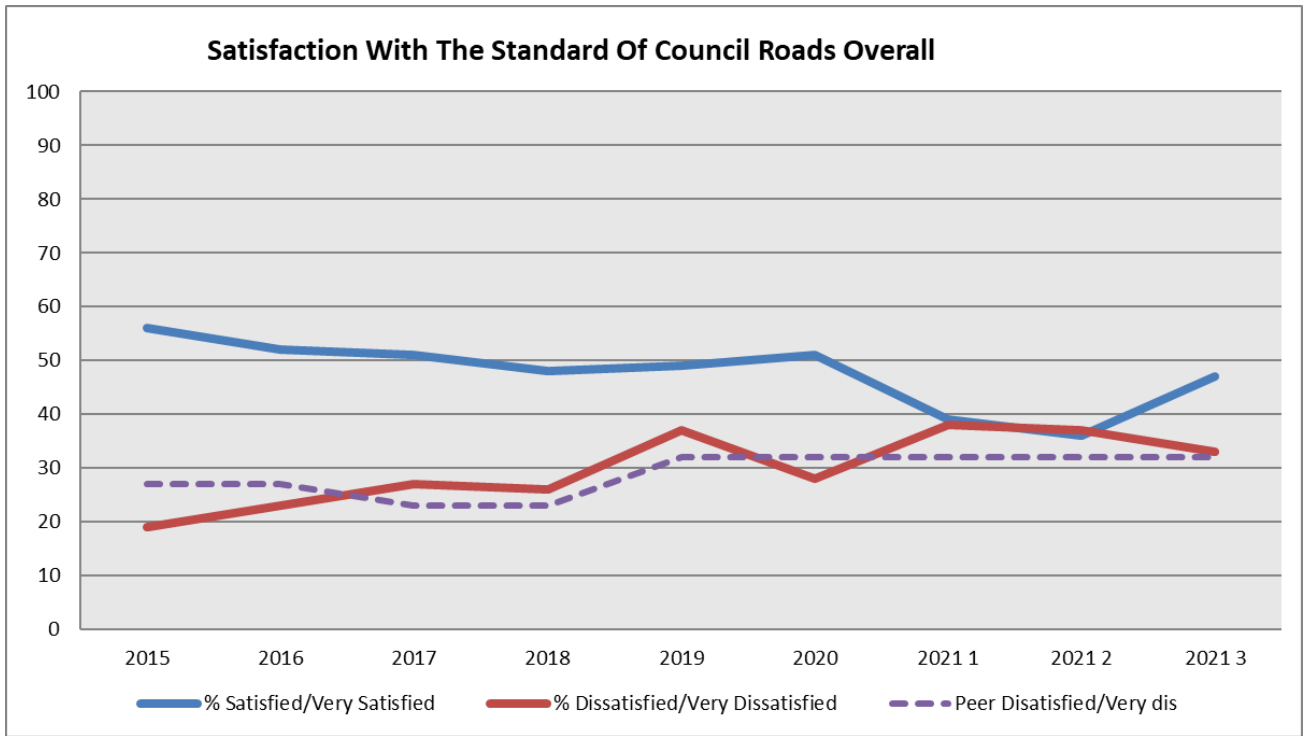
- 2021 1 is the first quarter result from the survey
- 2021 2 is the second quarter result from the survey
- 2021 3 is the third quarter result from the survey

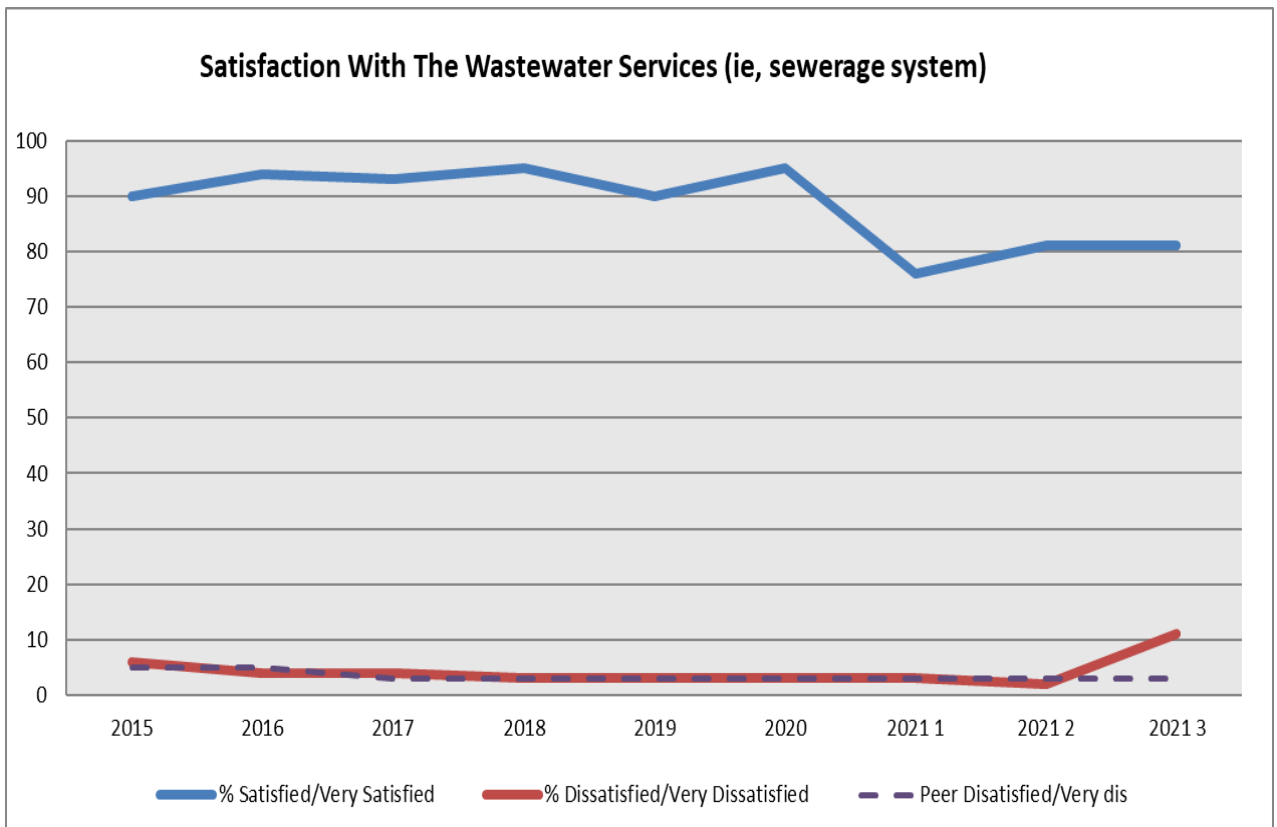
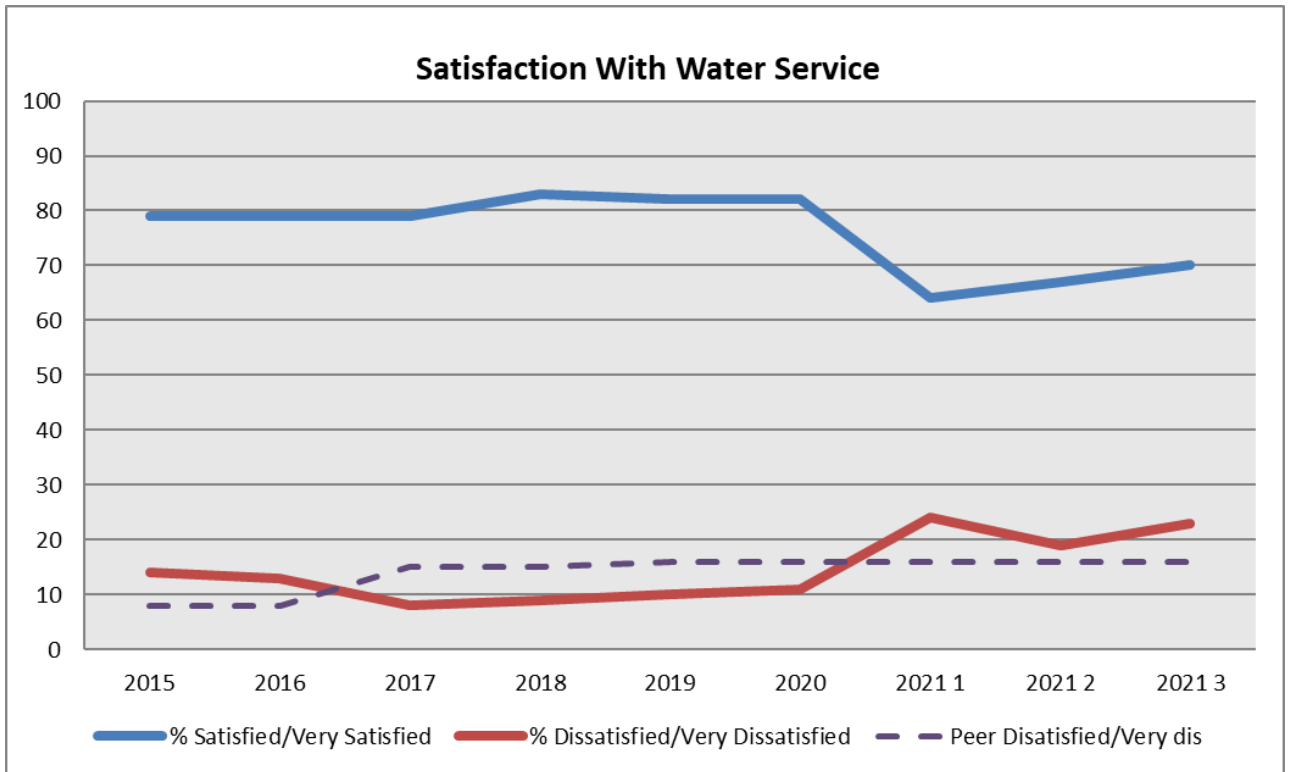


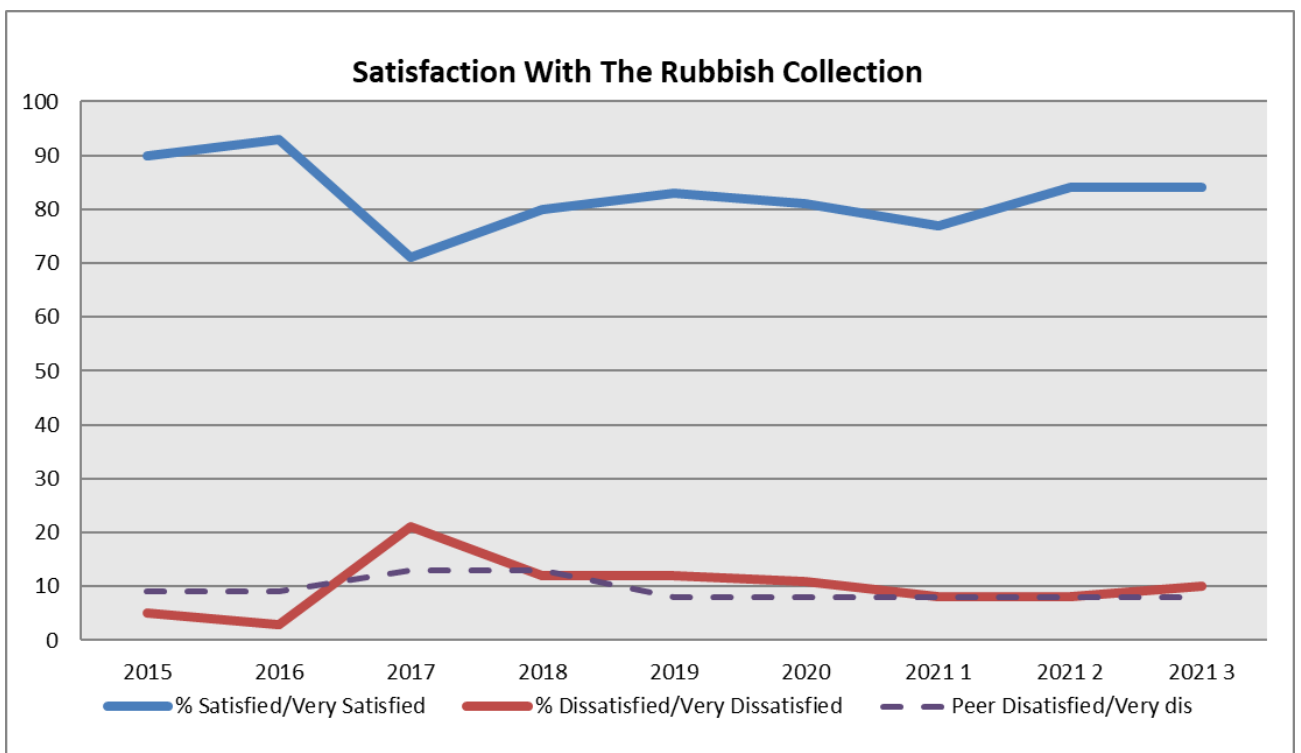
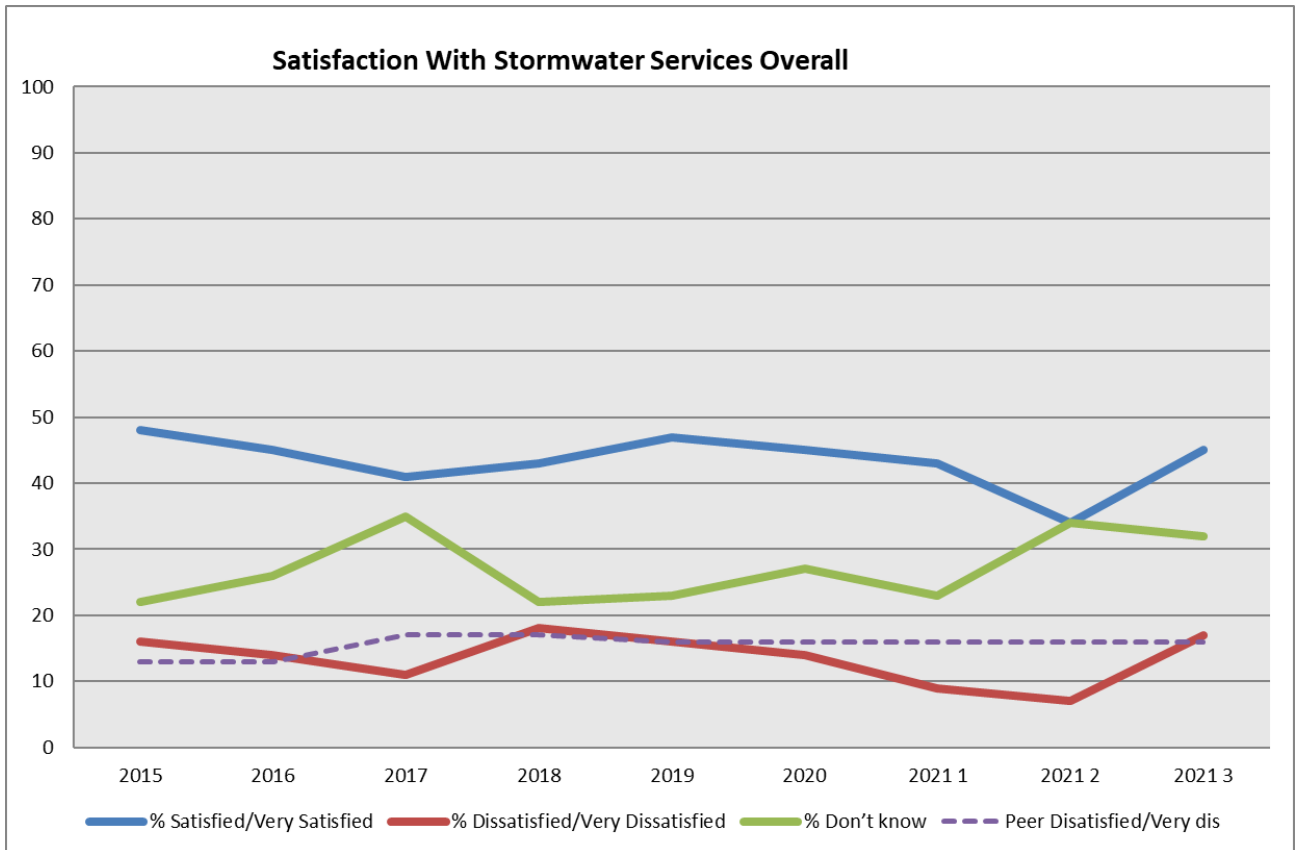


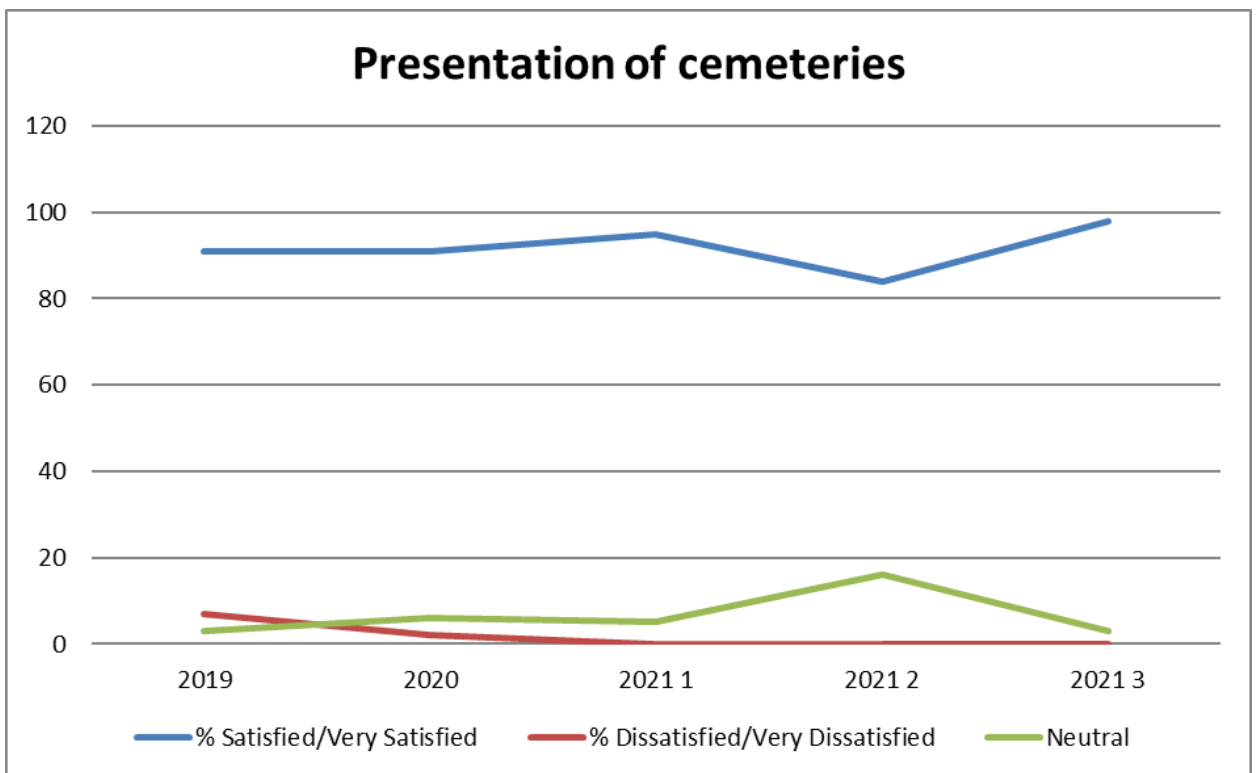
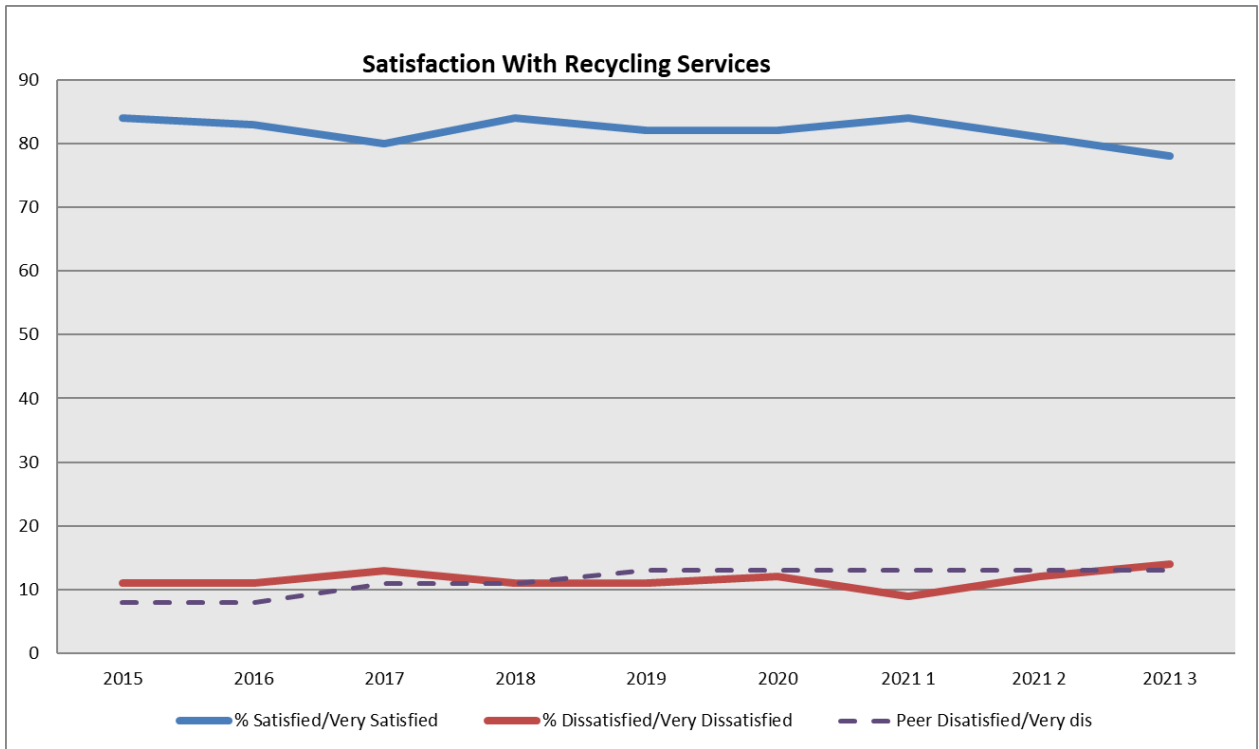




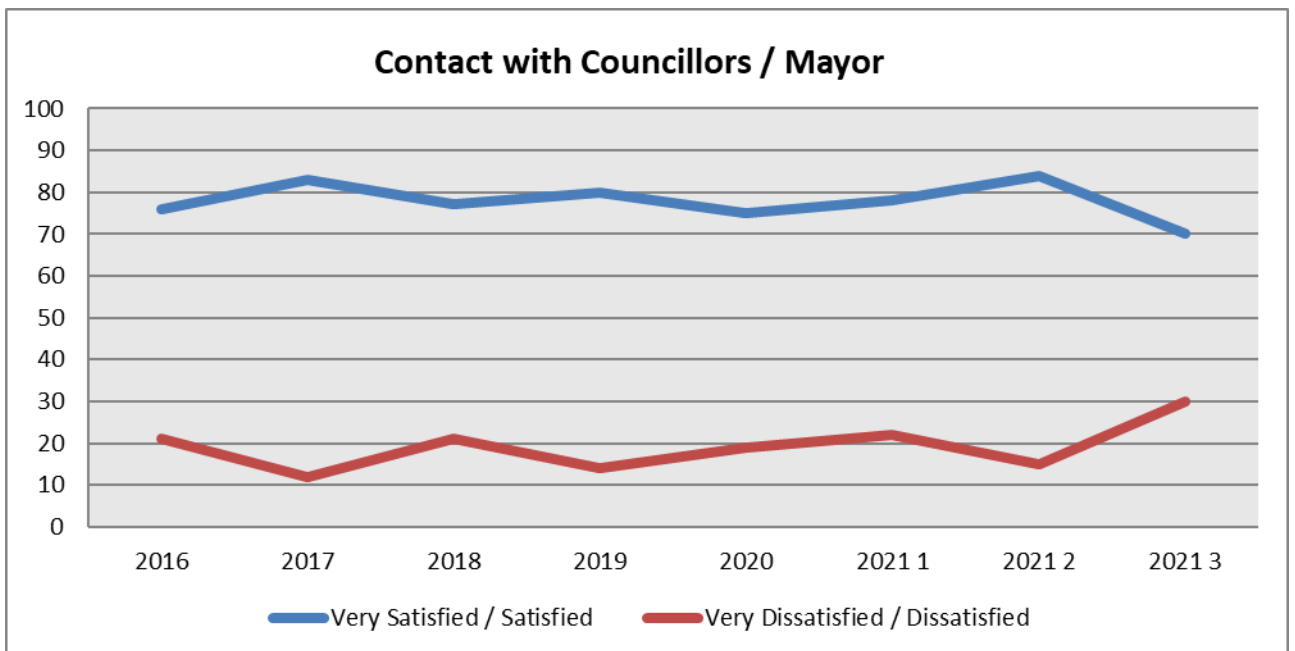
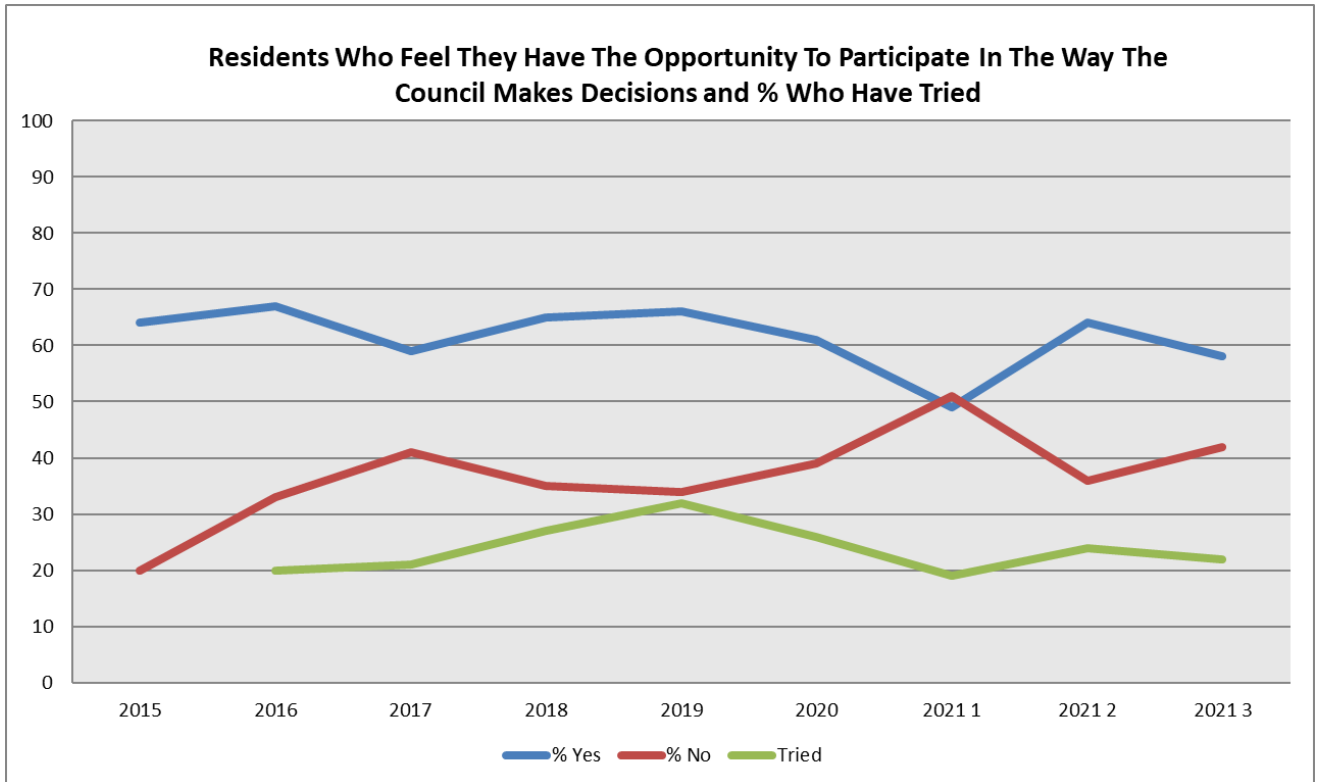




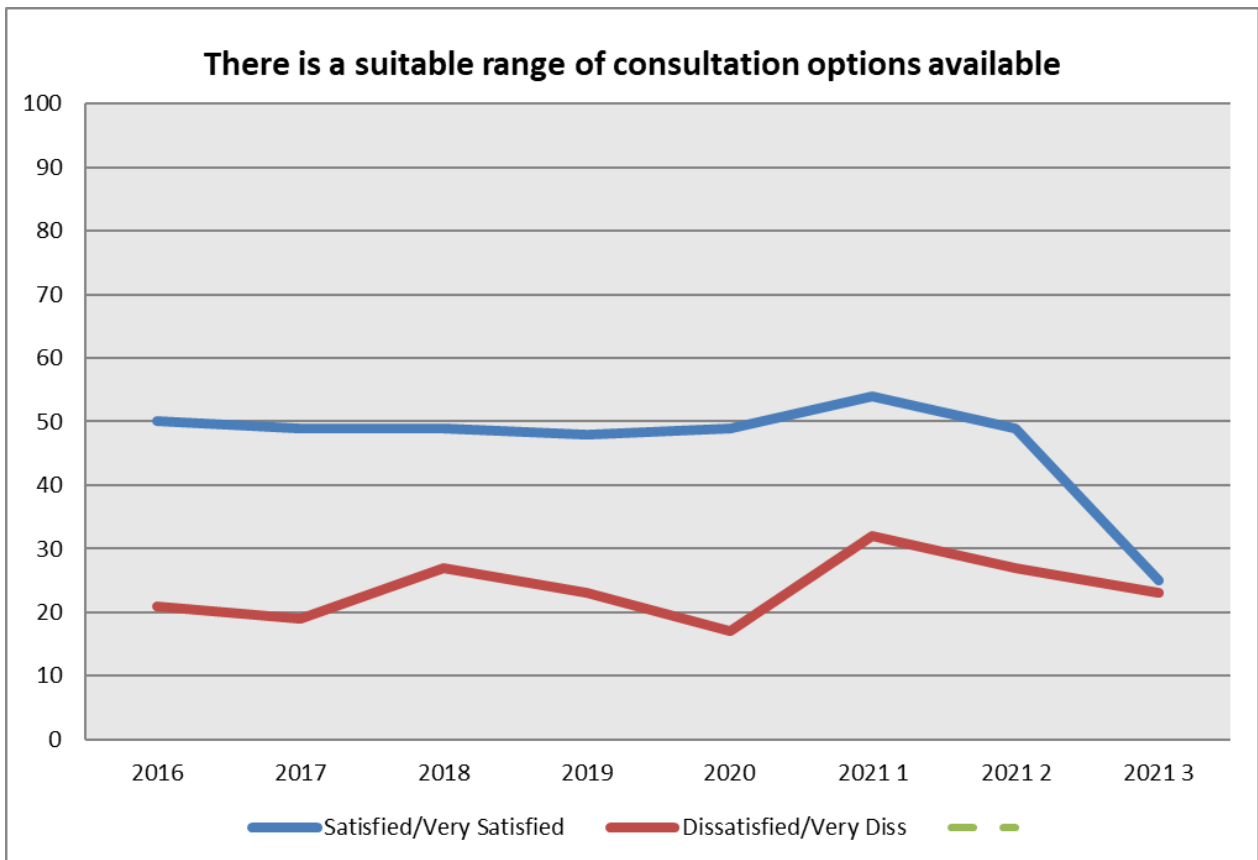
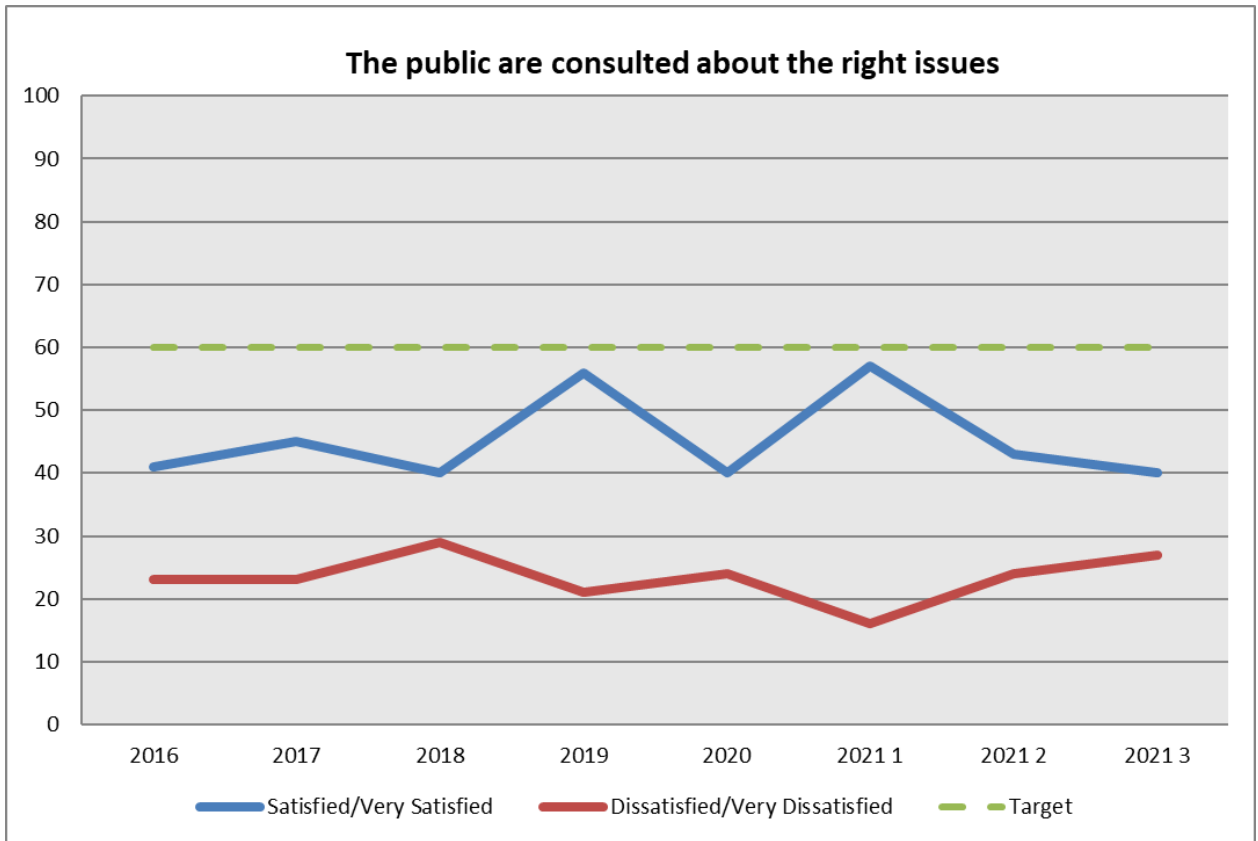


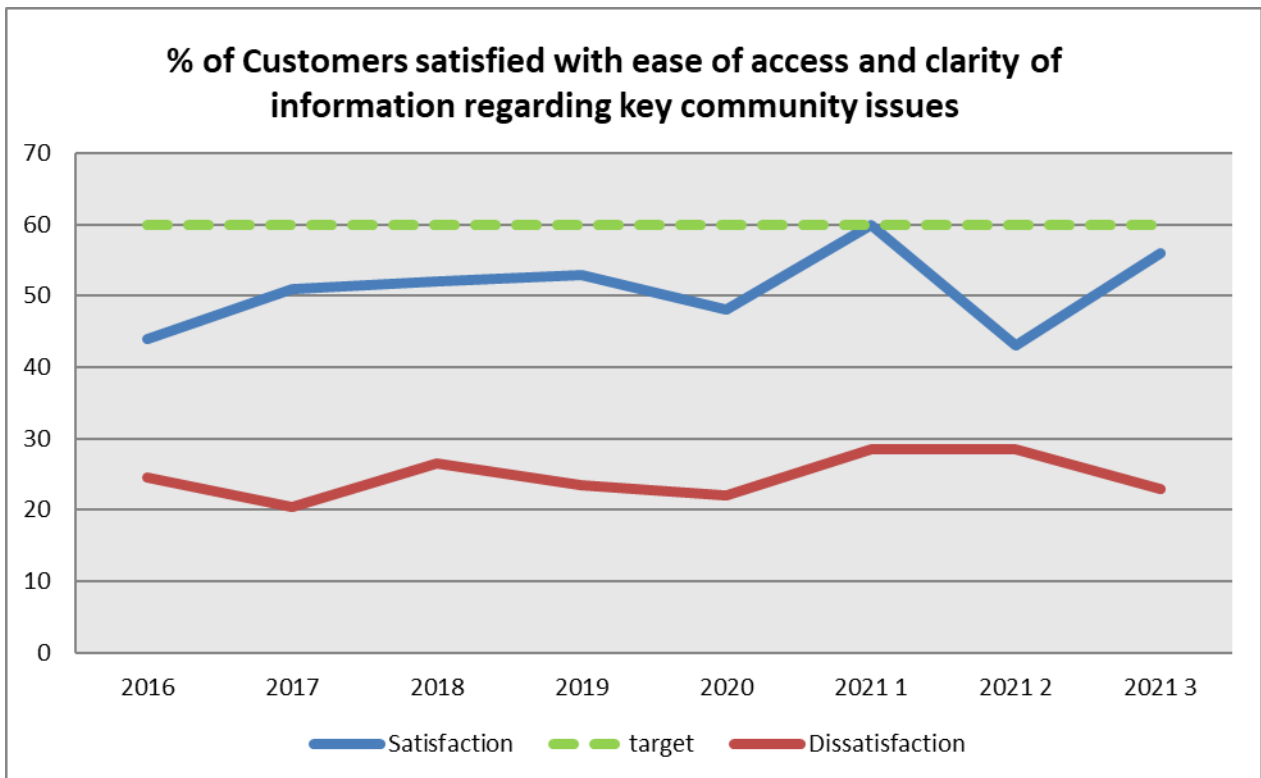
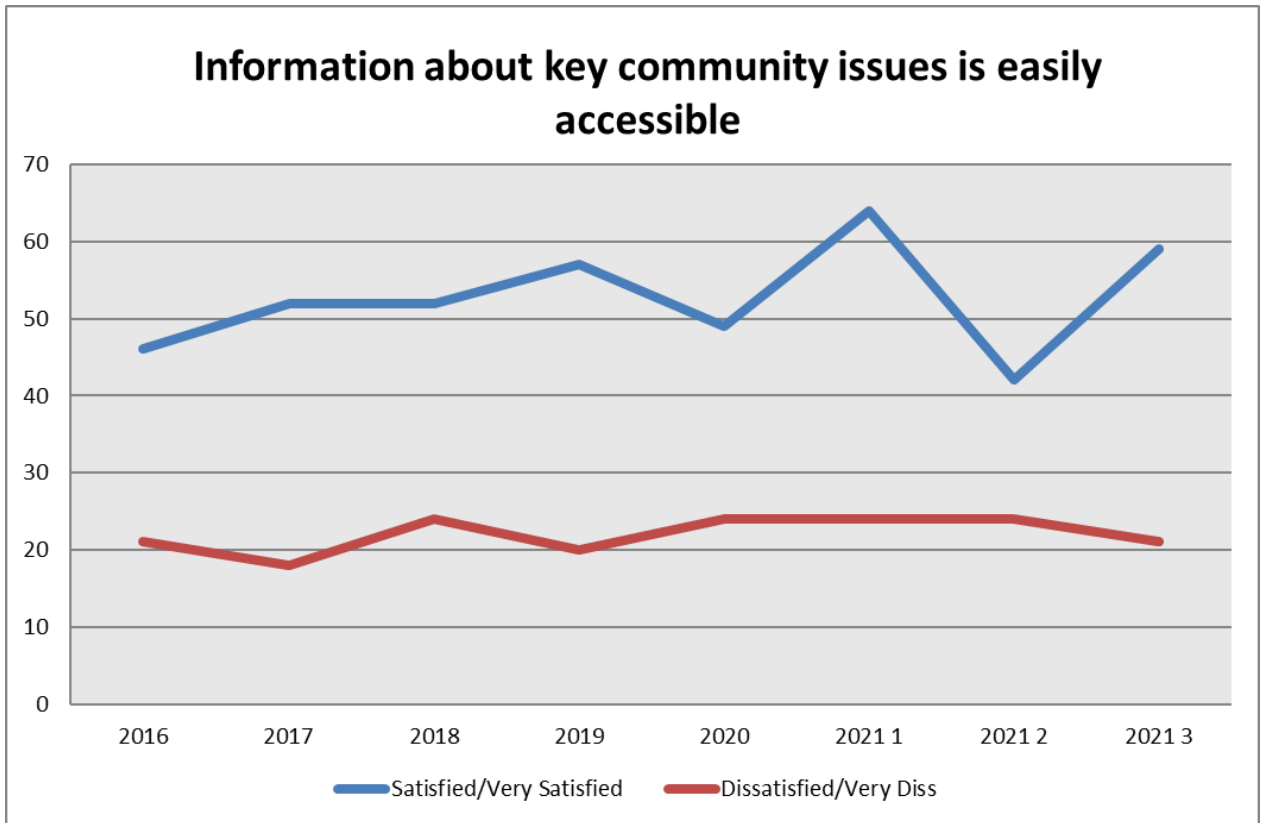


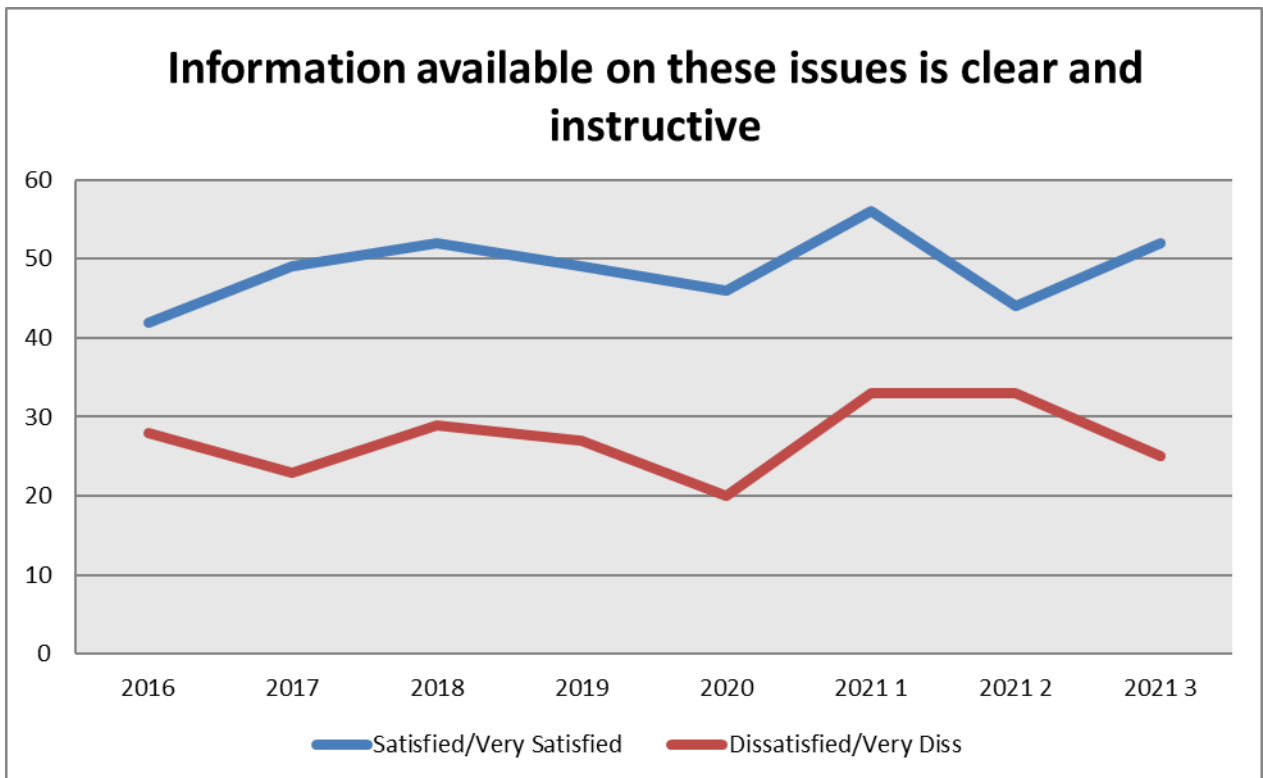
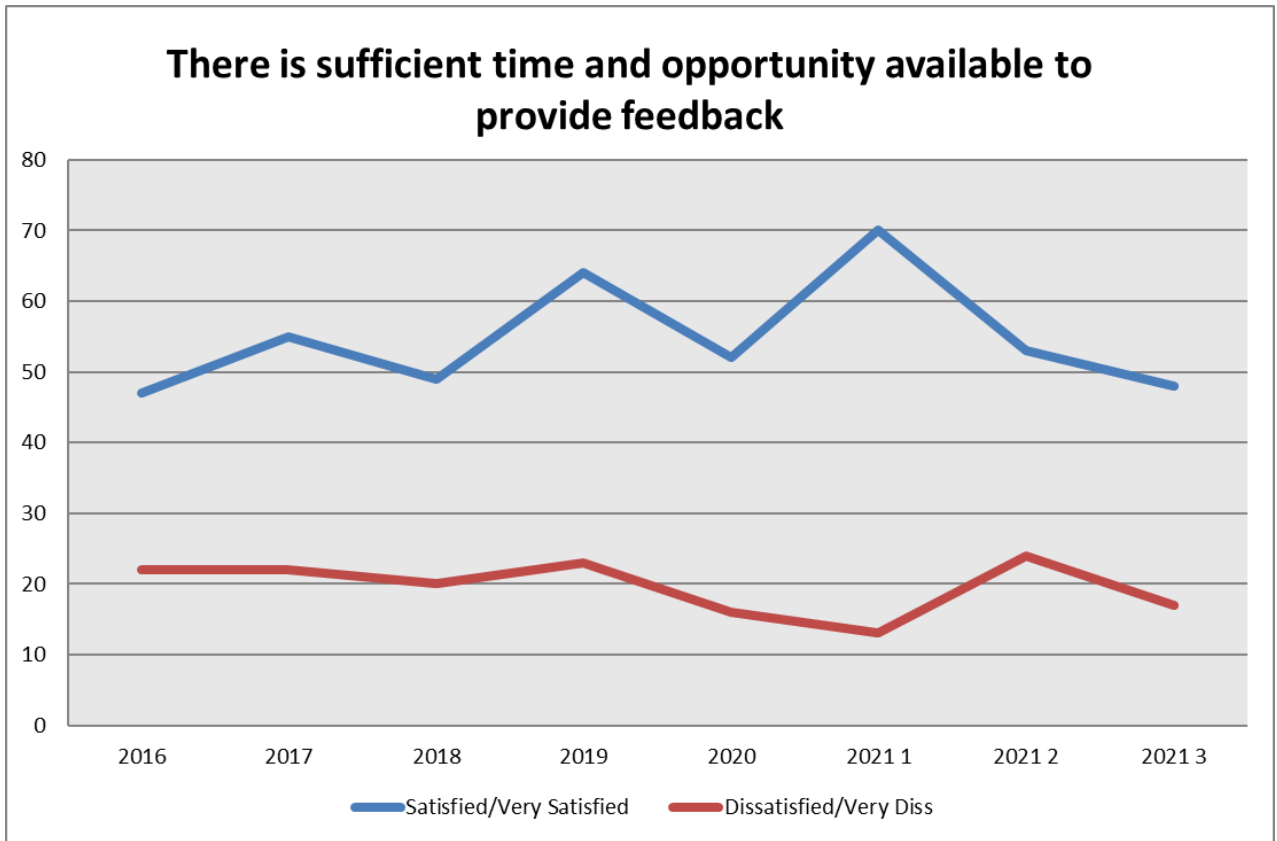
Governance / Democracy Questions

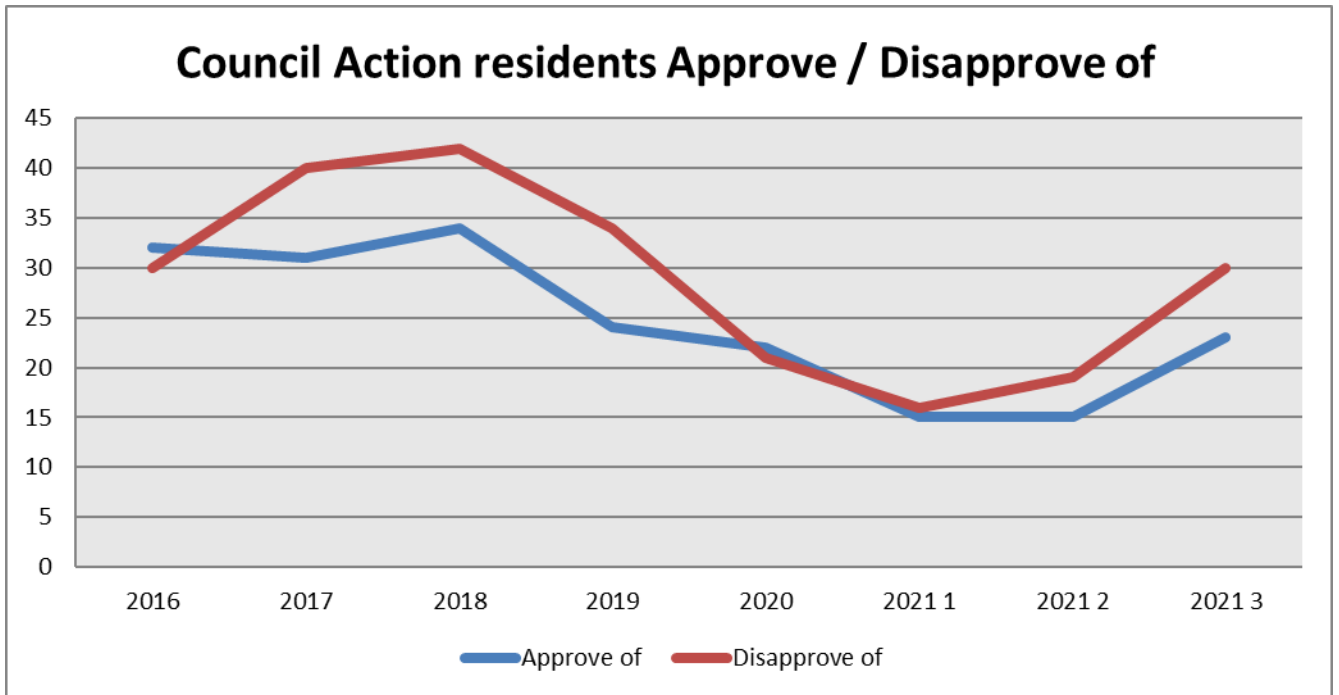


* The quarterly result for Contact with Councillors/Mayor has a large margin of error. Only 3 people responded to this question in the third quarter (2 were very satisfied and 1 very dissatisfied).

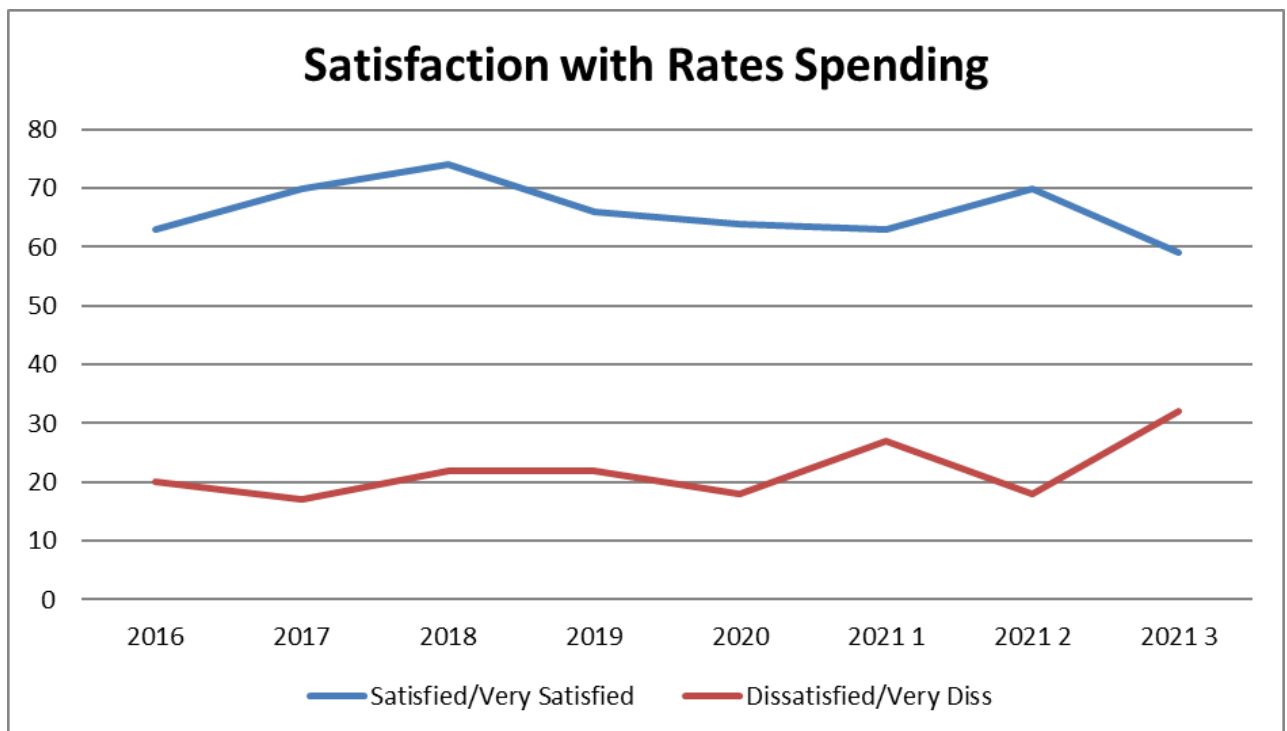
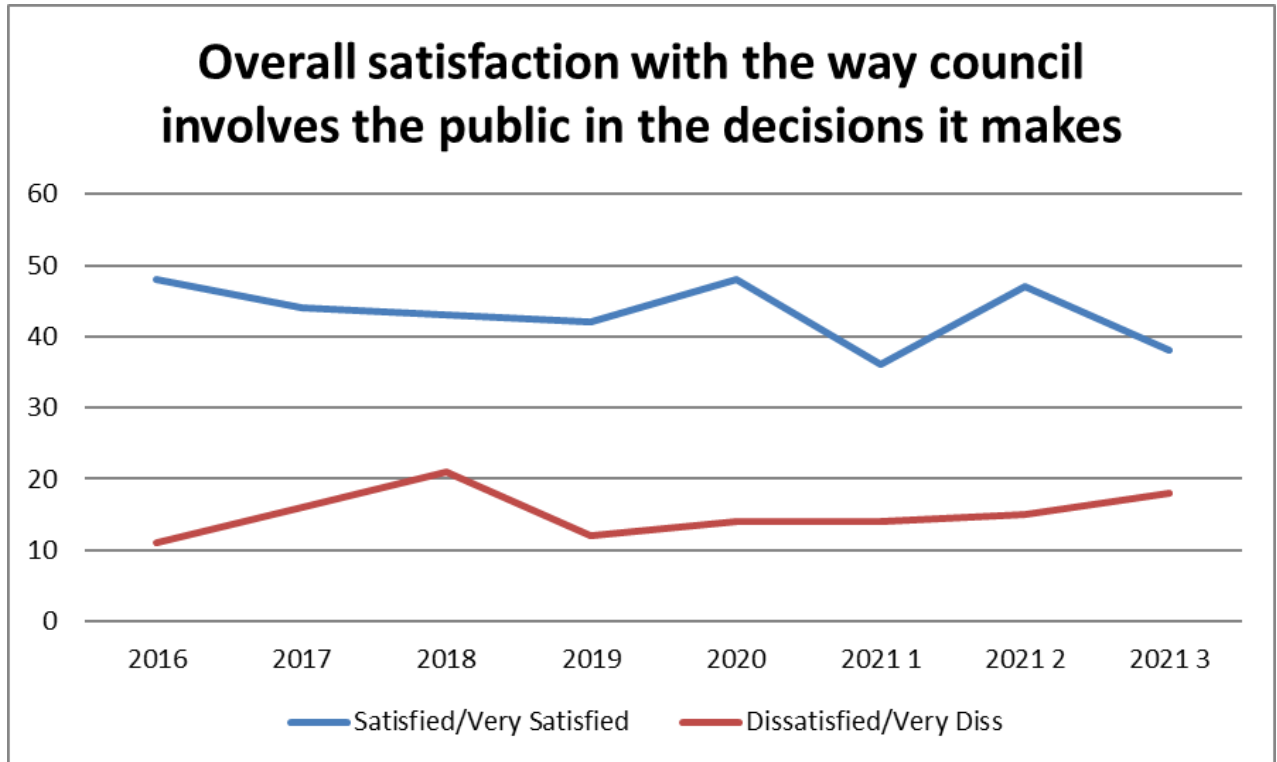


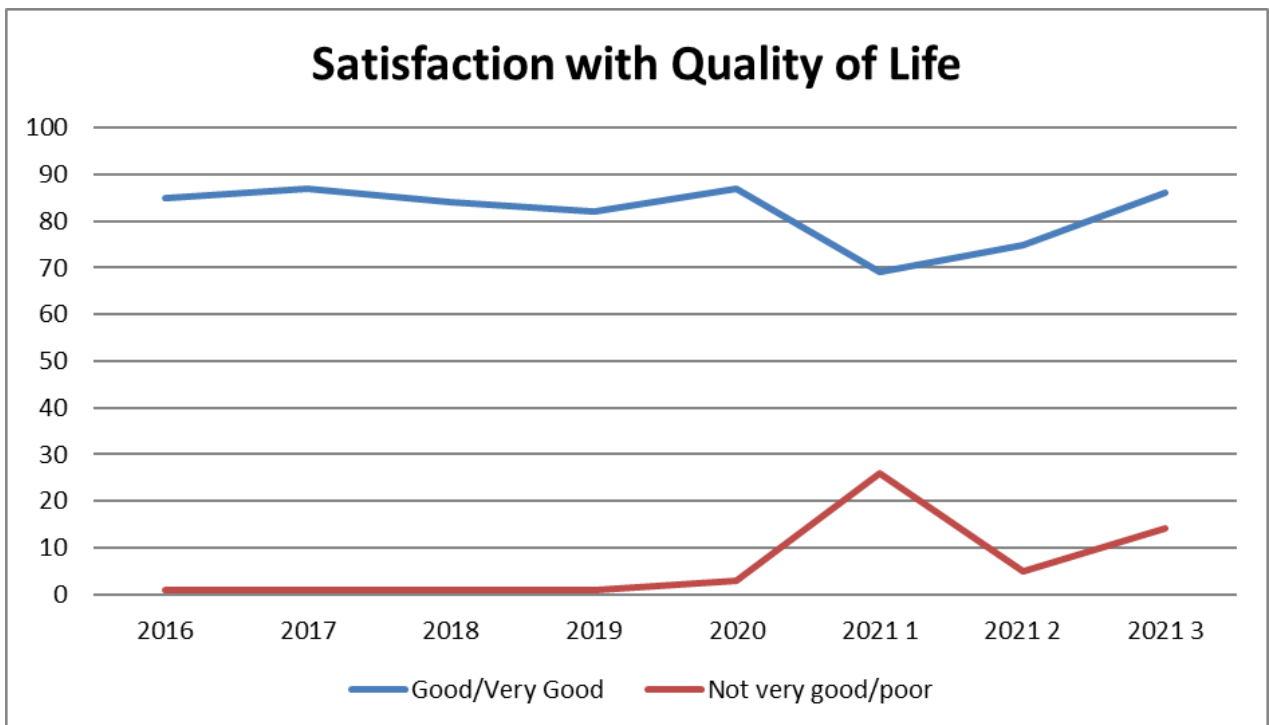
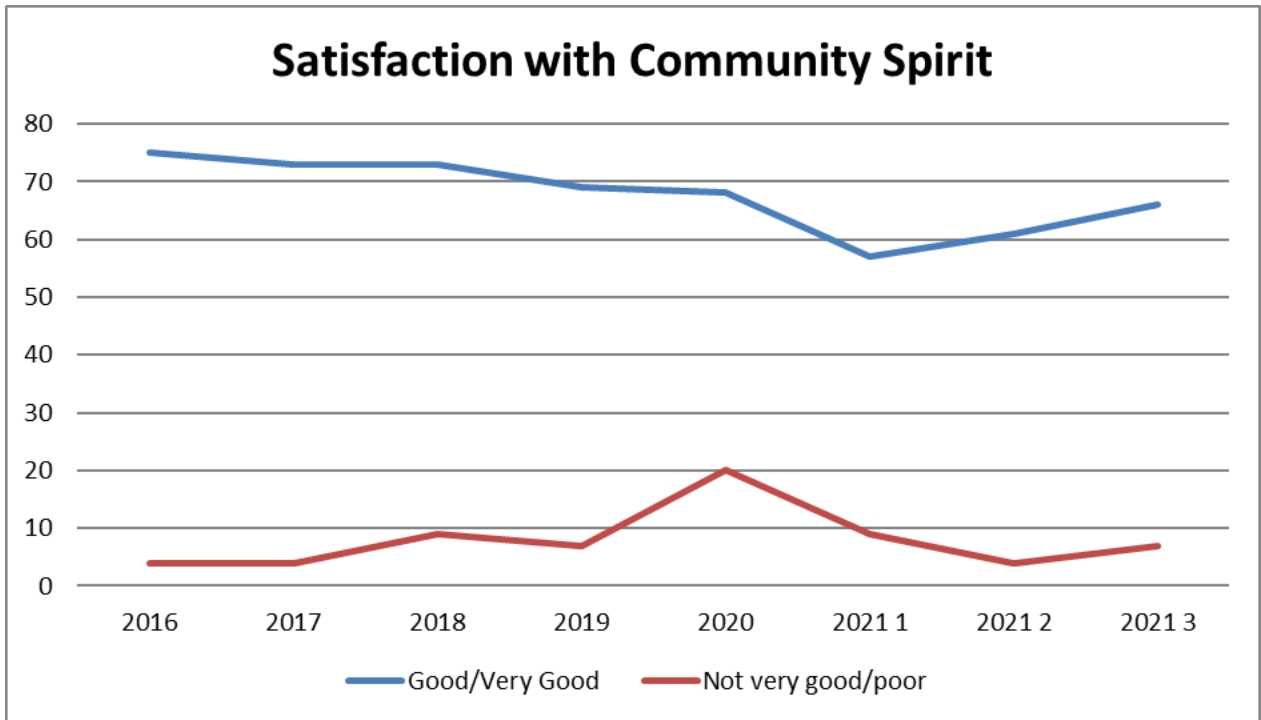


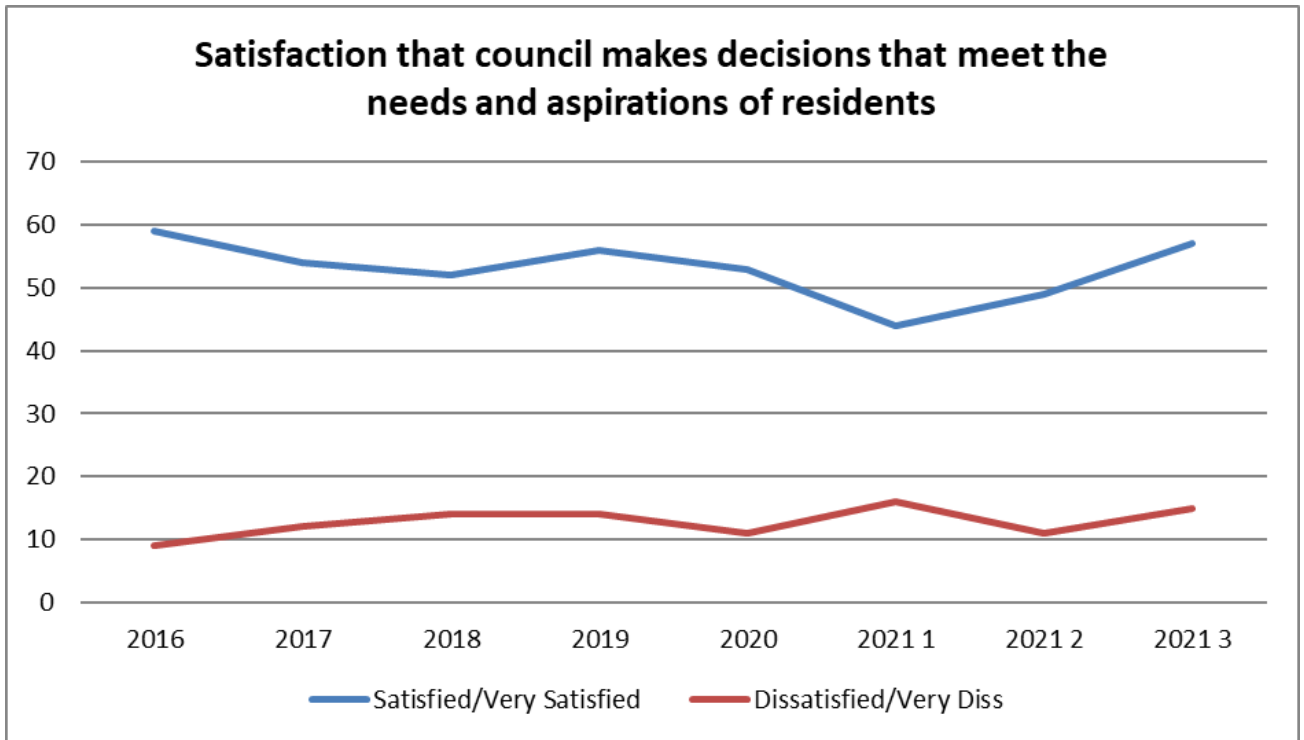




Engagement Questions







Open Meeting

To	Strategy & Finance Committee
From	A Diaz Chief Financial Officer
Date	31 May 2021
Chief Executive Approved	Y
Reference/Doc Set #	GOV1318 / 3099492
Report Title	Local Government Funding Agency Quarterly Report

1. EXECUTIVE SUMMARY

The attached report from the Local Government Funding Agency provides detail on the agencies performance for the quarter ending 31 March 2021.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

- LGFA quarterly report March 2021
- List of LGFA Guarantors

LGFA Quarterly Report to Shareholders

March Quarter 2021

Contents	Page
A. March quarter highlights	2
B. LGFA bond issuance during the quarter	3
C. Summary financial information (provisional and unaudited)	6
D. Key performance indicators	6
E. Performance against SOI objectives	8
Primary Objectives	8
Additional Objectives	13
F. Investor relations	16

Quarterly Report

Quarter 2: 2020 - 2021
Period ended: 31 March 2021

A. March quarter highlights

Quarter	Total	Bespoke Maturity	April 2022	April 2023	April 2024	April 2025	April 2026	April 2027	April 2029	April 2033	April 2037
Bonds issued \$m	400	N/A	-	-	100	-	50	60	100	-	90
Term Loans to councils \$m	352.5	228.5	-	-	5.0	10.0	5.0	102.0	2.0	-	-
Term Loans to councils #.	19	9	-	-	1	2	1	5	1	-	-

Financial Year to Date	Total	Bespoke Maturity	April 2022	April 2023	April 2024	April 2025	April 2026	April 2027	April 2029	April 2033	April 2037
Bonds issued \$m	2,300	N/A	450	110	200	60	200	160	360	100	660
Term Loans to councils \$m	2,090	817.1	6.0	49.0	50.8	112.2	329.0	186.5	485.0	4.4	50.0
Term Loans to councils #.	120	62	2	5	11	18	23	19	14	1	1

Key points and highlights for the March quarter:

- The LGFA bond yield curve rose and steepened for the second consecutive quarter. Front end yields rose less than back-end yields e.g. 2023 LGFA bond yields closed the quarter 0.12% higher at 0.54% and 2037 yields were up 0.96% to 2.93%. Global bond markets also experienced similar curve steepening on reflation fears and a more resilient global economic outlook.
- LGFA issued \$400 million of bonds during the quarter across two tenders of \$200 million each. The average term of issuance during the quarter was 8.03 years.
- LGFA borrowing margins were mixed with spreads to swap narrower by 11 bps (2037s) and wider by 4 bps (2027s) during the quarter. LGFA spreads to NZGB widened during the quarter on the improved fiscal outlook implying future reductions in NZGB supply.
- Long dated lending to councils during the quarter of \$352.5 million was less than the December 2020 quarter loans of \$632.3 million, while the average term of lending during the quarter at 5.97 years was also less than the prior quarter's 6.77 years. It was still longer however than the 2019-20 financial year average of 5.42 years.
- LGFA has estimated market share of 81.8% of total council borrowing for the rolling twelve-month period to March 2021 (compared to a historical average since 2012 of 74%).
- Short-term lending to councils has reduced with loans outstanding of \$297.1 million on 31 March 2021. This was a decline of \$50 million over the quarter as councils are more comfortable with holding lower levels of liquidity. The number of councils using this product was unchanged at twenty-six.
- S&P Global Ratings upgraded our long-term domestic currency rating to AAA and the foreign currency rating to AA+.
- LGFA Net Operating Gain (unaudited) for the nine-month period to 31 March 2021 was \$10.583 million which was \$1.815 million above budget, comprising total operating income at \$1.562 million above budget and expenses at \$253k below budget.
- We are meeting seven out of our ten performance objectives with our council loans, market share and number of council visits currently below our target.
- Napier City Council joined LGFA during the quarter bringing total membership to seventy-two while Central Hawkes Bay District Council moved from being a non-guarantor to a guarantor (bringing the number of guarantors to sixty-three). We are expecting a further two councils to join over the next twelve months.

Quarterly Report

Quarter 2: 2020 - 2021
 Period ended: 31 March 2021

B. LGFA bond issuance during quarter

LGFA held two bond tenders during the quarter amounting to \$400 million of issuance.

Tender 78: 03 February 2021

\$200 million

Tender 78 - 03 February 2021	15-Apr-24	15-Apr-27	20-Apr-29	15-Apr-37
Total Amount Offered (\$million)	60	60	40	40
Total Amount Allocated (\$million)	60	60	40	40
Total Number of Bids Received	8	10	11	15
Total Amount of Bids Received (\$million)	120	125	73	114
Total Number of Successful Bids	5	5	7	5
Highest Yield Accepted (%)	0.645	1.170	1.505	2.375
Lowest Yield Accepted (%)	0.610	1.115	1.470	2.355
Highest Yield Rejected (%)	0.670	1.205	1.550	2.510
Lowest Yield Rejected (%)	0.645	1.170	1.505	2.375
Weighted Average Accepted Yield (%)	0.631	1.579	1.490	2.374
Weighted Average Rejected Yield (%)	0.654	1.182	1.518	2.402
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	50	80	72	81.8
Coverage Ratio	2.00	2.08	1.83	2.85
NZGB Spread at Issue (bps)	17.00	31.00	35.00	48.00
Swap Spread at Issue (bps)	9.25	18.75	27.25	58.25
Swap Spread: AA council (bps)	31.25	45.25	48.75	78.5
Swap Spread: AA- council (bps)	36.25	50.25	53.75	83.5
Swap Spread: A+ council (bps)	41.25	55.25	58.75	88.5
Swap Spread: Unrated council (bps)	51.25	65.25	68.75	98.5
Coverage Ratio	2.00	2.08	1.83	2.85

The tender outcome was a great result with good volume of bids and good price tension. Price support was strong across the curve with the weighted successful average yield of each bond at mid-market yields.

However, the range of successful bids was unusually wide at between 2 bps and 6 bps and this reflected the intraday volatility and the NZDM issuing \$3.5 billion of a new May 2026 NZGB via syndication at the same time as our bond tender. Bidding volume was good with the overall bid coverage ratio of 2.16x acceptable but slightly below the 2.3x average for the past two years. The bid coverage ratios were consistent and ranged between 1.83x (2029s) and 2.85x (2037s).

Spreads to NZGB were tighter by 4 bps on the 2029s and 7 bps tighter on the 2037s compared to the December tender and issuance spreads to swap were 1.7 bps tighter on the 2029s and 3.7 bps tighter on the 2037s.

The tender size of \$200 million has become the new norm with the past ten bond tenders being of this size and reflects both our larger forecast borrowing requirement (\$3.0 billion in the 2020-21 financial year) and the support provided to the market by the RBNZ LSAP programme.

The average maturity of the \$200 million of LGFA bonds issued in the tender was 7.70 years while we on-lent \$149 million to six councils in the with an average term of lending of 6.8 years.

Quarterly Report

Quarter 2: 2020 - 2021
 Period ended: 31 March 2021

Tender 79: 10 March 2021

\$200 million

Tender 79 - 10 March 2021	15-Apr-24	15-Apr-26	20-Apr-29	15-Apr-37
Total Amount Offered (\$million)	40	50	60	50
Total Amount Allocated (\$million)	40	50	60	50
Total Number of Bids Received	8	11	8	22
Total Amount of Bids Received (\$million)	85	114	77	133
Total Number of Successful Bids	1	2	4	1
Highest Yield Accepted (%)	0.915	1.495	2.170	2.990
Lowest Yield Accepted (%)	0.915	1.495	2.120	2.990
Highest Yield Rejected (%)	1.010	1.600	2.275	3.200
Lowest Yield Rejected (%)	0.935	1.495	2.190	3.030
Weighted Average Accepted Yield (%)	0.915	1.495	2.133	2.990
Weighted Average Rejected Yield (%)	0.964	1.543	2.227	3.079
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	100	90.9	100	100
Coverage Ratio	2.13	2.28	1.28	2.66
NZGB Spread at Issue (bps)	32.00	38.00	55.00	69.00
Swap Spread at Issue (bps)	12.25	24.50	37.00	58.50
Swap Spread: AA council (bps)	34.5	45.75	56.25	73.75
Swap Spread: AA- council (bps)	39.5	50.75	61.25	78.75
Swap Spread: A+ council (bps)	44.5	55.75	66.25	83.75
Swap Spread: Unrated council (bps)	54.5	65.75	76.25	93.75
Coverage Ratio	2.13	2.28	1.28	2.66

The tender result was good with a reasonable number of bids, good price tension and support for all the bonds on offer. Price support was better for the two end points of the curve with the weighted successful average yield of each bond at mid-market yields for the 2024s and 2037s. Demand was softer for the two mid curve bonds with the tender going 3 bps to 4 bps above mid-market.

Bidding volume was moderate with a coverage ratio of 2.05x (below the 2.16x last month and the 2.3x average for the past two years). The bid coverage ratios were mixed and ranged between 1.28x (2029s) and 2.66x (2037s). The number of successful bids were one each for the 2024s and 2037s and two for the 2026s and four for the 2029s.

Issuance conditions were more difficult than usual with the selloff in yields, steepening in the curve and a large amount of global bond market volatility. The RBNZ had stopped buying LGFA bonds in the LSAP the prior fortnight and most high-grade spreads (including LGFA) had widened.

The average maturity of the LGFA bonds issued was 8.36 years which was in line with the average for financial year to date of 8.41 years (that includes the 2037 syndication) but much longer than the 6.74 years in the prior 2019/20 financial year.

While we issued \$200 million of LGFA bonds we on-lent \$98.5 million to seven councils with an average term of lending of 6.0 years (72 months). Our issuance term was again longer than the term of our lending.

Quarterly Report

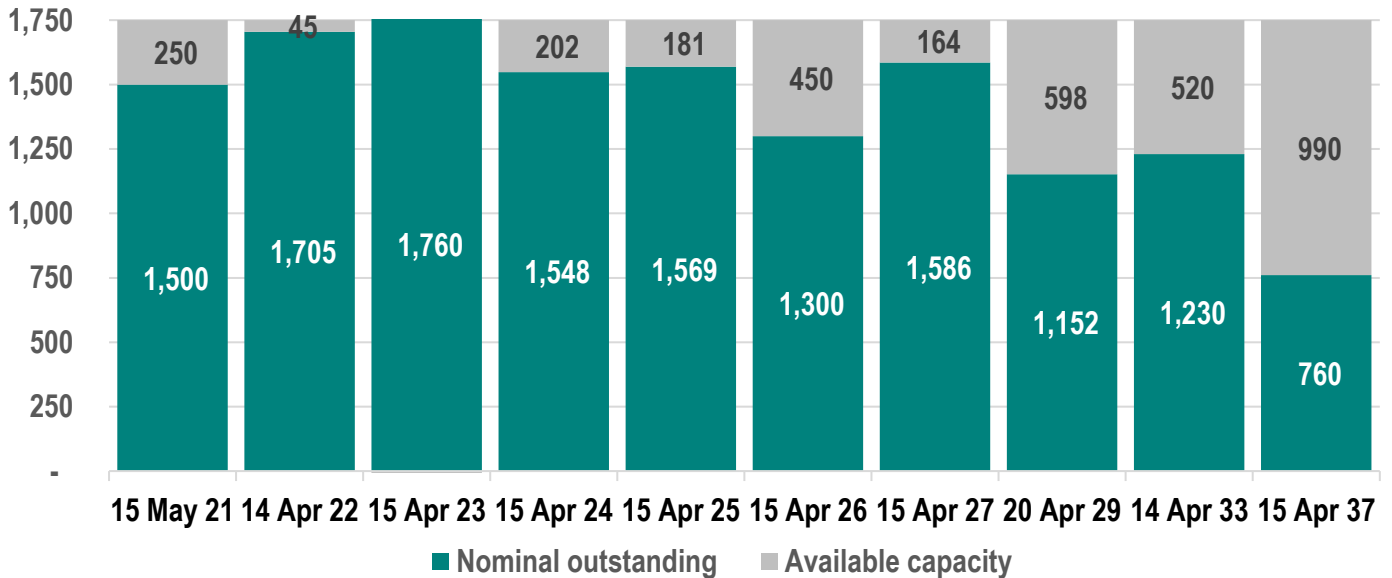
Quarter 2: 2020 - 2021
 Period ended: 31 March 2021



Bonds on issue as of 31 March 2021 were \$14.11 billion (including \$950 million of Treasury Stock) across ten tranches. We currently have a soft cap per maturity of \$1.75 billion.

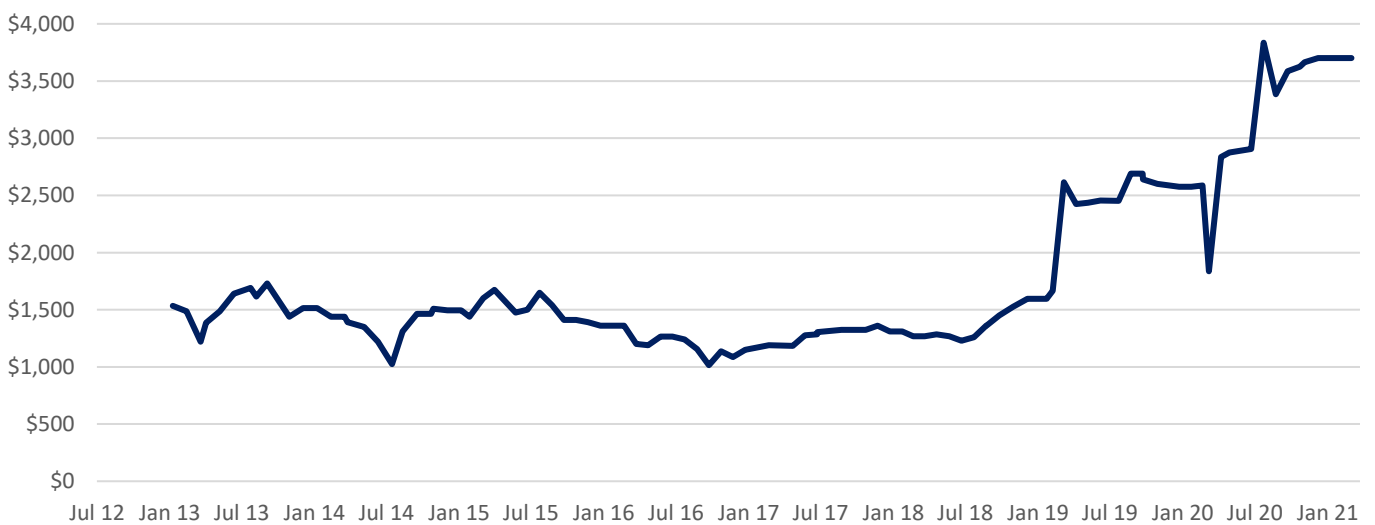
LGFA retail bonds on issue (NZ\$ million)

As 31 March 2021: NZ\$ 14,110 million
 Includes NZ\$950 million treasury stock



In addition to the retail bonds listed on the NZDX, LGFA has NZ\$130 million of Wholesale Floating Rate Notes on issue. Our issuance volume on a rolling 12-month basis of \$3.6 billion remains near historic high levels.

Rolling 12 month Issuance (\$ millions)



Quarterly Report

Quarter 2: 2020 - 2021
Period ended: 31 March 2021

C. Summary financial information (provisional and unaudited)

Financial Year (\$m)	YTD as at Q1	YTD as at Q2	YTD as at Q3	YTD as at Q4
Comprehensive income	30-Sep-20	31-Dec-20	31-Mar-21	30-June-21
Interest income	93.38	190.41	287.12	
Interest expense	82.22	180.52	271.24	
Net interest revenue	4.16	9.89	15.88	
Other operating Income			0.07	
Total operating income	4.16	9.89	15.96	
Issuance and On-lending costs	0.73	1.40	1.95	
Approved issuer levy	Nil	0.59	0.59	
Operating expenses	0.93	1.95	2.84	
Issuance and operating expenses	1.66	3.94	5.38	
Net Profit	2.51	5.95	10.58	

Financial position (\$m)	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21
Retained earnings + comprehensive income	60.25	63.69	68.32	
Total assets (nominal)	13,317.68	13,852.05	14,285.22	
Total LG loans (nominal)	11,906.65	12,289.67	12,349.38	
Total LGFA bills (nominal)	594.50	612.50	620.00	
Total LGFA bonds (nominal)	12,290.00	12,890.00	13,290.00	
Total borrower notes (nominal)	195.92	207.10	210.91	
Total equity	85.24	88.69	93.32	

D. Key performance indicators (Section 5 of SOI)

Section 5 of the SOI sets out the ten key performance targets for LGFA.

We are meeting seven out of our ten performance targets and are optimistic on meeting one further target (council lending) by June 2021. Our market share is lower than expected due to Auckland Council, Christchurch City Holdings and Dunedin City Treasury issuing bonds over the past nine-month period. COVID disruptions and council focus on finalising annual reports for the June 2020 year and working on the draft LTPs has meant that we have not been able to meet with as many council members as expected.

Measure	Prior full year to June 2020	Q1 30 Sept 2020	Q2 31 Dec 2020	Q3 31 Mar 2021	Q4 30 June 2021
LGFA net interest income for the period to June 2021 will be greater than \$18.8 million	Target (\$)	\$4.6 m (YTD as at Q1)	\$9.2 m (YTD as at Q2)	\$14.4 m (YTD as at Q3)	\$18.8 m (FULL YEAR)
	Actual (\$)	\$18.28 m ✗	\$9.9 m ✓	\$15.89 m ✓	
Annual issuance and operating expenses	Target (\$)	\$1.63 m (YTD as at Q1)	\$3.4 m (YTD as at Q2)	\$5.0 m (YTD as at Q3)	\$6.8 m (FULL YEAR)

Quarterly Report

Quarter 2: 2020 - 2021
Period ended: 31 March 2021

(excluding AIL) will be less than \$6.30 million	Actual (\$)	\$6.28 m	\$1.65 m On track	\$3.35 m ✓	\$4.79 m ✓	
Total nominal lending (short and long term) to participating councils to be at least \$11.66 billion	Target (\$)		\$11.45 b (YTD as at Q1)	\$12.19 b (YTD as at Q2)	\$12.62 b (YTD as at Q3)	\$11.66 b (FULL YEAR)
	Actual (\$)	\$10.899 b	\$11.91 b ✓	\$12.33 b ✓	\$12.35 b On track	
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	Target (\$)		Annual Survey in August each year			
	Actual (%)	100%	August 2020 survey outcome of 98.8% ✓			
Meet all lending requests from PLAs	Target (%)		100%	100%	100%	100%
	Actual (%)	100%	100% ✓	100% ✓	100% ✓	
Achieve 85% market share of all council borrowing in New Zealand	Target (%) Rolling annual average		>85%	>85%	>85%	>85%
	Actual (%)	85.7%	76.5% ✗	81.8% ✗	81.8% ✗	
Review each PLA financial position, its headroom under LGFA policies and arrange to meet each PLA at least annually	Target (number)		Council visits to total 67 over one year Financial Position + Headroom Review Undertaken in December Quarter			
	Actual	31	no council visits due to COVID travel difficulties ✗	22 council visits but behind plan due to COVID travel difficulties ✗	35 council visits but behind plan due to COVID travel difficulties ✗	
No breaches of Treasury Policy, any regulatory or legislative requirements including H&S	Target (zero breaches)		nil	nil	nil	nil
	Actual	Two	Nil ✓	Nil ✓	Nil ✓	
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due	Target (%)		100%	100%	100%	100%
	Actual (%)	100%	100% ✓	100% ✓	100% ✓	
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	Target (equivalence)		AA+/AA+			
	Actual	AA+/AA+	AA+/AA+ ✓	AA+/AA+ ✓	AAA/AA+ ✓	

Quarterly Report

Quarter 2: 2020 - 2021
Period ended: 31 March 2021

E. Performance against SOI objectives

Primary objectives (Section 3 of SOI)

Primary Objective:

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 lending base margins are 20 bps for all borrowing terms. The base margin covers our operating costs and provides for capital to grow in line with the growth in our balance sheet. There is an additional credit margin added to the base margin depending upon whether a council has a credit rating or is a guarantor or non-guarantor of LGFA.

LGFA continues to borrow at very competitive spreads compared to the AAA rated SSA issuers (who borrow in the New Zealand debt capital markets), the domestic banks and our closest peer issuer Kainga Ora.

As at 31 March 2021	Comparison to other high grade issuers - secondary market spread to swap (bps)													
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2035	2037
LGFA (AA+)	3	6	11	16	21	23	27	31	33	36	38	40	47	53
Kainga Ora (AA+)		7		19	26		28		37				53	
Asian Development Bank (AAA)		4	11	15	20									
IADB (AAA)		6	11	17			36							
International Finance Corp (AAA)		6	11	17		23								
KBN (AAA)		8	13	20					39					
Rentenbank (AAA)	5	5	11	19										
World Bank (AAA)	5	4	10	16	21	25			36					
Nordic Investment Bank (AAA)		6		18										
ANZ (AA-)		26	30											
BNZ (AA-)		23		39										
Westpac Bank (AA-)	17	26	40	46	57									
SSA Average	5	6	11	17	21	24	36		38					
Bank Average	17	25	35	43										

During the quarter LGFA continued to issue long dated bonds (April 2033s and 2037s) providing councils with the opportunity to extend their borrowing if desired. Both bond tenders were successful.

Quarterly Report

Quarter 2: 2020 - 2021
 Period ended: 31 March 2021



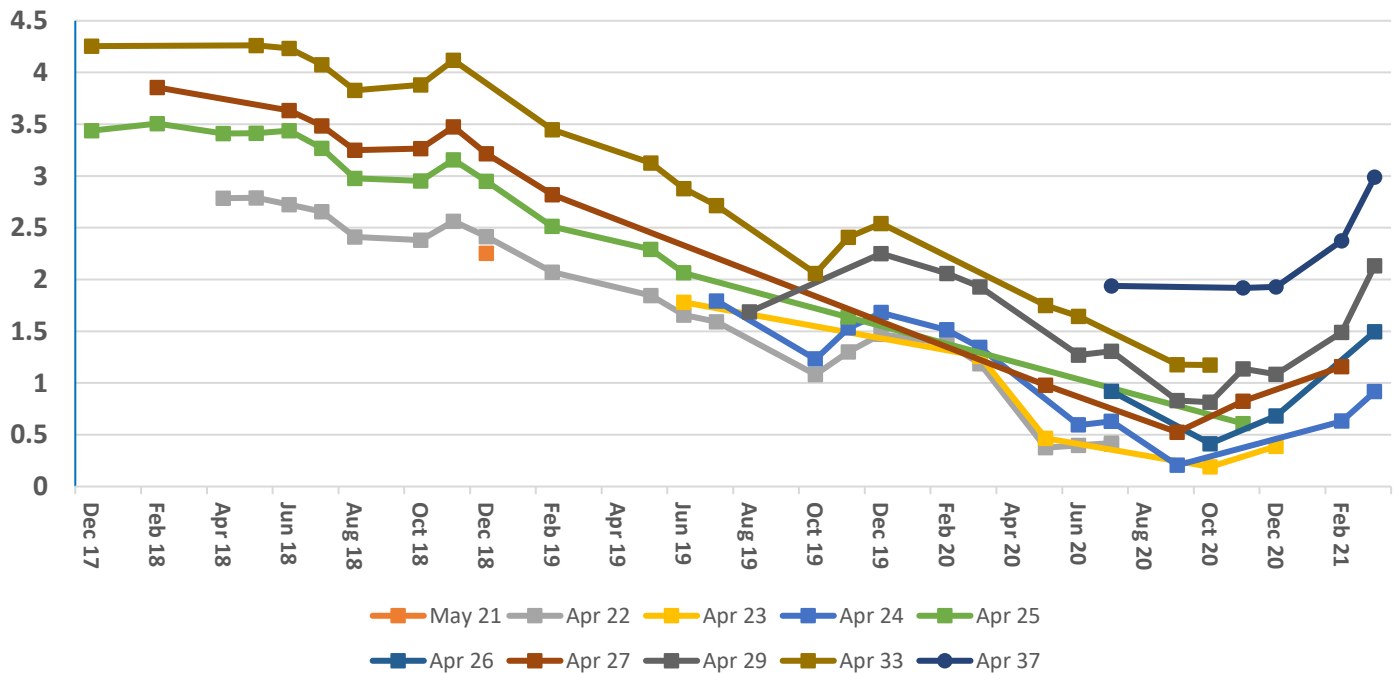
LGFA entered into standby facility agreements of \$100 million during the quarter, bringing total standby facilities outstanding to \$200 million.

The LGFA bond yield curve rose and steepened for the second consecutive quarter. Front end yields rose less than back-end yields e.g., 2023 LGFA bond yields closed the quarter 0.12% higher at 0.54% and 2037 yields were up 0.96% to 2.93%. Global bond markets also experienced similar curve steepening on reflation fears and a more resilient global economic outlook.

LGFA borrowing margins to swap narrowed between 11 bps (2037s) and widened by 4 bps (2027s) during the quarter due to ongoing demand for the very long dated bonds. LGFA spreads to NZGB widened during the quarter on the improved fiscal outlook implying further reductions in NZGB supply. The RBNZ reduced its weekly purchases of LGFA bonds through the Large-Scale Asset Purchase (LSAP) programme over the January-February period to zero by the end of February.

We closely monitor the Kauri market for ongoing supply and price action as this other high-grade issuance by “AAA” rated Supranational issuers such as the International Finance Corporation (IFC), Inter-American Development Bank (IADB) and the Asian Development Bank (ADB) influences LGFA demand and pricing. These borrowers are our peer issuers in the NZD market and have the most influence on our pricing. The March quarter was another very quiet period for Kauri bond issuance except for Asian Development Bank issuing \$700 million of a seven year and KBN (our Norwegian peer agency) issuing \$125 million of a nine- and half-year bond. Issuance activity by global issuers in New Zealand is subdued as they can achieve more favourable borrowing terms in currency markets other than the NZD. Kauri bond maturities in the quarter were \$2.65 billion with a further \$2.2 billion in the June quarter.

LGFA Bond Issuance Yields (%)
 last 30 tenders

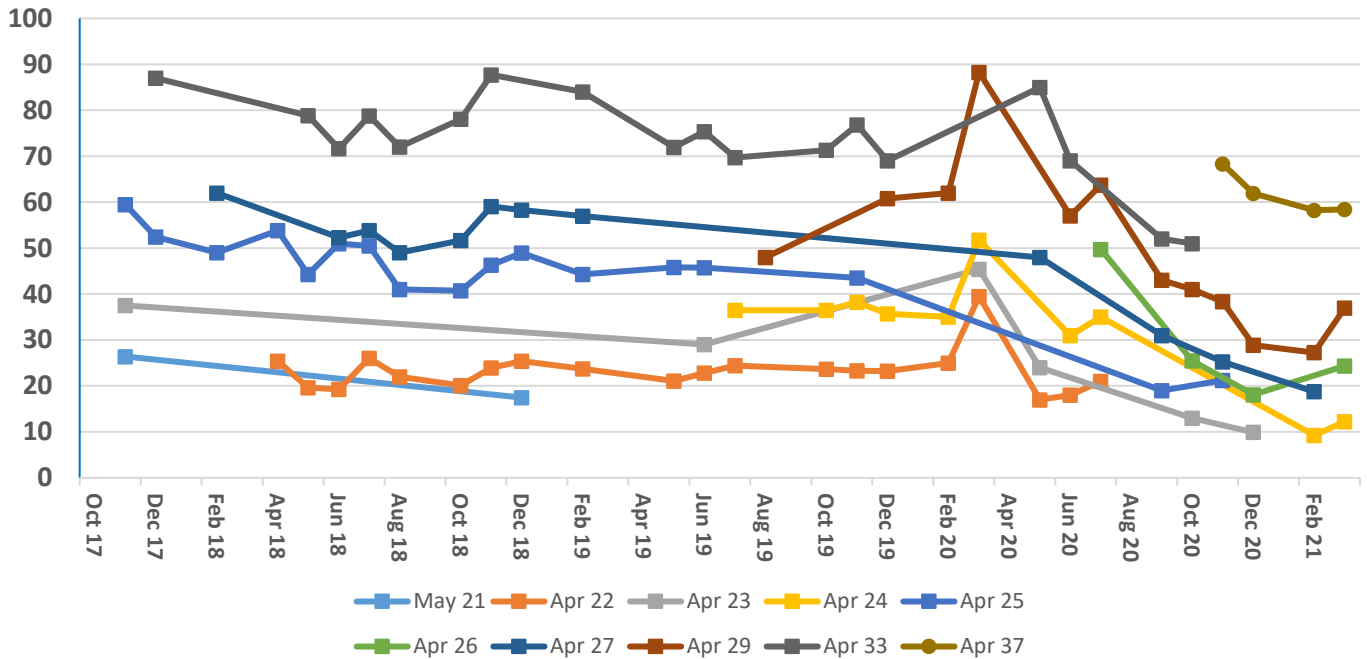


Quarterly Report

Quarter 2: 2020 - 2021
 Period ended: 31 March 2021

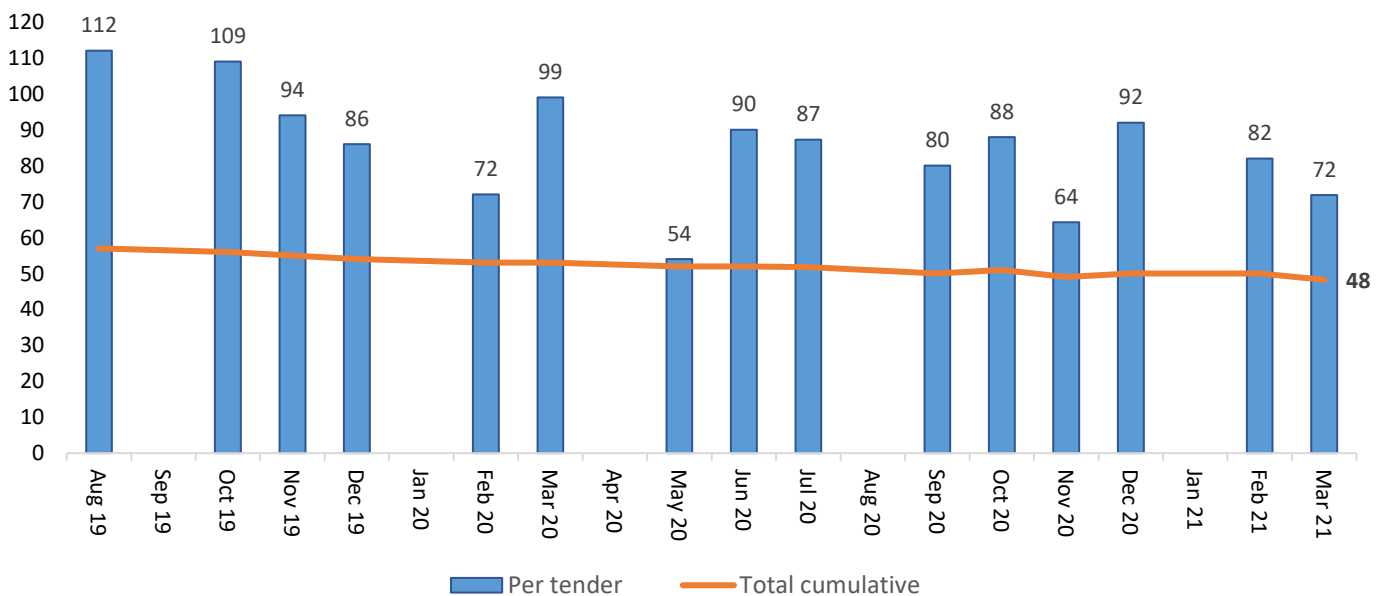


Spread to Swap at Tenders (bps)
 last 30 tenders



The average borrowing term (excluding short-dated borrowing) for the March quarter by council members was 5.97 years which was longer than the average term of 5.42 years for the year to June 2020 but shorter than the prior two quarters. Councils for several reasons remain reluctant to borrow beyond ten years despite tight credit spreads.

Average total months to maturity - On-lending to councils
 Last 15 tenders



Quarterly Report

Quarter 2: 2020 - 2021
Period ended: 31 March 2021

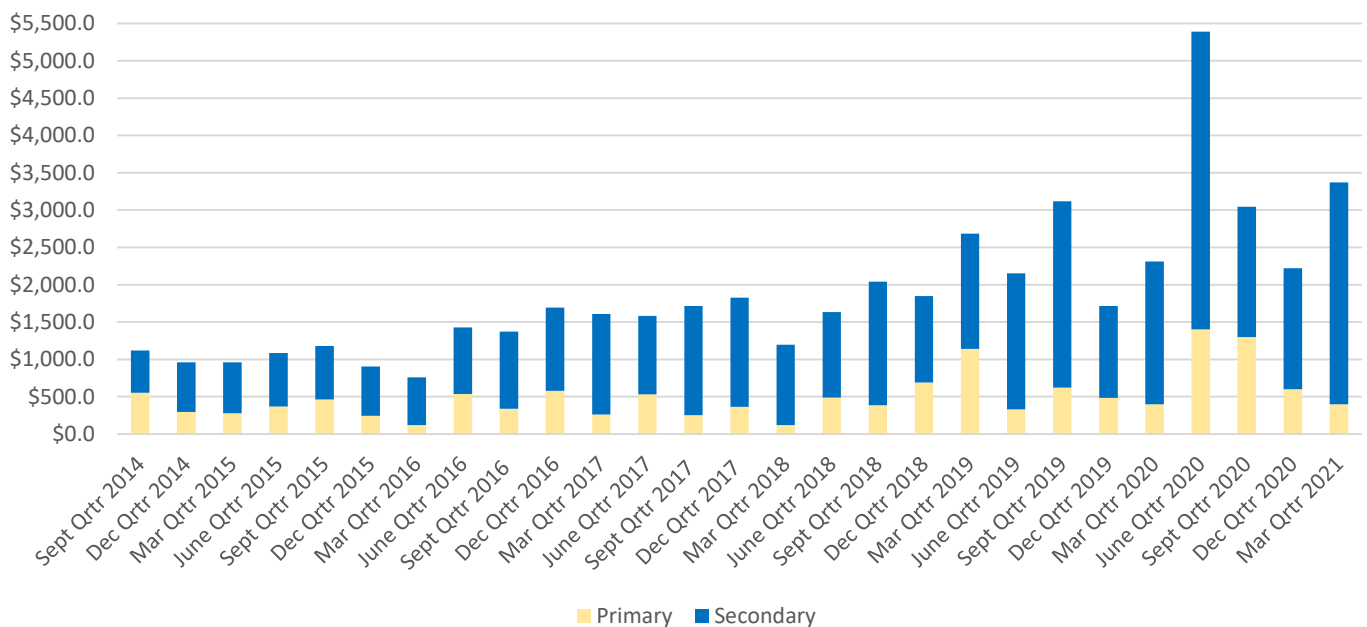


Short-term borrowing by councils with loan terms of between one month and 12 months remains well supported with \$297 million outstanding as at 31 March 2021 to twenty-six councils. The number of councils using this product was unchanged over the quarter while the total amount outstanding decreased by \$50 million.

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 high turnover implies a healthy market.

Activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors) during the quarter was the second highest on record. There was \$400 million of primary issuance and \$1.97 billion of secondary market activity in LGFA bonds during the quarter.

LGFA Primary and Secondary Market Activity - Quarterly (NZ\$ million)



LGFA commenced issuing LGFA Bills and short dated (less than 1 year) lending to councils in late 2015. As at 31 March 2021 there were \$620 million of LGFA Bills on issue. We use proceeds from LGFA bills to fund short term lending to councils and invest the balance in our liquid asset portfolio.

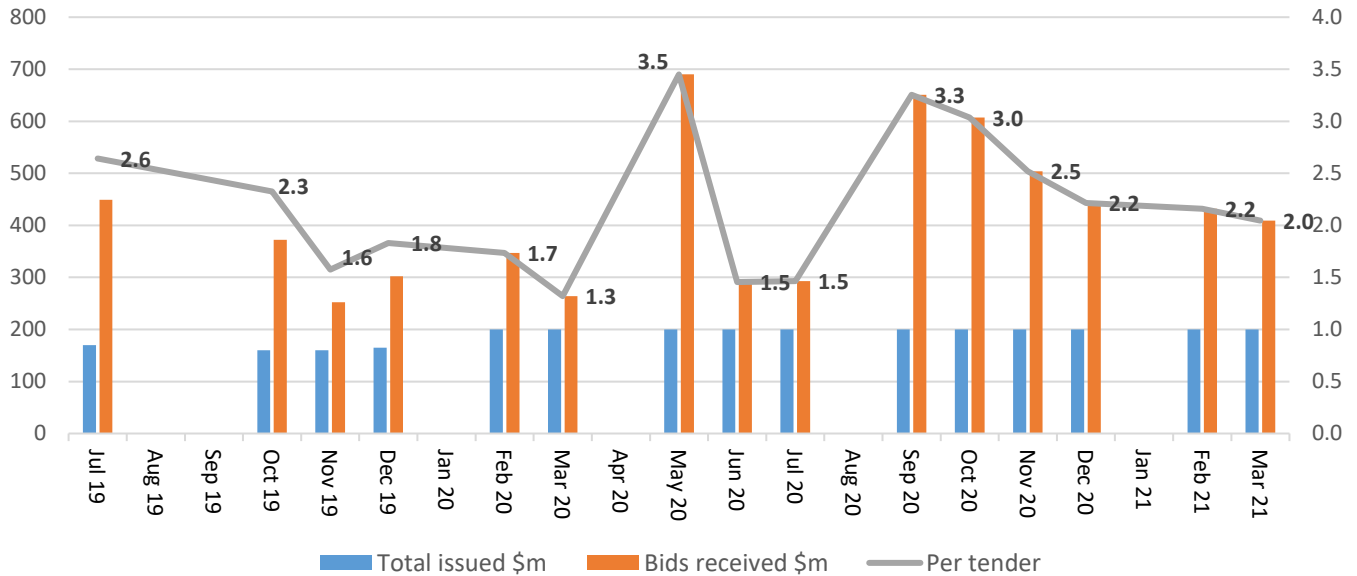
LGFA documented an Australian Medium-Term Notes Programme in November 2017. We have no immediate intention to use this programme, but it provides flexibility if there is a market disrupting event in the future.

Quarterly Report

Quarter 2: 2020 - 2021
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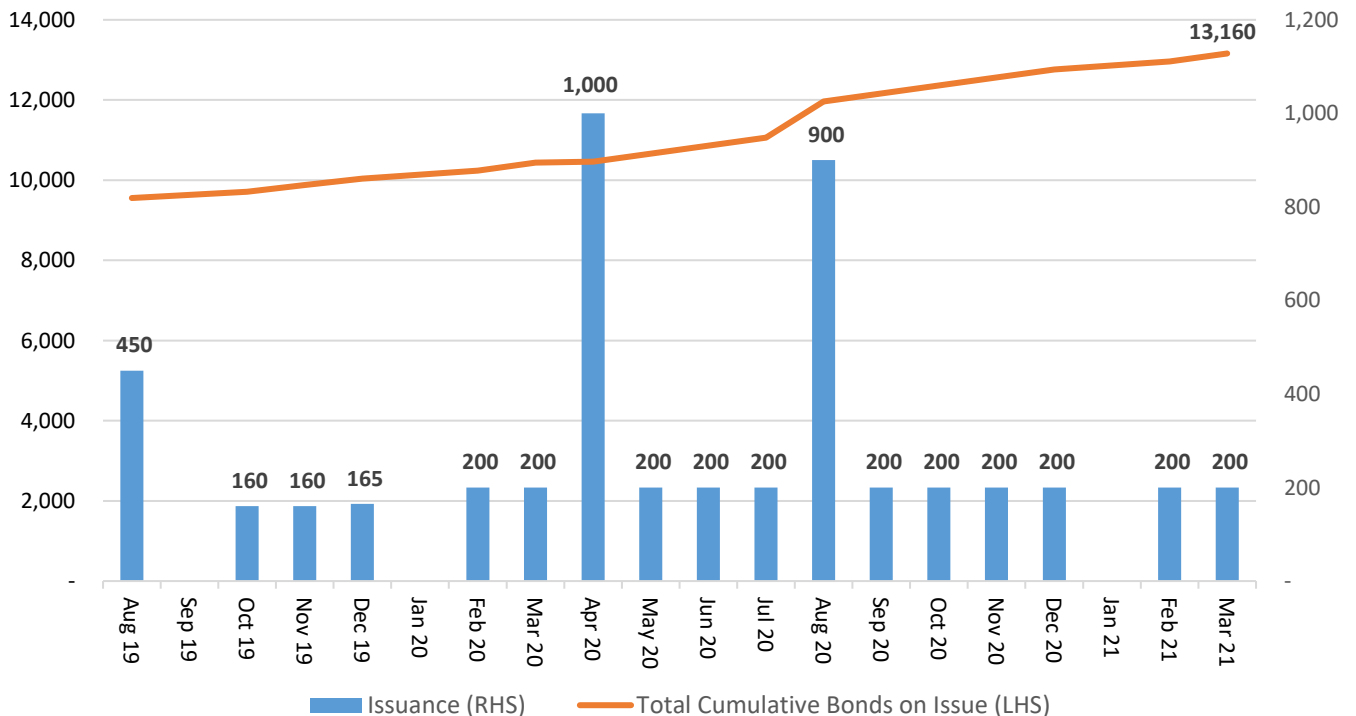


Tender bid coverage ratio
 Last 15 tenders



LGFA bond issuance (\$ million)

Last 15 tenders and syndications. Excludes issuance of treasury stock (\$950m)



We survey our council members each year on their satisfaction with LGFA and the latest stakeholder survey result in August 2020 was a 99% result to the question “How would you rate LGFA in adding value to your borrowing requirements?”. We also received a 97% result to the question “How satisfied are you with the pricing that LGFA has provided to your Council?”

Quarterly Report

Quarter 2: 2020 - 2021
 Period ended: 31 March 2021



Primary Objective:

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.**

Following the lifting of COVID-19 travel restrictions that were in place during the previous two quarters, we commenced council visits again in the later months of 2020. We met with thirty-five councils over the past nine months and that number will increase in the June quarter. LGFA continues to review council agendas and management reports on an ongoing basis for those councils on the LGFA borrower watch-list. We have been engaging with councils as they release their Draft Long-Term Plans if we have had concerns with them.

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

During the quarter, we continued to focus on exploring opportunities in the Green, Social and Sustainable lending to councils. The Board and management met with representatives from Central Government on the proposed water reforms. 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.

We continue to assist the sector and their advisers in finding ways for LGFA to play a supporting role in providing solutions to off balance sheet financing for councils. LGFA has been contributing expertise to the proposed Ratepayer Financing Scheme (RFS).

Additional objectives (Section 3 of SOI)

1. **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 ("S&P") and Fitch Ratings ("Fitch") 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.

On 22 February 2021, S&P upgraded our long-term local currency credit rating to AAA and our long-term foreign currency credit rating to AA+. Both ratings are the same as the New Zealand Government.

On 4 November 2020, Fitch reaffirmed 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

Quarterly Report

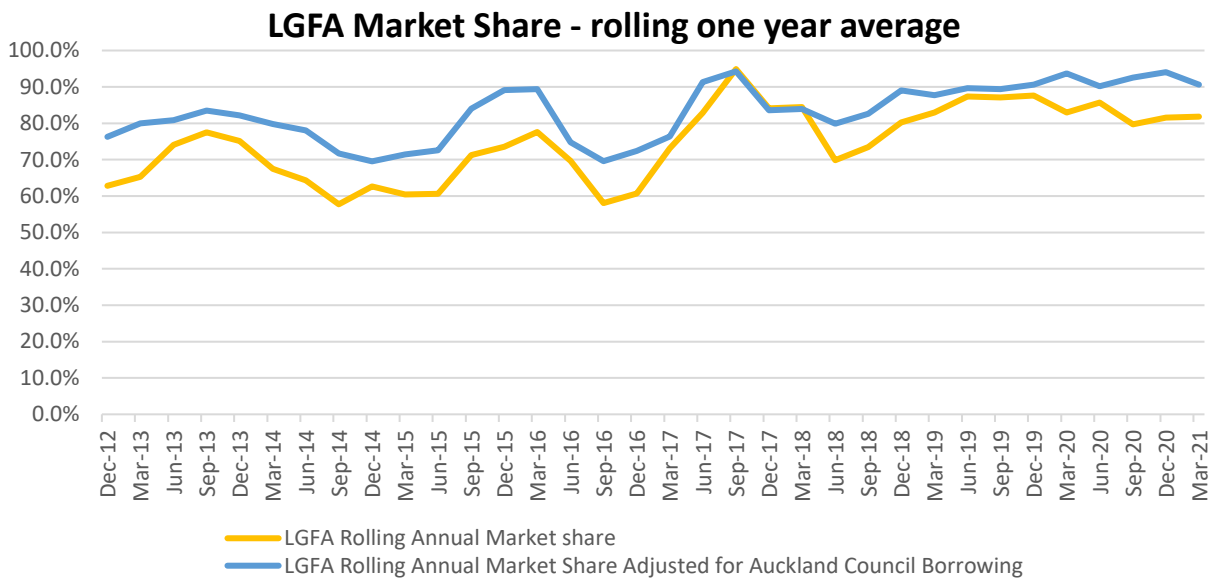
Quarter 2: 2020 - 2021
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those of the New Zealand Government. On 28 January 2020 Fitch placed our foreign currency credit rating of AA on positive outlook but left the local currency credit rating unchanged at AA+ with a stable outlook.

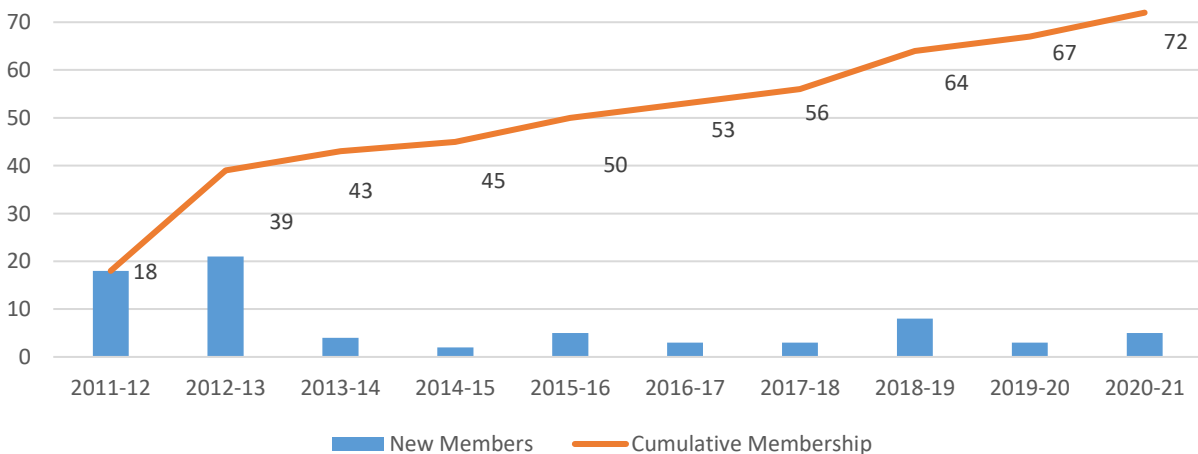
2. Provide at least 85% of aggregate long-term debt funding to the Local Government sector.

We use the PwC Local Government Debt Report as our source of market share. Our estimated market share for the rolling twelve-month period to 31 March 2021 was 81.8%. If we adjust for Auckland Council borrowing, then it increases to 90.6%. This compares to a historical average of 73.7% and our market share is strong compared to our global peers.



As at 31 March 2021, there are seventy-two participating local authority members of LGFA. This was an increase of one over the quarter with Napier City Council joining as a guarantor. We estimate a further two councils could become members in the next twelve months. Hawkes Bay District Council during the quarter moved from being a non-guarantor to a guarantor, bringing the number of guarantors to sixty-three.

Council Membership (as at 31 March 2021)



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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.

For the nine-month period to 31 March 2021, Net Interest Income (“NII”) was estimated on an unaudited basis to be \$1.49 million above budget while expenses are \$253k below budget. Net Operating Gain of \$10.58 million was \$1.82 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. We have used these swaps to 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 \$1.08 million.

Expenses for the nine-month period on an unaudited basis were \$5.377 million which is \$253k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$1.95 million were \$70k below 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 from lower fees than budgeted relating to the NZDM facility.
- Operating costs at \$2.84 million were \$173k below budget due to lower travel and IT consulting costs offset by higher legal 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 in line with our SOI forecasts.

4. Meet or exceed the Performance Targets outlined in section 5.

See Section D on page 6 of this report.

As at 31 March 2021 we were meeting seven out of the ten performance targets but are confident that we will meet another target by 30 June 2021.

5. 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 are made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no Health and Safety incidents during the quarter.

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

There were no compliance breaches during the nine-month period ending 31 March 2021.

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

Shareholders on 30 June 2020 approved a change to the Foundation Policy covenants. For the financial year ending 30 June 2021 the net debt/total revenue covenant for council borrowers with an external credit rating of at least ‘A+’

Quarterly Report

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has been increased from 250% to 300%. This is to provide short term relief from a temporary reduction in revenue and allows councils to coinvest alongside central Government in infrastructure projects in response to COVID-19

As mentioned previously, LGFA has been contributing expertise to the Ratepayer Financing Scheme project that if successful could offer temporary financial relief to ratepayers via rates postponement.

LGFA has introduced a new lending Standby Facility product that will provide greater certainty of access to emergency funding for councils at a lower cost than going to the traditional bank provider.

LGFA has extended the longest dated lending maturity for councils from 2033 to 2037 to enable councils to be better match assets with liabilities and to benefit from record lows in interest rates and borrowings spreads.

F. Investor relations

Managing relations with our investor base is very important as the amount of LGFA bonds on issue has yet to peak and we require investors and banks to support our ongoing tender issuance.

Over the three-month period to 31 March 2021 we issued \$400 million of LGFA bonds and there were no bond maturities. The change in holdings amongst our investor groups during the quarter was

- Offshore investor holdings increased by \$289 million (but reduced by \$169 million from 31 March 2020) and holdings are estimated to be \$3.05 billion on 31 March 2021.
- Domestic bank holdings decreased by \$532 million (but down \$255 million from 31 March 2020), and holdings are estimated to be \$3.90 billion on 31 March 2021.
- Domestic investor (retail and institutional) holdings increased by \$551 million (and up \$1.27 billion from 31 March 2020), and holdings are estimated to be \$4.36 billion as of 31 March 2021.
- The Reserve Bank of New Zealand (RBNZ) increased their holdings by \$113 million over the quarter and held \$1.91 billion as at 31 March 2021.

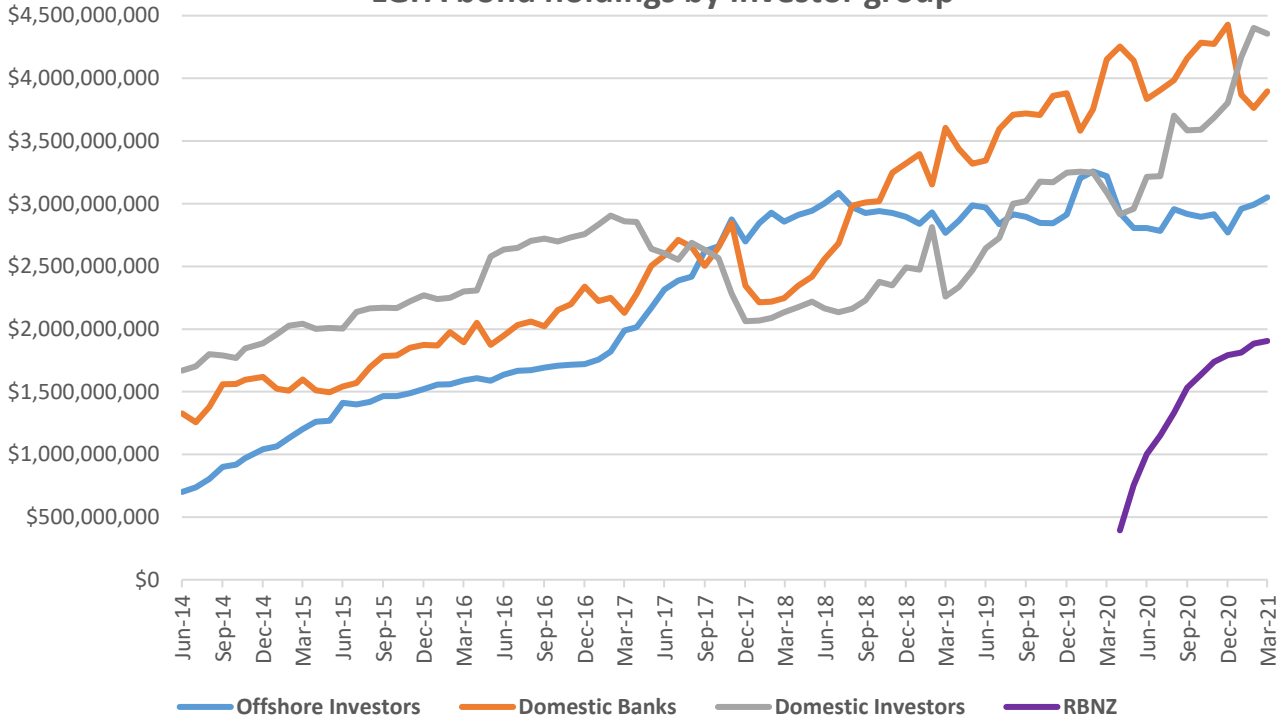
Domestic bank trading books reduced their positions as both offshore and domestic investors purchased high grade NZD bonds following the rise in yields and steeper yield curve. The absence of Kauri issuance over the quarter increased demand for LGFA bonds. The small increase in offshore investor holdings was pleasing given the relative unattractiveness of NZ to other markets.

Quarterly Report

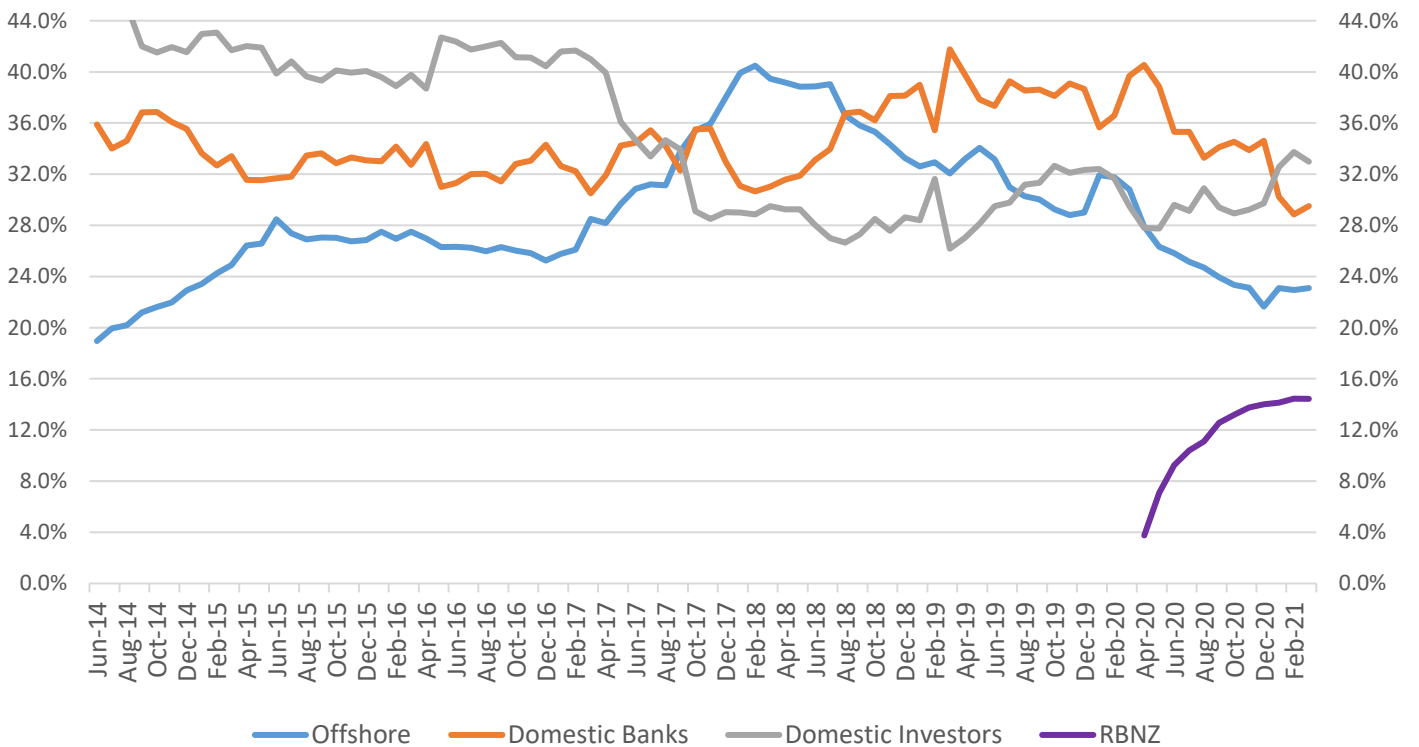
Quarter 2: 2020 - 2021
 Period ended: 31 March 2021



LGFA bond holdings by investor group



LGFA Bond Holders by Investor Group





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

LGFA Guarantors as at 31 March 2021 (alphabetical order)	Long Term Issuer Credit Rating		
	S&P Global Ratings	Fitch Ratings	Moody's
Ashburton District Council		AA+	
Auckland Council	AA		Aa2
Bay of Plenty Regional District Council	AA		
Canterbury Regional Council		AA+	
Central Hawke's Bay District Council			
Central Otago District Council			
Christchurch City Council	AA-		
Clutha District Council			
Far North District Council			
Gisborne District Council			
Gore District Council			
Greater Wellington Regional Council	AA+		
Grey District Council			
Hamilton City Council	AA-		
Hastings District Council	AA (negative)		
Hauraki District Council			
Horizons Regional Council			
Hawkes Bay Regional Council			
Horowhenua District Council	A+		
Hurunui District Council			
Hutt City Council	AA		
Invercargill City Council		AA+	
Kaipara District Council			
Kapiti Coast District Council	AA		
Manawatu District Council			
Marlborough District Council	AA+		
Masterton District Council			
Matamata-Piako District Council			
Napier City Council			
Nelson City Council	AA		
New Plymouth District Council	AA+		
Northland Regional Council			
Otorohanga District Council			
Palmerston North City Council	AA		
Porirua City Council	AA		
Queenstown Lakes District Council		AA-	
Rotorua Lakes District Council		AA-	
Ruapehu District Council			
Selwyn District Council		AA+	
South Taranaki District Council	AA- (positive)		
South Waikato District Council			
South Wairarapa District Council			
Stratford District Council			
Taranaki Regional Council			
Tararua District Council			
Tasman District Council	AA (negative)		
Taupo District Council	AA+		
Tauranga City Council	A+		
Thames-Coromandel District Council			
Timaru District Council		AA-	
Upper Hutt City Council			
Waikato District Council			
Waikato Regional Council			
Waimakariri District Council	AA		
Waipa District Council		AA-	
Waitaki District Council			
Waitomo District Council			
Westland District Council			
Wellington City Council	AA+		
Western Bay of Plenty District Council	AA (positive)		
Whakatane District Council			
Whanganui District Council	AA		
Whangarei District Council	AA+		



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

Council	Long Term Issuer Credit Rating		
	S&P Global Ratings	Fitch Ratings	Moodys
Auckland Council	AA		Aa2
Bay of Plenty Regional District Council	AA		
Christchurch City Council	A+ (positive)		
Dunedin City Council	AA		
Greater Wellington Regional Council	AA+		
Hamilton City Council	AA-		
Hastings District Council	AA		
Horowhenua District Council	A+		
Hutt City Council	AA		
Invercargill City Council		AA	
Kapiti Coast District Council	A+ (positive)		
Marlborough District Council	AA+		
Nelson City Council	AA		
New Plymouth District Council	AA+		
Palmerston North City Council	AA (positive)		
Porirua City Council	AA		
Queenstown Lakes District Council		AA- (negative)	
Rotorua Lakes District Council		AA-	
Selwyn District Council		AA+	
South Taranaki District Council	AA-(positive)		
Tasman District Council	AA		
Taupo District Council	AA+		
Tauranga City Council	A+		
Timaru District Council		AA-	
Waimakariri District Council	AA (negative)		
Waipa District Council		AA-	
Wellington City Council	AA+		
Western Bay of Plenty District Council	AA		
Whanganui District Council	AA		
Whangarei District Council	AA+		

Open Meeting

To	Waikato District Council
From	Alison Diaz Chief Financial Officer
Date	31 May 2021
Prepared by	Colin Bailey Finance Manager
Chief Executive Approved	Y
Reference #	GOV1318/ 3098503
Report Title	Financial performance summary for the period ending 30 April 2021

I. EXECUTIVE SUMMARY

This report presents the year-to-date financial performance against the 2020/21 Annual Plan and those budgets carried forward from the 2019/20 financial year.

The report provides a summary of revenue and expenses, capital expenditure and key reserves balances and covers the ten months to 30 April 2021.

Appended to the report is the Statement of Comprehensive Revenue and Expense (Profit & Loss), Statement of Financial Position (Balance Sheet) with Notes and the Financial Performance Summary all as at 30 April 2021. The financial statements, rather than comparing actuals to budget, show actuals against the prior year's actuals. Key items to note are:

- **Statement of Comprehensive Revenue and Expense:**
 - Revenue is higher than or similar to prior year across all significant areas of income.
 - Finance expenses are running above last year due to higher borrowings. It should be noted that current borrowings are well below planned levels.
 - Personnel costs are higher than prior year due to market movement payments and recruitment to fill vacancies and new approved roles.
- **Statement of Financial Position:**
 - Cash and Cash Equivalents are higher than prior year due to lower than planned capital expenditure and loans not falling due until May 2021.
 - Debtors are higher than prior year due to higher Rates receivables from rates increases and growth in the district. High receivables in respect of wastewater charges are offset by payables for like amounts.
 - Creditors and Other Payables are higher than prior year due to differences in timing of capital expenditure, unpaid wastewater costs (offset by receivables as noted above), and prepaid income from DIA in respect of grants for projects not yet completed.

- Other Liabilities are greater than prior year due to the June 2020 revaluation of derivative financial instruments (an Accounting Standards requirement).
- **Financial Performance Summary**
 - Financial performance and the major reserve balances are as expected, excluding the impact of assets not vested as expected. YTD capital expenditure is running in line with the previous year and on trend to meet budget, excluding carried forwards and vested assets.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

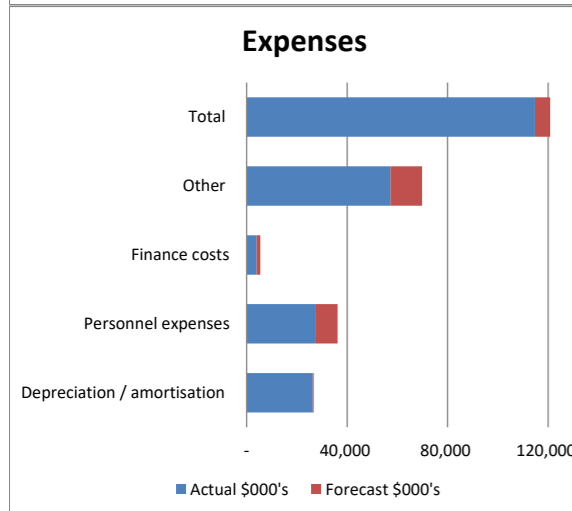
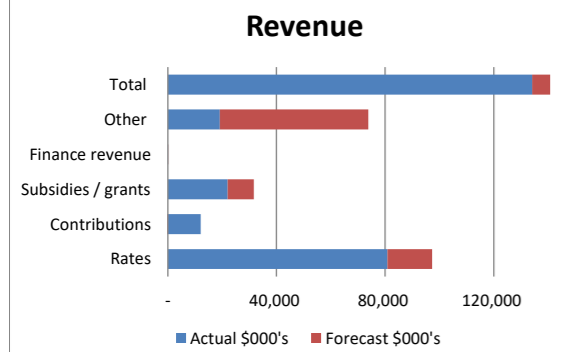
Financial Performance Summary as at 30 April 2021
Statement of Comprehensive Revenue and Expense to 30 April 2021
Notes to the Statement of Comprehensive Revenue and expense to 30 April 2021
Statement of Financial Position as at 30 April 2021
Notes 1 and 2 to the Statement of Financial Position as at 30 April 2021

AT A GLANCE

Performance to date is as planned excluding the expected 'revenue' impact of assets not vested. Income is tracking as planned overall, with Development Contributions well ahead of budgets mostly offset by lower subsidy income due to lower than planned activity levels. Capital expenditure YTD is \$42.9 million. This is in line with the previous year and in line with budget expectations, excluding carried forward amounts.

	Feb-21	Open Bal
	\$000's	\$000's
Reserve Balances Summary		
Restricted reserves	206	201
Council reserves	9,803	23,536
Development contributions	(27,067)	(34,483)
Replacement funds	29,972	24,884
Targeted rate reserves	(13,056)	(12,398)
Total	(142)	1,740

	Feb-21	Open Bal
	\$000's	\$000's
Key reserves (included in balances above)		
Disaster recovery	762	788
Hamilton East Property proceeds	2,308	2,308
Structure plan non-growth reserve	960	927
Northgate development area	(4,840)	(4,662)
Pokeno Structure plan	(5,925)	(9,260)
Tamahere Structure plan	(1,892)	(1,959)
DW water targeted rate	(9,580)	(8,584)
DW wastewater targeted rate	(7,304)	(7,386)
Total	(25,511)	(27,828)



FINANCIAL PERFORMANCE SUMMARY

For the period ending 30 April 2021

	Actual \$000's	FY Forecast \$000's	% usage	YTD Variance \$000's	Ref.
Revenue					
Rates	80,845	97,284	83%	225	
Development and financial contributions	12,094	6,393	189%	(6,766)	1
Subsidies and grants	22,049	31,608	70%	4,291	2
Finance revenue	48	130	37%	61	
Other revenue	19,141	73,766	26%	42,331	3
Total revenue	134,177	209,181	64%	40,141	
Expense					
Depreciation and amortisation expense	26,342	26,702	99%	(4,091)	4
Personnel expenses	27,261	36,192	75%	2,900	5
Finance costs	3,942	5,494	72%	636	
Other expenses	57,226	69,827	82%	963	
Total operating expenses	114,771	138,216	83%	408	
Surplus (deficit) before tax	19,406	70,965	27%	39,732	

Year-to-date net operating surplus of \$19.4 million is \$39.7 million behind year to date expectations in overall terms.

Items to note are as follows:

Income

- Favourable - Contribution income is above year to date expectations. Approximately \$158,000 relates to older consents with financial contributions, with the remainder continuing to come from development contributions (DCs).
- Unfavourable -Subsidies are linked to progress of physical work programmes.
- Unfavourable - The budget allows for \$54 million of roading assets to be vested with Council. \$38 million of this relates to State Highway 1 revocation. The exact timing of transfer is not yet known.

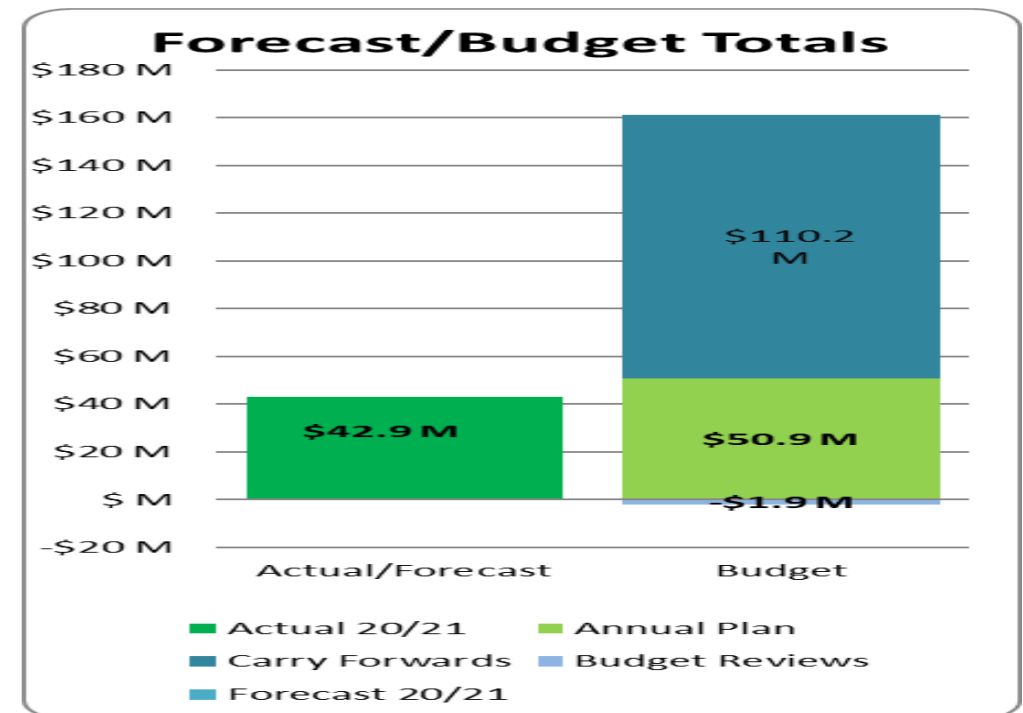
Expense

- Unfavourable - linked to progress of physical work programmes, capitalisation of fixed assets and annual revaluations
- Favourable - impact from vacancies.

Net Operating Surplus (Deficit) Breakdown	Actual \$000's	FY Forecast \$000's	YTD Variance \$000's	Favourable / Unfavourable
Roading	8,473	68,241	48,395	U - Timing of vested asset revenue
Water	1,938	457	(1,558)	F - Watercare activity levels below expectations
Wastewater	3,753	2,031	(2,061)	F - Watercare activity levels below expectations
Stormwater	627	(832)	(1,321)	F - Watercare activity levels below expectations
Sustainable Communities	4,855	3,570	(1,880)	F - Timing of grant payments
Sustainable Environment	(309)	(357)	12	U - Minor variances
Governance	5	(749)	(629)	F - Timing of grant payments
Organisational Support	(171)	(1,396)	(993)	F - Low levels of activity expenditure
Total Group of Activities	19,173	70,965	39,965	
General rate usage	233	-	(233)	F - The general rate income recognised currently exceeds the amount of general rate used. This number adjusts throughout the year relative to activity expenditure
Surplus (deficit)	19,406	70,965	39,732	

Capital expenditure	Actual \$000's	FY Budget \$000's	% usage
Organisational Support	4.0	13.1	30%
Roading	21.0	101.2	21%
Stormwater	0.4	8.5	5%
Sustainable Communities	6.7	31.7	21%
Sustainable Environment	3.0	3.3	90%
Wastewater	5.3	44.9	12%
Water Supply	2.5	21.0	12%
Total Group of Activities	42.9	223.7	19%

The "FY Budget" shown above relates to the second year of the LTP, including projects undertaken by developers on behalf of council plus any carry forward works from 2018/19. The work programme includes first estimates of the impacts of the Covid-19 lockdown. Vested Assets are also included.



Current Working Capital

Current Assets \$71,050,820

Cash & cash equivalents	\$31,200,403
Debtors & other receivables	\$38,148,627
Prepayments	\$343,067
Other current assets	\$1,358,723

Current Liabilities \$42,053,996

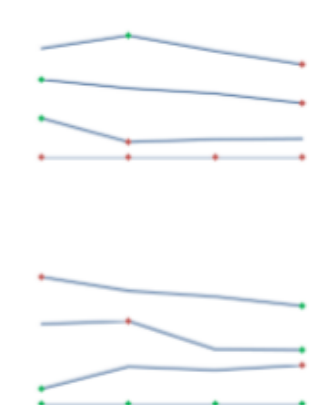
Accounts Payable	\$26,392,516
Deposits & Bonds	\$240,993
Accrued expenses	\$15,420,487
Rates in advance	\$0

Working capital \$28,996,824

Current ratio 1.69

Limit on Total Debt \$234,809,923

Current Borrowing	\$95,000,000	40% of limit
Plan Debt 20/21	\$137,410,000	\$42 M ↑, 59% of limit



Waikato District Council
Statement of comprehensive revenue and expense
As at 30 April 2021

Note	30 Apr 2021	30 Apr 2020
Revenue		
I Rates, including targeted water supply rates	80,845,169	76,826,703
Development and financial contributions	12,094,083	12,194,571
Subsidies and grants	22,049,203	17,722,922
Finance income	47,633	71,938
Other income	19,141,010	22,029,619
Total income	134,177,099	128,845,754
Expense		
Depreciation and amortisation expense	26,342,248	22,989,828
2 Personnel costs	27,260,648	26,759,222
3 Finance expenses	3,942,251	3,727,600
4 Other expenses	57,225,737	55,838,672
Total expenditure	114,770,885	109,315,323
Operating surplus (deficit) before tax	19,406,214	19,530,431

Waikato District Council
Notes - Statement of comprehensive revenue and expense
As at 30 April 2021

Note	30 Apr 2021	30 Apr 2020
1		
<u>Rates, including targeted water supply rates</u>		
General rate	46,175,597	43,734,065
Uniform annual general charge	8,676,857	8,115,893
<i>Total general rates income</i>	<u>54,852,454</u>	<u>51,849,958</u>
Community centres & facilities	674,079	659,796
Wastewater	9,995,743	9,281,039
Refuse & waste management	4,190,729	3,876,025
Metered water supply rates	5,383,560	5,610,372
Other water rates	3,227,748	2,886,095
Stormwater	1,653,228	1,525,207
Community boards	224,316	203,182
<i>Total targeted rates income</i>	<u>25,349,403</u>	<u>24,041,716</u>
plus: Penalties revenue	1,181,568	1,462,816
Total rates revenue	<u>81,383,425</u>	<u>77,354,490</u>
less: Rate remissions	(538,256)	(527,787)
Net rates revenue	<u>80,845,169</u>	<u>76,826,703</u>
2		
<u>Personnel costs</u>		
Salaries & wages	26,210,116	25,844,586
Kiwisaver contributions	667,464	629,081
ACC levies	108,825	116,644
Fringe benefit tax	74,384	82,166
Mileage reimbursements	41,563	60,480
Other personnel costs	158,295	26,266
Total personnel costs	<u>27,260,648</u>	<u>26,759,222</u>
3		
<u>Finance expenditure</u>		
External interest expense	3,941,656	3,727,036
Interest on reserves	595	564
Total finance expenditure	<u>3,942,251</u>	<u>3,727,600</u>
4		
<u>Other expenses</u>		
Audit fees	221,552	182,915
Activity expenditure	56,834,999	55,442,919
Debt write-off	376	10,033
Penalties written-off	388,191	319,381
Treasury administration	37,188	39,964
Asset adjustments	(256,569)	(156,540)
Total other expenses	<u>57,225,737</u>	<u>55,838,672</u>

Waikato District Council
Statement of financial position
As at 30 April 2021

Note	30 Apr 2021	30 Apr 2020
ASSETS		
Current assets		
	Cash & cash equivalents	31,200,403
1	Debtors & other receivables	38,148,627
	Prepayments	343,067
2	Other current assets	102,917
	Total current assets	69,795,015
Non-current assets		
3	Investments in other entities	20,108,402
	Investment property	560,000
	Intangible assets	4,158,583
4	Property plant & equipment	1,754,258,874
	Total non-current assets	1,779,085,859
	TOTAL ASSETS	1,848,880,873
LIABILITIES		
5	Creditors & other payables	42,053,997
6	Other liabilities	28,543,669
7	Borrowing	95,000,000
	TOTAL LIABILITIES	165,597,666
	NET ASSETS	1,683,283,207
EQUITY		
	Accumulated funds	1,090,189,396
	Year to date surplus (deficit)	19,406,214
8	Year to date reserve transfers	1,881,956
	Council reserves	(3,542,614)
	Restricted reserves	23,605,758
	Replacement funds	205,942
	Targeted rate reserves	29,972,316
	Development contributions	(13,055,699)
	Revaluation reserves	(7,623,857)
	Fair value through other comprehensive revenue & expense	(27,067,364)
	TOTAL EQUITY	557,820,581
	TOTAL EQUITY	1,683,283,207
	TOTAL EQUITY	1,781,116,808

*The financial statement set out above should be read in conjunction with the notes
set out on the following pages*

Waikato District Council
Notes to the financial statements
As at 30 April 2021

	<u>30 April 2021</u>	<u>30 April 2020</u>				
I Debtors & other receivables						
Accruals	6,591,584	8,710,788				
Rates receivable	27,449,778	27,340,315				
Sundry debtors	9,160,013	5,863,220				
GST refund due (payable)	(3,661,854)	(4,977,991)				
	39,539,522	36,936,333				
Provision for doubtful debts	(1,390,894)	(1,157,651)				
Net debtors & other receivables	38,148,627	35,778,681				
2 Other current assets						
Cattle	102,917	93,731				
Non-current assets held for sale	-	-				
Total other current assets	102,917	93,731				
3 Investments in other entities						
Community loans	58,642	105,559				
Strada Corporation Ltd	700,000	700,000				
NZ Local Government Insurance	38,250	65,515				
Waikato Regional Airport Ltd	16,743,390	15,176,460				
BNZ - Term deposit	828,946	809,274				
Local Authority Shared Services Ltd						
LASS shares	-	-				
Waikato Regional Transport Mod	112,500	112,500				
Shared Valuation Database Serv	106,674	106,674				
LGFA borrower notes	1,520,000	1,520,000				
Total investments	20,108,402	18,595,982				
4 Property, plant & equipment (PP&E)						
	30 April 2021	30 April 2020				
	Cost / Val'n	Accum	Cost / Val'n	Accum	Book value	
		dep'n		dep'n		
Bridges	252,293,747	(4,590,203)	247,703,544	144,229,019	(2,442,301)	141,786,718
Buildings	54,461,626	(1,858,484)	52,603,142	55,367,790	(5,617,656)	49,750,134
Computers	5,570,131	(5,414,689)	155,442	5,570,131	(5,264,149)	305,982
Drainage	2,431,639	(25,062)	2,406,577	2,317,087	(23,614)	2,293,474
Furniture	1,732,953	(1,218,604)	514,350	1,557,829	(1,110,342)	447,487
Land	140,617,800	-	140,617,800	119,921,856	-	119,921,856
Land under roads	109,430,450	-	109,430,450	108,287,653	-	108,287,653
Library books	6,664,659	(5,151,071)	1,513,589	6,016,871	(4,873,759)	1,143,112
Office equipment	1,404,420	(1,254,546)	149,874	1,404,420	(1,216,329)	188,091
Parks and reserves	50,458,456	(2,013,553)	48,444,903	45,875,941	(1,934,570)	43,941,371
Plant	5,313,597	(3,383,275)	1,930,323	5,135,521	(3,086,004)	2,049,517
Roading	769,853,597	(10,547,183)	759,306,414	1,025,529,359	(9,827,044)	1,015,702,316
Stormwater	72,821,929	(791,917)	72,030,012	62,715,147	(680,583)	62,034,563
Transfer stations	1,838,220	(65,996)	1,772,224	1,728,138	(59,786)	1,668,352
Wastewater	122,804,133	(2,626,857)	120,177,276	117,216,869	(2,529,094)	114,687,775
Water	126,594,716	(2,501,915)	124,092,800	123,455,646	(2,380,369)	121,075,277
Work in progress	71,410,156	-	71,410,156	56,034,087	-	56,034,087
Total PP&E	1,795,702,229	(41,443,356)	1,754,258,874	1,882,363,365	(41,045,599)	1,841,317,765

Waikato District Council
Notes to the financial statements
As at 30 April 2021

Note	30 April 2021			30 April 2020
5 Creditors & other payables				
Trade payables	26,392,516			15,828,695
Deposits & bonds	240,993			290,571
Accrued expenses	15,420,487			12,010,164
Rates in advance	0			16,704
Total creditors & other payables	42,053,997			28,146,133
6 Other liabilities				
Employee entitlements	3,753,180			3,287,156
Provisions	3,175,032			1,447,593
Derivative financial instruments	21,615,456			15,666,515
Total other liabilities	28,543,669			20,401,264
7 Borrowings				
Non current portion of borrowing	95,000,000			100,000,000
Current portion of borrowing	-			-
Total borrowings	95,000,000			100,000,000
8 Reserve movements				
	Balance as at	Movements		Opening
	30 April 2021			balance
Council reserves	9,802,744	13,732,780		23,535,525
Restricted reserves	205,942	(5,297)		200,644
Replacement funds	29,972,316	(5,087,947)		24,884,369
Targeted rate reserves	(13,055,699)	657,934		(12,397,764)
Development contributions	(27,067,364)	(7,415,515)		(34,482,879)
per Reserve balance report	(142,061)	1,881,956		1,739,895
Revaluation reserves	557,820,581	(36,522)		557,784,059
Fair value through other comprehensive revenue and expense	14,127,120	-		14,127,120
Total other reserves	571,805,641	1,845,434		573,651,075

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	Tuesday 1 June 2021
Prepared by	Matthew Horsfield Democracy Advisor
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

I. RECOMMENDATION

THAT the public be excluded from the following parts of the 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 the passing of this resolution
Item number 1 – Confirmation of Public Excluded Minutes	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item 3.1 Director Appointments – Civic Financial Services Limited (CFS)	Good reason to withhold 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 relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
Item Confirmation of Minutes	I of	Refer to the previous Public Excluded reason in the agenda for this meeting.
Item 3.1 Director Appointments – Civic Financial Services Limited (CFS)	7 (2) (a)	Protect the privacy of natural persons, including that of deceased natural persons.