

MEETING — AGENDA —

Ngā Take

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Western Bay of Plenty
District Council

COUNCIL

Te Kaunihera



**Minute Index and
Information Pack
Pikau Korero
C20**

Thursday, 20 September 2018

Advice to Councillors on Use of Information Packs

Council has agreed that Information Packs will be supplied with the agendas for Council and its Committees as well as Community Boards as required. Members are to present questions in writing on contents, provided these are received 48 hours prior to the meeting (i.e. by 5.00pm on a Monday for a Thursday meeting). A copy of the questions and written replies will be made available to all Members and will be tabled at the meeting.

Any questions received later than the 48 hour deadline will be responded to within five days with copies of both questions and answers circulated to all Members.

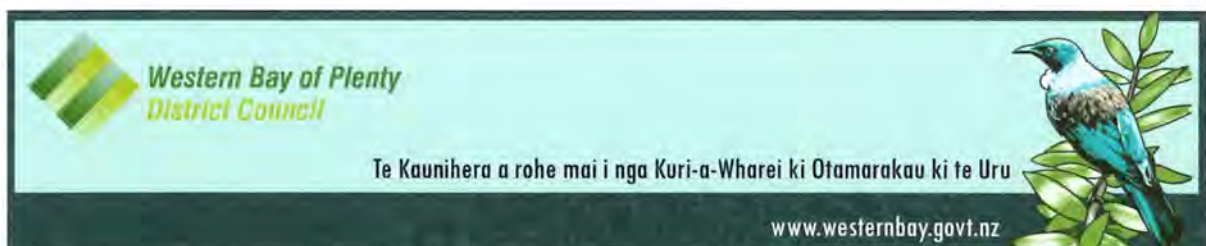
All questions to be **emailed** to the relevant Democracy Advisor.

In addition, should a more detailed report or presentation be required on any specific item, Councillors are invited to make an e-mail request to the Chief Executive Officer. Reports or presentations requested will be given at the first available opportunity.

Council	-	Fleur Sweeney
Community Committee	-	Michelle Parnell
Long Term and Annual Plan Committee	-	Fleur Sweeney
Operations and Monitoring Committee	-	Aileen Alty
Policy Committee	-	Michelle Parnell
Rural Committee	-	Michelle Parnell
All Community Boards	-	Aileen Alty

Please include in any emailed questions and the following references from this Information Pack;

- Title of Item – Page reference for question.



Open Items

Council No. C20

20 September 2018

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Western Bay of Plenty District Council

**Minutes of Meeting No. WB15 of the
Waihi Beach Community Board held on 27 August 2018
at the Waihi Beach Community Centre
commencing at 6.30pm**

Present

Members A Sole (Chairperson), M Roberts (Deputy Chairperson), B Hepenstall, R Parsons and Councillors D Marshall and M Williams

In Attendance

G Allis (Deputy Chief Executive Officer) and A Alty (Democracy Advisor)

Others

Six members of the public

Public Forum

Resolved: Members Hepenstall / Roberts

THAT the meeting adjourn for the purpose of holding a public forum.

The Chairperson clarified the protocols relating to the Public Forum section of the meeting as set out in the Standing Orders for the Waihi Beach Community Board. He invited attending members of the public to take part in the Public Forum.

Keep New Zealand Beautiful - Clean-Up New Zealand Week 10-16 September 2018

Helen Meiklejohn advised the Board that there would be a local beach clean-up on Saturday 15 September from 9.30am to 11.30am assembling at Tuna Avenue Waihi Beach.

Department of Conservation Wetland Parking Area - Littering and Illegal Camping

Mrs Meiklejohn advised that there had been regular instances where rubbish was being left on the Department of Conservation land carpark and evidence pointed to this being left by illegal campers. The area was being used for toileting as well and it was concerning that this behaviour may increase in the coming summer.

Stolen Rat Traps

It was very disappointing that three new recently installed rat traps had been stolen so the Environment Society had put padlocks on the remaining traps to try and stop the thefts. The traps were recently purchased with the assistance of the Community Board Grant funding. The thefts had been reported to the police.

Washed Up Trees on the Beach

Mike Hickey reported that there were large trees washed up on the far south end of the beach and asked if they should be cleaned up before the summer.

It was pointed out that the trees tended to be left where they were as they contributed to sand build-up and stabilisation of the beach area and also provided children with a natural climbing and playing environment.

Painting of Chicanes

Jim Cowern spoke to the Board about the time it had taken for the traffic chicanes to be painted. It was clarified that the work done by contractors was covered in an overall maintenance contract agreement rather than a charge on each individual job undertaken.

Health Warning Signage

Following an inquiry about health warning signage placed by Darleys Creek it was advised that the signage was installed under instruction from the Bay of Plenty Regional Council Medical Officer of Health as a result of toxic algae readings. There had also been recent incidents of toxic algae in other Western Bay and Bay of Plenty Regional Council areas and the warning were managed by the Bay of Plenty Regional Council.

Bridge Embankment by the Waihi Beach Surf Club

The Chairperson advised that the required consents had been issued and work on repairs to the bridge embankment had started.

Developer Responsibility - Site Management

A member of the public reported that six town houses were being built on the corner of Edinburgh and Dillon Street and polystyrene off-cuts and rubbish had been left to blow around and off the site. The member of the public reporting the concern was advised that the developer/property owner would be advised of the concerns raised.

Resolved: Councillor Williams / Member Parsons

THAT the meeting be re-convened in formal session at 6.46pm.

The Chairperson advised that the meeting was now under formal process and members of the public were most welcome to stay but may not interject or speak to Board members during the course of the formal meeting.

WB15.1 Minutes of Meeting No. WB14 of the Waihi Beach Community Board Held on 16 July 2018

The Board considered the minutes no. WB14 of the Waihi Beach Community Board Meeting held on 16 July 2018 as circulated with the agenda.

Resolved: Member Roberts / Councillor Marshall

THAT the minutes of meeting no. WB14 of the Waihi Beach Community Board held on 16 July 2018 as circulated with the agenda be confirmed as a true and accurate record.

WB15.2 Chairperson's Report

The Board considered a report from the Chairperson dated 13 August 2018 as circulated with the agenda.

WB15.2.1 Compliance Report for 2017/18 Summer Holiday Period

The Community Board and members of the community reiterated that they had been waiting for a report on the compliance activities, results and costs relating to the Waihi Beach area over the last Christmas period, as provided for the previous year. The issues of most interest were parking, dogs both in the overall area and on the beach and freedom camping. Any other information in regard to enforcement would also be of interest.

The Board would also like to hear what was envisaged for the 2018 Christmas period at Waihi Beach and budgeted costs.

The Board was advised that a report from the Compliance Manager would be included in the agenda for the next Community Board Meeting. The

report would also incorporate options for compliance monitoring during the forthcoming 2018/19 summer period.

WB15.2.2 **Maranui Estate Holding Pond**

The Chairperson noted that there had been no progress on the removal of silt from the Maranui Estate holding pond. With what appear to be more frequent extreme weather events it was now becoming urgent and asked that this job was completed promptly.

The Board was advised that staff were currently having access issues with de-silting the pond and due to the continuing wet weather were unable to access the pond with a digger to remove the silt. The pond would continue to be monitored and as soon as practicably possible (after a dry period) the pond would be emptied, dried and de-silted. This may need to occur in stages.

With the recent rain events that had been experienced at Waihi Beach the pond had not been close to over topping. There was no major risk that the pond would spill over due to silt build up. Staff would continue to monitor the pond until the de-silting could be completed.

WB15.2.3 **Waihi Beach Road Entrance**

For many years the Board had been asking for clean-up work to be done on the northern entry into Waihi Beach. This area appeared to be forgotten by staff and contractors yet it was the most used road entrance into the town.

The Community Board request that the area from the first sight of the sea to the roundabout be promptly tidied up before December 2018 and that this strip of roadside be placed on the regular maintenance contract.

The Board noted that the Roothing Engineer (East/West) had advised that Westlink contractors maintain the area as part of the lump sum contract work. However, they only maintained what currently existed within agreed timeframes, they did not improve the area without instruction or additional payment. Westlink were currently drafting a report to Council which would detail the existing issues and provide some design options for improvement through this area.

The Board was also advised that the Roothing Engineer would inspect the landscape/beautification projects and discuss with Waihi Beach Community Board on how to efficiently and effectively maintain the area.

A suitable meeting time would be discussed in liaison between the Roothing Engineer (East/West) and the Chairperson to address the future beautification, maintenance and regular litter clean-up of this area.

WB15.2.4 Waihi Beach Road - Rubbish Pick Up

Board members spoke of their frustration that there was constant roadside rubbish from the Waihi Beach Road roundabout to the Quarry. There seemed to be no regular pickup by contractors and mowers had been seen cutting up (mowing over) discarded plastic that then resulted in an immediate spread of smaller plastic bits.

Frustration was voiced that volunteers wanting to undertake roadside litter pickups were now stymied by Health and Safety regulations. The process and procedures for volunteers undertaking roadside litter pickups would be checked.

The Deputy Chief Executive offered to provide the Waihi Beach Environmental Society with 100 prepaid rubbish bags to assist them in their rubbish clean-ups at Waihi Beach.

The Board was very clear that they wanted the approaches into town cleaned up and regularly maintained.

WB15.2.5 The Crescent, Farm Road Intersection

The issue of this intersection had been the subject of concern for a long time now and the Board would like a report on the action to be taken by the Transport Team.

The Board was advised that the Roothing Engineer (East/West) had previously discussed the Give Way Sign and Safe-Hit posts at this intersection with the Community Board. A Give Way sign could not be installed at the requested position as this would cause confusion to drivers by attempting to change the priority of traffic flow. Safe Hit posts would not be installed as they would narrow the lane width too much which could eventuate in The Crescent to become blocked by parked cars. However, to clarify the driving lanes, the Roothing Engineer had recommended to the Waihi Beach Community Board that white lines be installed throughout the intersection area.

The Board requested that the proposed white line paint have a rough/rumble strip texture to assist in the delineating the correct driving lines.

WB15.2.6 Traffic Statistics

The Board would like a report on the outcome of the traffic movement statistics that had been recorded and request advice on what trends they showed. They also asked if any future plans would be actioned as a result of the traffic count/statistical information.

The Board was advised that the Roading Engineer (East/West) would provide a report on the traffic statistics to the next Community Board meeting.

WB15.2.7 Annual Parking and Bylaw Review

The Board was advised that a report on the Annual Parking and Bylaw Review would be included in the next meeting agenda for the Board's consideration.

WB15.2.8 Speed Limit Review

The Board was advised that a report on the Speed Limit Review would be included in the next meeting agenda for the Board's consideration.

WB15.2.9 Beach Access

Following storms over recent years beach access had been an issue. While sand ladders were an acceptable form of access on the New Zealand coast, the community had observed the need for more structurally sound reliable beach access.

The Board asked for permanent structures to be placed at the main beach access points that have high use. Beach access 30 (off Tuna Avenue) was an example of an area that required an upgrade.

The Board was advised that staff were currently assessing options to address sustainability of beach access ways and would provide an update once the options have been prepared. In the meantime, access ways would be maintained on an as and when required basis following storm events.

The Deputy Chief Executive advised that this topic would be raised at the next Operations and Monitoring Committee meeting to be held on 13 September 2018.

WB15.2.10 CCTV

The Board had had requests for some time regarding the installation of CCTV. In particular there had been requests to monitor the entry/exit points at the roundabouts at the northern and southern ends of the town.

Discussion with NZ Police had also indicated that these would also enhance the security of people and property in the area and assist greatly in resolution of some crimes and property loss at the beach. The Chairperson advised that he was waiting for a full quote that included the provision of required electrical connections and as soon as this was available he would circulate it to all Board members for consideration.

WB15.2.11 Broadlands Block

A meeting and walk around with Reserves Staff, Members of the Waihi Beach Environment Society and the Board to look at how to approach the enhancement of this block of land and follow the approved plan had been held. Reserves and Facilities staff would now contact property owners that shared a boundary with the block and advise future plans for the Broadlands Block.

The Board advised that the public would be kept up to date about the planting project that would take place over a number of years to come. The Board was very positive about moving forward with this project from now and in the long term.

The Board asked that a regular regime of reporting be established to report back on planning, consultation, drainage, construction and plantings and associated timelines and progress along with a breakdown of costings for the Broadlands Block environment enhancement be provided.

WB15.2.12 Waihi Beach, Bowentown and Athenree History - Discover the History Weekend

Board Member Roberts spoke about the forthcoming event programme for the 'Discover the History of Waihi Beach, Bowentown and Athenree' weekend to be held during 13-17 October 2018.

WB15.2.13 Community Board Strategies - Future Directions

The Chairperson advised that the next Community Board clinic would be held on Saturday 15 September 9.00am to 10.00am at the Waihi Beach RSA.

WB15.2.14 Significant Council Processes - Community Engagement Representation Review

The Chairperson advised that representation review was well underway and members of the Waihi Beach Community had been active in attending meetings.

Submissions to the review process closed on 24 August 2018, with hearings to take place on Monday 3 September. Council would then undertake deliberations on the issue on 20 September. The final proposal would be publicly notified on 2 October and any appeals or objections between this time up to 2 November would be referred to the Local Government Commission. A decision by the Commission on the representation proposals would be announced by 10 April 2019.

WB15.2.15 Community Board Conference 2019

The Chairperson advised that he had been appointed to the Community Board Executive Committee (CBEC). The 2019 Community Board conference would be held in New Plymouth over April 11-13 and planning for this event was well underway.

Resolved: Members Sole / Parsons

THAT the Chairperson's Report to the Waihi Beach Community Board for August 2018 be received.

WB15.3 Councillor's Report

The Board considered a report from Councillor Marshall dated 13 August 2018 as circulated with the agenda. Councillor Marshall spoke to the following items:

Representation Review

The representation review had generated a lot of interest and debate and there was a general opinion in some communities that the democratic rights of ratepayers was being undermined by the proposal that Community Boards be replaced by Community Committees, with Council appointed membership.

Waste Management and Minimisation Investigations

The reviewed Waste Minimisation Management Plan was adopted by Council on 5 December 2017. The plan allowed Council to address four main actions to investigate alternative rubbish and recycling collection models to achieve better management of solid waste in the district. A preference for low total community cost with diversions from land fill being a key goal with flexible options for a pay based and improved environmental outcome across the district.

Katikati Waihi Beach Reserves Management Plan - Draft Reserves and Facilities Bylaw - Proposed Tuapiro Point Horse Riding Ban

The proposed Tuapiro Point Horse Riding Ban had instigated a vast number of submissions, many of which were heard during the recent bylaw hearing held at Katikati over a period of six hours.

There had been some very valuable and measured submissions and some very good reasoned arguments had been put forward. There was a willingness for concessions to be made to keep the environment clean and give respect to specific sensitive areas at Tuapiro Point.

Resolved: Councillor Marshall / Member Sole

THAT the report from Councillor Marshall dated 13 August 2018 be received.

WB15.4 **Infrastructure Services Report Waihi Beach - August 2018**

The Board considered a report from the Deputy Chief Executive dated 10 August 2018 as circulated with the agenda.

WB15.4.1 **Emergency Management**

The Board noted that the Athenree Community Response Plan had been completed. Thanks were extended to Angela Reade for the work she undertook in ensuring that this was achieved. Member Roberts advised that she continued to maintain liaison with the local community response groups.

WB15.4.2 **Community Roading Budget**

The Board was advised that an updated list of roading priorities would be included in the next Infrastructure Service Report, with the 2017/18 completed works taken off the list and any programmed works for the 2018/19 financial year included in priority order.

The Deputy Chief Executive Officer advised the Board that there would be some rehabilitation work undertaken on Emerton Road which would include a survey for the whole section of the roadway, and the incorporation of a footpath and pedestrian refuge crossing by the café and motor home facility. The work would be undertaken in the 2018/19 financial year but not before Christmas.

The Board stressed that they required all Waihi Beach area projects in the future to be reported on a regular basis showing specific cost allocations and expenditure and projected timelines for every project as they were undertaken.

WB15.4.3 **Athenree Action Group - Minute Action Sheet Reference WB14 15 5.10**

The Chairperson again spoke of his concern in regard to the road speed and traffic management measures that needed to be considered in the immediate vicinity of the new Montessori School entrance and exit ways on Athenree Road.

A site meeting with the Roading Engineer (East/West) and Board members would be organised for the near future.

WB15.4.4 **Clearing of Grates and Catch Pits - Minute Action Reference WB14 18 5.6**

In regard to the comment that "residents are also able to look after themselves and the community and clear leaves and debris off grates which may be blocked in rainfall events" concern was expressed that it was not the job of residents to clear drains. The Deputy Chief Executive explained that while staff and contractors do clear drains as part of pre-storm event warning processes. They may be cleared, then quickly blocked by following rainfall. This was not a case of non-performance by contractors but the reality was that grates could be cleared one day and blocked the next.

It was acknowledged that some stormwater grates that may be covered with leaves and roadside debris may well have been in the vicinity of unoccupied properties or reserve areas. In cases where catch pit grates were noticed as being blocked, this should be reported through the Council CCR system to register required action.

It was important to develop a community with a mindset that looked after its community over many aspects and in this case all that was asked was that where they could, residents be aware that they could look out for and manage to clear any blocked grate tops very easily.

WB15.4.5 **Catch Pit/Stormwater at the Northern End of The Esplanade Parking Area at Waihi Beach**

The Board was advised that the catch pit at the northern end of The Esplanade parking area at Waihi Beach across the little bridge was constantly blocking. It was noted that this may be the result of the pipe being too small, or that there was something obstructing the stormwater flow.

A Service Request for this item would be initiated and referred to the Deputy Chief Executive Officer and Roading Engineer (East/West) to investigate.

Resolved: Members Sole / Parsons

THAT the Deputy Chief Executive's Report, dated 10 August 2018 and titled Infrastructure Services Report Waihi Beach - August 2018 be received.

WB15.5 **Financial Report Waihi Beach - July 2018**

The Board considered a report from the Management Accountant dated 7 August 2018 as circulated with the agenda.

The Chairperson advised that at their next workshop, the Board would consider options for future projects that would be funded by the Waihi Beach Community Board Reserve Fund.

Resolved: Councillors Williams / Marshall

THAT the Management Accountant's report dated 7 August 2018 and titled "Financial Report Waihi Beach - July 2018" be received.

WB15.6

Council, Standing Committee and Community Board Meetings

The Board considered a schedule of meetings for the month of September and October 2018 as circulated with the agenda.

The Board indicated that they would like to hold their Board meeting scheduled for 19 November 2018 at the Waihi Beach Coastguard building.

Resolved: Members Parsons / Hepenstall

THAT the schedule of meetings for September and October 2018 be received.

The meeting concluded at 7.53pm.

Confirmed as a true and correct record.

A Sole
Chairperson
Waihi Beach Community Board

Date

WB15

Western Bay of Plenty District Council

**Minutes of Meeting No. OM15 of the
Omokoroa Community Board held on 28 August 2018
at the Omokoroa Community Church Hall
commencing at 7.00pm**

Present

Members M Grainger (Chairperson), T Sage (Deputy Chairperson), D Sage and Councillors M Murray-Benge and J Palmer

In Attendance

R Davie (Group Manager Policy, Planning and Regulatory Services), A Cloete (Senior Policy Analyst Built Environment and Urban Design) and A Alty (Democracy Advisor)

Apologies

An apology for absence was received from Member P Presland

Others

Seven members of the public.

Resolved: Councillor Murray-Benge / Member D Sage

THAT the apology for absence from Member Presland be accepted.

Public Forum

Resolved: Member Grainger / Councillor Palmer

THAT the meeting adjourn for the purpose of holding a public forum.

Proposed Footpath in Anderley Avenue

The Chairperson of the Omokoroa Country Estate Residents Committee introduced herself and attending residents. She presented a petition signed by 149 residents of the Omokoroa

Country Estate requesting that a footpath be installed on Anderley Avenue. The residents wished to see a footpath on Anderley Avenue constructed as soon as possible.

Anton Coetzee spoke to the Board outlining the need for the footpath, especially for the safety of residents in the immediate vicinity of the country estate. Mr Coetzee noted the following:

- The Omokoroa Country Estate contained 154 houses or units and had approximately 250 residents.
- The average people living in the Omokoroa Country Estate complex was near 80 years of age.
- Many of the elderly residents who want to walk to the commercial area had difficulty negotiating rough and muddy ground, and had age related mobility impairment such as limited sight and hearing which contributed to an unsafe situation when they were walking on the road.
- Many used walkers or mobility scooters which mean they had to be on the road. The road was getting busier with many trucks and vans now using the area due to construction in the immediate area.
- Residents did not want the installation of the footpath delayed for another winter.
- It was the view of the residents that the placement of the footpath should be decided by the Council engineering staff.

It was stated that members of the Board had been elected to represent residents of Omokoroa, and residents of the Omokoroa Country Estate would like a decision about the construction of a footpath in Anderley Avenue from the Board.

The Chairperson advised that he had spoken the Transportation Manager who had advised that the proposal was on hold pending the completion of design work on Omokoroa Road. The required design work would dictate the road levels and once these were confirmed then progress on Anderley Avenue footpath could be made to ensure that the levels matched up.

The footpath construction was part of the Omokoroa Road urbanisation project.

The Chairperson said that there were three separate parts to the Anderley Ave footpath. Omokoroa Road to Heidi Crescent, Omokoroa Road to Olivia Lane and the rest of Anderley to the bottom.

He advised that he had spoken the Transportation Manager who had advised that the proposal for the first two sections was on hold pending the completion of design work on Omokoroa Road. The required design work would dictate the road levels and once these were confirmed then progress on Anderley Avenue footpath could be made to ensure that the levels matched up.

The footpath construction for the two shorter sections was part of the Omokoroa Road urbanisation project. Funding had already been allocated for the Omokoroa Road to Heidi Crescent footpath.

Council had no preference as to which side of the roadway the footpath was installed but it made sense to use the western side of the roadway.

The Board was advised that a report on this item would be provided to the next Omokoroa Community Board meeting, along with costing and a proposed timeline for the footpath works.

Cooney Reserve Car Park

Mr Boyes asked if it was proposed to seal the Cooney Reserves car park. There was currently some soil/fill being put onto the reserve which had become extremely muddy as a result of the continuing wet weather.

Resolved: Members Grainger / T Sage

THAT the meeting be re-convened in formal session at 7.20pm.

OM15.1 Minutes of Meeting No. OM14 of the Omokoroa Community Board Held on 17 July 2018

The Board considered the minutes of OM14 of the Omokoroa Community Board held on 17 July 2018 as circulated with the agenda.

Resolved: Members Grainger / T Sage

THAT the minutes of meeting no. OM14 of the Omokoroa Community Board held on 17 July 2018 as circulated with the agenda, be confirmed as a true and accurate record.

OM15.2 Chairperson's Report

The Board considered a report from the Chairperson dated 15 August 2018 as circulated with the agenda.

OM15.2.1 Possible Construction of New Service Centre on Western Avenue

The Board received information relating to the proposed new service centre attached to the proposed pavilion on the Western Avenue Sports Ground.

It was noted that options relating to the future of current library and service centre would be considered and it was the view of the Board that losing any community space was a retrograde step as replacing such spaces later was often difficult and always more expensive.

A workshop with Community Board members and staff to discuss options would be held on Monday 3 September 2018 at Barks Corner at 4.30pm.

OM15.2.2 Omokoroa Sport and Recreation Society

The Board was advised that the following accounts had been received with a request that payment be made under prior approval; to draw on the allocated funding of \$100,000 (Reference OM9.4.2 25 November 2014)

committed towards the cost of architectural plans for the new sports pavilion on the Western Sports Ground.

• Lysaght Consultants (Invoice 4943).....	\$1,840.00
• Fluid Hydraulic Design (Invoice 0091).....	\$4,427.50
• Vulcan Fire Engineering (Invoice 0484).....	\$2,530.00
• Total.....	<u>\$8,797.50</u>

OM15.2.3

Community Groups

Settlers Hall

Member T Sage reported that the Settlers Hall continued to be very busy and they were currently undertaking an exercise to ascertain who used the hall and how often it was used.

- Bookings were already being taken for 2019
- New Zealand Police representatives had booked the hall to undertake firearms licencing training
- Repairs to the bifold doors needed to be done
- The Annual General Meeting would be held in October and a call had gone out to the community asking for people to join the Settlers Hall Committee.

The Chairperson noted that the pressure on the use of the Settlers Hall was testament in support of not losing any available community space in Omokoroa as he reported in Item 2.1.

Omokoroa Policing Group

The Chairperson reported that the Omokoroa Community Policing Group had recently received some grant funding and were currently looking at securing a replacement vehicle.

Omokoroa Environmental Managers Group

The Chairperson advised that members of this group continued to undertake pest control on the peninsula and the success of this ongoing programme was evident in the ever increasing bird life thriving throughout Omokoroa.

OM15.2.4

Omokoroa Community School - Planting of Cooney Reserve

A recent planting day involving pupils from the Omokoroa Point School and members of the local community had been very successful with an excess of 400 native flax, shrubs and trees planted.

Resolved: Member Grainger / Councillor Murray-Benge

THAT the Chairperson's Report to the Omokoroa Community Board for August 2018 be received.

OM15.3

Councillor's Report

The Board considered a report from the Councillor Murray-Benge dated 20 August 2018 as circulated with the agenda.

Omokoroa Domain / Esplanade Planning

Councillor Murray-Benge reported that planning for the redevelopment of the Omokoroa harbour/Esplanade and Domain was progressing very well. There had been a lot of input to work through and staff had listened to residents and members of the wider public and interpreted the wants and needs for the future of the area.

Review of Reserves and Facilities Bylaw - Horse Riders on Tuapiro Point

The proposed Tuapiro Point Horse Riding Ban had instigated a vast number of submissions, many of which were heard during the recent bylaw hearing held at Katikati. Many of the attendees were very passionate in the presentation of their submissions. While there was some work still to be undertaken on the outcome of the review, the willingness to make concessions by all parties had been very positive.

Representation Review

Submissions to the review process closed on 24 August 2018, with hearings to take place on Monday 3 September. Council would then undertake deliberations on the issue on 20 September. The final proposal would be publicly notified on 2 October and any appeals or objections up to 2 November would be referred to the Local Government Commission. A decision by the Commission on the representation proposals would be announced by 10 April 2019.

Resolved: Councillor Murray-Benge / Member Grainger

THAT the report from Councillor Murray-Benge dated 20 August 2018 be received.

OM15.4

Infrastructure Services Report Omokoroa - August 2018

The Board considered a report from Deputy Chief Executive dated 13 August 2018 as circulated with the agenda.

The Board was reminded of the workshop to be held at Barkes Corner on Monday 3 September at 4.30pm to address any questions relating to the proposed Library and Service Centre development on the Western Avenue Recreational Reserve.

OM15.4.1 **Removal of Street Tree - 95a Harbourview Road Omokoroa**

The Roading Engineer (East/West) had advised the Board that he had received a request by the property owner at 95a Harbourview Road Omokoroa to have the tree growing on the road reserve outside his property removed. The tree was very tall and touching power lines and encroached into his private property. There were a number of large mature trees in the immediate vicinity and the tree removal would not impact on scenery in any way. The property owner intended to landscape the property after the tree had been removed.

The Board had no objection to the tree being removed with all costs for the removal being met by the property owner

OM15.4.2 **Omokoroa Signage - Proposed Map for Refurbish Noticeboard at McDonnell Street Library Omokoroa - Minute Action Reference OM11 18 2.4**

The Board noted that this Minute Action Sheet should be closed as plans for the new Omokoroa Library and Service Centre to be located at the Western Avenue Reserve had superceded the need for a new noticeboard at the McDonnell Street site.

OM15.4.3 **Omokoroa Sportsground Playground - Amenity Planting - Minute Action Reference OM14 18 6.3**

Board members sought further clarification relating to the statement that no amenity planting along the boundary with the Abron Development which was consistent with the concept plan adopted in 2014, and reaffirmed in the Kaimai Ward Management Plan adopted in August 2016.

Councillor Palmer advised that there was a budget set aside for the amenity planting, and the Board did not agree with the Reserves and Facilities comment.

The Board would seek clarification to this item at their workshop.

OM15.4.4 **Omokoroa Sportsground Playground - Minute Action Reference OM14 18 6.2**

The Board sought clarification relating to the re-sizing of the football field(s) (to accommodate the new playground area) and an assurance that football field size still met the official FIFA measurements.

Resolved: Member D Sage / Councillor Murray-Benge

THAT the Omokoroa Community Board be given an assurance that the size of the football field(s) were not compromised by the proposed installation of the playground area.

Resolved: Member Grainger / Councillor Murray-Benge

THAT the Deputy Chief Executive Officer's Report dated 13 August 2018 and titled Infrastructure Services Report Omokoroa - August 2018 be received.

OM15.5 **Street Trees and Landscaping Along Omokoroa Road**

The Board considered a report from the Senior Policy Analyst Built Environment and Urban design dated 26 July 2018 as circulated with the agenda.

The Board was in agreement that the amenity and natural beauty of Omokoroa be retained or improved as the town grew. The community had expressed a strong view for enhancing amenity planting through the inclusion of street trees. Omokoroa Road had been identified to create a boulevard effect.

As per the memorandum from Bryan Norton (12 June 2018), advising that the Titoki trees were struggling and were probably not suitable in a street environment. The request from the Community Board that the Titoki trees be replaced was supported.

Concerns were also expressed about the health of some of the Gingko trees. It was noted in the memorandum that three Gingko trees were bending towards the south-east as a result of the prevailing wind. It was therefore resolved that the Gingko trees be replaced by a more suitable tree species.

Resolved: Member Grainger / Councillor Murray-Benge

1. *THAT the Senior Policy Analyst Built Environment and Urban Design's report dated 26 July 2018 and titled Street Trees and Landscaping Along Omokoroa Road be received.*
2. *THAT the report relates to an issue that is considered to be of low*

significance in terms of Council's Significance and Engagement Policy.

3. *THAT after considering numerous tree species, it was decided that all the Gingko and Titoki street trees along Omokoroa Road be replaced by Maples - Acer Palmatum 'Osakazuki' (see Photo 1). The Maple was selected because they:*
- *Were more hardy and used by a number of councils as street trees. A number of good examples can be found within the Bay of Plenty.*
 - *Deciduous and would therefore not block the sun during winter.*
 - *Have beautiful colours during autumn.*

The section of Omokoroa Road between Western Avenue and Tralee Street is to be urbanised over the next three years. It will therefore be better to replace these tree after the completion of the urbanisation works. This will also include the replacement of the existing street trees between Western Avenue and the railway line.



The Maple theme was to be continued on the southern side of the railway line. These trees were to be planted during the next planting season (2019) after the completion of the current upgrade works to Omokoroa Road.

Landscaping and Screening Along Omokoroa Road

Landscaping / screening was to be undertaken in certain areas after urbanisation upgrades between Western Avenue and Tralee Street as per Diagram 1. This would include areas that are lower than the road alignment, e.g. along the Abron subdivision adjoining Western Avenue reserve. The consultants were still working on the detail designs for

the urbanisation, which would be subject to the location of existing services and proposed walkway/cycleway.

The bank on the western side of Omokoroa Road, between the railway line and Kayelene Place, would also be planted during the next planting season (2019).

Landscape /screen planting as per the sketch above would also be done on the southern side of the railway. The developer of Harbour Ridge had completed the planting along their subdivision.

Council was also looking into various options to improve landscaping the on roundabouts.

OM15.6 **Financial Report Omokoroa - July 2018**

The Board considered a report from the Management Accountant dated 7 August 2018 as circulated with the agenda.

Resolved: Councillor Murray-Benge / Member Grainger

THAT the Management Accountant's report dated 7 August 2018 and titled "Financial Report Omokoroa - July 2018" be received.

OM15.7 **Council, Standing Committee and Community Board Meetings**

The Board considered a schedule of meetings for the months of September and October 2018 as circulated with the agenda.

Resolved: Members T Sage / Grainger

THAT the schedule of meetings for September and October 2018 be received.

The meeting concluded at 8.15pm.

Confirmed as a true and correct record.

M Grainger
Chairperson
Omokoroa Community Board

Date

OM15

Western Bay of Plenty District Council

**Minutes of Meeting No. K15 of the
Katikati Community Board held on 29 August 2018
in The Centre. Pātuki Manawa, Katikati
commencing at 7.00pm**

Present

Members J Hobbs (Chairperson), B Gibbs (Deputy Chairperson), N Mayo and B Warren and Councillors P Mackay and M Williams

In Attendance

K Perumal (Chief Financial Officer), G Allis (Deputy Chief Executive Officer), G Golding (Team Leader Compliance Support), T Hindmarsh (Parking Warden Compliance Officer Katikati) and A Alty (Democracy Advisor)

Others

Christal Weber (Assistant City Manager for Operations at Lees Summit - Missouri USA) who was on an exchange visit to Western Bay of Plenty District Council and Sheryl Bryant (City Future General Manager) from Palmerston North City Council and three members of the public.

Apologies

An apology for absence was received from Member Mayo.

Resolved: Councillor Williams / Member Gibbs

THAT the apology for absence from Member Mayor be accepted.

Public Forum

The Chairperson clarified the protocols relating to the Public Forum section of the meeting as set out in the Standing Orders for the Katikati Community Board. Attending members of the public were invited to take part in the Public Forum.

Resolved: Member Hobbs / Councillor Mackay

THAT the meeting adjourn for the purpose of holding a public forum.

The Chairperson introduced Greer Golding, the Team Leader Compliance Support who in turn introduced Tracy Hindmarsh, the newly appointed parking warden for Katikati.

Tracy spoke to the Board outlining her previous career background and the role and responsibilities of her new role in Katikati. Her role as the parking warden would also encompass bylaw compliance and monitoring duties for Katikati and the Waihi Beach area.

The Chairperson thanked Mrs Hindmarsh for introducing herself to the Board members and wished her all the best in her new role.

Replacement of Broken Tin Fence Behind the Western Bay Heritage Museum and the Katikati Arts Junction Building

Paula Gaelic spoke to the Board outlining the work that had been undertaken in the development of the gardens at the back of the Western Bay Heritage Museum. Much of the work had been done in liaison with supervised community service workers who had taken a lot of pride in the ongoing development. In time the garden development would continue along the edge of the Uretara Stream to the bridge to enhance the overall area.

There were a number of interactive and educational programmes using the outdoor gardens being developed by the Heritage Museum and in conjunction with the Katikati Arts Junction it was planned to enhance the whole area as a focal point for visitors and residents alike.

The tin fence at the back of the new Arts Junction was broken and needed replacing. The Board was advised the development of this area had been signalled in the Reserve Management Plan and there may be the opportunity to allocate funding for the replacement fence from the next Annual Plan.

The Reserves and Facilities Officer (West) had advised that he was awaiting quotes for replacement fencing required and this would be forwarded to the Chairperson and Ms Gaelic as soon as it was available.

Katikati Arts Junction

Jacqui Knight advised that the Arts Junction refurbishment was progressing very well and it was aimed to have an opening launch on 14 September.

Functionality of the Kotahi Lane Car Park

Jacqui Knight spoke of concerns raised by members of the public about parking availability in Katikati township. While Kotahi Lane was now available for public parking, it was not well used as it was muddy and cars were subject to petal fall and bird poo. The area was not user friendly and in its current state not functional as a car park. The cherry trees looked nice but dropped petals at this time of the year. The whole area need levelling, sealing and lighting.

The Deputy Chief Executive Officer advised that the area needed to be built up and levelled to ensure it was well drained for car parking use. Options for the required work would be sought and presented to the Board at a later date.

Resolved: Member Hobbs / Councillor Mackay

THAT the meeting be reconvened in formal session at 7.28pm.

K15.1 **Minutes of Meeting No. K14 of the Katikati Community Board Held on 18 July 2018**

The Board considered the minutes of K14 of the Katikati Community Board held on 18 July 2018 as circulated with the agenda.

Resolved: Councillor Mackay / Member Gibbs

THAT the minutes of meeting no. K14 of the Katikati Community Board held on 18 July 2018 as circulated with the agenda, be confirmed as a true and accurate record.

K15.2 **Chairperson's Report**

The Board considered a report from the Chairperson dated 15 August 2018 as circulated with the agenda.

K15.2.1 **Opening of The Centre. Patuki Manawa**

The blessing ceremony, formal opening breakfast and community celebration of the opening of The Centre. Pātuki Manawa - the new Katikati Library and Service Centre was a history-making milestone event for Katikati on 21 August 2018. This was an exciting time for Katikati and we can all be very proud of this fantastic, modern and spacious community facility providing comfortable hi-tech spaces for every kind of user, event and function. Pātuki Manawa would create many new opportunities for businesses, groups and individuals to choose Katikati as a destination town in the future.

K15.2.2 **Welcome to Allan Wainwright - Katikati Community Centre Manager**

The Chairperson advised that Allan Wainwright had been welcomed to his new role as manager of the Katikati Community Centre. Mr Wainwright started in the position on Monday 27 August 2018.

K15.2.3 **Memorial Hall - New Sound System**

Declaration of Interest

Councillor Mackay declared an interest in this item as a member of the Katikati Memorial Hall Committee, and took no part in the discussion or voting thereon.

Over the years many users of the Memorial Hall in Katikati had needed a good quality public address system, often needing to broadcast outside as well as inside the Hall. Users had always had to organise their own sound system as the hall was not currently equipped with this technology.

The Chairman of the Memorial Hall Committee had approached the Community Board to help with funding for a new sound system, which would include a four speaker system inside the Hall, a two speaker system in the Memorial Lounge, a two speaker system at the front of the Hall and a two speaker system on the north side of the Hall for Market Square. The system would have a central control centre where the various components, including microphones could be configured to suit the needs of users.

The Chairperson of the Memorial Hall Committee advised that the quoted cost for the system was \$12,500 and currently the Returned Servicemen Association of Katikati had offered a grant of \$4,000 and the Katikati Lions Club had also offered a grant of \$4,000, as they were regular users, with Anzac and Armistice Day events, the monthly Moggies Market and The Steptoe Auction.

The Community Board recognized the important amenity value of the Memorial Hall to the people of Katikati and the need for a good quality sound system within that facility and therefore would also like to contribute funds to the project.

In response to questions raised relating to charging for the use of the sound system, the Board agreed that this was a matter that for the Katikati Memorial Hall Committee to consider.

Resolved: Members Hobbs / Gibbs

THAT the Katikati Community Board allocate funding of \$4,500 to the Katikati Memorial Hall Committee for a new sound system for the Katikati Memorial Hall funded from the Board's 2018/19 Reserve Account.

K15.2.4 **Safe Roads Update**

Justin Rae and Alistair McCaw from Safe Roads had briefed the Board on the approved project State Highway Two Waihi to Omokoroa Safety Improvements 2018 - 2023.

Between 2006 and 2015, 21 people had lost their lives and 61 had been seriously injured along this stretch of rural highway. Most of these resulted from head-on and run off road crashes. This stretch of road had also been rated the 14th worst corridor in New Zealand in terms of the frequency of fatal and serious crashes. This stretch of road was currently rated a 2-star road under the KiwiRAP national road safety risk rating system, with 1-star being the lowest and 5-star being the highest. To serve its current function State Highway Two should be a 3-star rating or above. The immediate priority was to make this a safer stretch of road as soon as possible to reduce deaths and serious injuries and so everyone could enjoy safer journeys.

This project would improve road and roadside safety on State Highway Two, between Waihi and Omokoroa. Improved safety features may include roadside and median barriers, extra wide centre-line, wide sealed roadside shoulder, rumble strips, improved signage, intersection upgrades and speed management.

The project had begun with work between Waihi and Trigg Road, and would proceed in sections, through to Omokoroa intersection, over the next five years.

Safe Roads team members had advised that they would meet with the Community Board regularly for an update on the safety improvement works.

K15.2.5 **Diggelmann Toilets - Story Board**

The Board was advised that the story board giving detail about life in a Bushman's Shanty during the kauri milling days was completed and ready for printing and installation next to the new Diggelmann Toilets. The quotes prices received were outlined as follows:

Quote for printing on ACM from 1 st Signs in Katikati	148.00 + GST
Quote for frame and installation Katikati Mens Shed	400.00

Resolved Councillor Williams / Member Gibbs

THAT the Katikati Community Board approve funding up to of \$600.00 for the development and installation of 'The Bushman's Shanty' storyboard located at Diggelmann Park funded from the Katikati Community Board Reserve Account.

K15.2.6 **Katikati Taiao Community-Led Development Partnership with Department of Internal Affairs**

After working together for 18 months, Katikati Taiao, on behalf of the Katikati community, and the Department of Internal Affairs, were having a community celebration to witness the signing of the Partnering Agreement between them, in the Community-led Development Programme. The celebration would be held on Saturday 1 September 2018 from 1.00pm at

The Centre. Pātuki Manawa, Katikati Town Centre followed by afternoon tea.

K15.2.7

Kotahi Lane Parking Sign

The Board had earlier advised that they wished to improve the visibility of the Kotahi Lane carpark at the northern end of the service lane with better parking [P] indication signage on State Highway Two. After some discussion and earlier onsite observations, it had been agreed a double sided universal parking sign with an arrow, on the northern side of State Highway Two opposite the Kotahi Lane/ State Highway Two intersection was the most visible option for vehicles travelling on State Highway Two. The cost of the signage purchase and installation would be \$1,104.00.

Resolved: Members Hobbs / Gibbs

That the Katikati Community Board approve funding of \$1,104.00 for the installation of parking [P] signage to be located on the northern side of State Highway Two opposite the Kotahi Lane/State Highway Two intersection funded from the Katikati Community Roading Account.

K15.2.8

Kotahi Lane Car Park

A. Kotahi Lane Car Park Improvements

The Board would like to receive an overall comprehensive plan with costings for improvements to the Kotahi Lane car park, identifying required levelling, drainage, sealing and marking. The Board asked if a plan could be made available for a forthcoming workshop for further consideration along with an updated Community Roading Budget.

It was imperative that the Kotahi Lane car park be improved as much as possible in the meantime, filling in the pot holes, levelling and spreading some gravel as part of general maintenance. It was also suggested that the cherry trees on the boundary of the car park be rationalised to enable improved delineated parking spaces to be clearly identified.

B. Accessway between Western Bay Museum and Private Commercial Property to Kotahi Lane

The Board would like a report on the feasibility of altering the flow of traffic out of Kotahi Lane. Some people had reported concerns about the dangers of turning right out of the service lane onto State Highway Two late in the day when there were high traffic volumes and limited visibility.

A suggestion had been made to alter the left hand turn entry to the one-way access to a one-way out to improve the safety of Kotahi Lane users as the nearby pedestrian lights could create a semi-controlled

intersection with State Highway Two. Altering the flow of traffic out of the access way, may result in the parking behind the commercial premises in Kotahi Lane being better used.

The Deputy Chief Executive Officer advised that the Roading Engineer (East/West) would be requested to investigate the suggestions giving consideration to the current agreement for use of the service lane by current land/retail premise owners and the installation of a 'yellow safety hatch' area at the exit point onto the state highway before the pedestrian crossing. Subject to the feasibility report, a trial of the proposed traffic flow would be widely notified before being implemented.

Resolved: Members Hobbs / Warren

THAT the Katikati Community Board Chairperson's Report dated 15 August 2018 be received.

K15.3

Councillor's Report

The Board considered a report from Councillor Williams dated 14 August 2018 as circulated with the agenda.

Katikati / Waihi Beach Reserve Management Plan

Council would consider submissions relating to the Katikati/Waihi Beach Reserve Management Plan at a workshop to be held on 27 September 2018. There may be some specific items arising from the submissions that could be referred to the Annual Plan process for consideration in the 2019/2020 financial year.

Representation Review

Board members noted that many members of the public had difficulty understanding and writing a submission on something they did not understand. It was important for people to understand that Council was not saying no to representation but was trying to achieve overall better community representation. Submission to the review process closed on 24 August with hearings to take place on Monday 3 September.

Council would then undertake deliberations on the review on 20 September. The final proposal would be publicly notified on 2 October and any appeals or objections between this time up to 2 November would be referred to the Local Government Commission. A decision by the Commission on the representation proposal would be announced by 10 April 2019.

Review of Reserves and Facilities Bylaw - Horse Riding on Beach at Tuapiro

The proposed Tuapiro Point Horse Riding Ban had instigated 597 submissions. The Policy Committee would consider these submissions on the 27 September 2018 where decisions would be made on the proposed changes to the bylaw. This would then be reported to the next available Council meeting when the final bylaw would be adopted.

Resolved: Councillors Williams / Mackay

THAT the report from Councillor Williams dated 14 August 2018 be received.

K15.4 Infrastructure Services Report Katikati - August 2018

The Board considered a report from the Deputy Chief Executive dated 14 August 2018 as circulated with the agenda.

K15.4.1 Bird Walk Erosion - Minute Action Sheet reference K8 16 3.4

The Board was advised that Council staff had met with the owner of the adjoining wetland to discuss erosion issues. A meeting with Board Members, Uretara Estuary Managers Group members, Western Bay of Plenty District Council and Bay of Plenty Regional Council staff to consider best options for the future management of erosion concerns along the Bird Walk pathway was being arranged.

K15.4.2 Kotahi Lane Car Park - Minute Action Sheet Reference K13 18 4.2

The Board received a costing for a 2.1m x 1.0m signboard for the Kotahi Lane car park and requested that the sign be installed as soon as possible.

Resolved: Councillors Williams / Mackay

THAT the Kotahi Lane Car Park - Western Bay signage be installed as soon as possible with the cost of \$1,035.00 funded from the Katikati Community Board Roading Account.

K15.4.3 Security Lighting for the Diggelman Park Toilet Block - Minute Action Sheet Reference K10 18 2.7

The Board was advised that the Reserves and Facilities Team Leader Operations had arranged a meeting with the Chairperson regarding options for security lighting at the Diggelmann Park Toilet Block.

Resolved: Members Hobbs / Gibbs

THAT the Deputy Chief Executive report dated 14 August 2018 and titled Infrastructure Services Report Katikati - August 2018 be received.

K15.5 **Financial Report Katikati - July 2018**

The Board considered a report from the Management Accountant dated 7 August 2018 as circulated with the agenda.

K15.5.1 **Western Bay Heritage Museum Rating Status**

The Chief Finance Officer informed the Board that legal advice had confirmed that under the Local Government Rating Act, the Western Bay Heritage Museum was a non rateable entity (as a Council service on council land) and therefore would not be charged rates.

K15.5.2 **Town Centre Development Fund**

The Board requested an update on the balance of the Katikati Town Centre Development Fund.

Resolved: Councillor Mackay / Member Hobbs

THAT the Management Accountant's report dated 7 August 2018 and titled Financial Report Katikati - July 2018 be received.

K15.6 **Council, Standing Committee and Community Board Meetings**

The Board considered a schedule of meetings for the months of September and October 2018.

Resolved: Member Hobbs / Councillor Williams

THAT the schedule of meetings for September and October 2018 be received.

Minutes of K15 held on 29 August 2018

10

The meeting concluded at 8.28pm.

Confirmed as a true and correct record.

J Hobbs
Chairperson
Katikati Community Board

Date

K15

Western Bay of Plenty District Council

**Minutes of Meeting No. MC15 of the
Maketu Community Board held on 4 September 2018
in the Maketu Community Centre
commencing at 7.00pm**

Present

Members S Beech (Chairperson), G Cantlon (Deputy Chairperson), R Clark, and W McFadyen and Councillors K Marsh and J Scrimgeour

In Attendance

M Taris (Chief Executive Officer), P Watson (Reserves and Facilities Officer) and A Alty (Democracy Advisor)

Others

One member of the press.

MC15.1 **Minutes of Meeting No. MC14 of the Maketu Community Board Held on 24 July 2018**

The Board considered the minutes of meeting MC14 of the Maketu Community Board held on 24 July 2018 as circulated with the agenda.

Resolved: Councillor Marsh / Member Cantlon

THAT the minutes of Meeting No. MC14 of the Maketu Community Board held on 24 July 2018 as circulated with the agenda be received and confirmed as a true and correct record.

MC15.2 **Chairperson's Report**

The Board considered a report from the Chairperson dated 22 August 2018 as circulated with the agenda.

MC15.2.1 Upgrade Intersection Beach / Little Waihi Road

The Board had received a price from Westlink to do the upgrade of the intersection of Beach Road and Little Waihi Road. The first quote for the Beach Road Kerb and Channel construction work had been priced at \$33,000 and the Board wished to see two further quotes for the required work.

The Roding Engineer had advised at a recent site meeting he would make inquiries regarding the requested extra quotes.

The Roding Engineer had advised that he would provide a report on the design/costings and timing for the requested work for the next meeting.

The Board reiterated that they wished to see this work completed by Christmas.

MC15.2.2 Graffiti Art

The Board had received designs and pricing from a local graffiti artist for a mural on the Park Road toilet block and the Maketu Information Centre wall. Design suggestions and costings for a mural on the water tanks on the corner of Wilson Road North and Arawa Avenue had also been received and these would be considered at a later date.

The Board agreed to go ahead with the mural design as shown for the Park Road toilet block and seek ideas from the community as to what they may want for a mural on the information centre. It was suggested that the Board initiate assistance from a community arts group and/or engage in the community seeking options favoured by the 'people's choice' for mural ideas.

The Board was advised that the Reserves and Facilities Officer (East) would liaise with the Chairperson and the artist to facilitate the painting of the mural on the Park Road Toilet Block.

Resolved: Members Cantlon / McFadyen

THAT the Maketu Community Board commit to the graffiti art mural design as shown for the Park Road Toilet Block for \$4,349.00 funded from the Maketu Community Board Reserve Fund.

MC15.2.3 Council Representation

The Chairperson made comment relating to the recent "have your say about community boards" as part of the Representation Review noting that over 70 members of the public attending, a very clear picture was indicated to Council that the Maketu community wanted to retain its community board.

MC15.2.4 Kaituna Boat Ramp Closure

With the closure of the Kaituna boat ramp there were more vehicles and boat trailers using the Maketu boat ramp. On a recent Sunday, the culmination of beautiful weather, the Maketu Sunday Market and ideal fishing conditions showed that parking was at a premium.

The Reserves and Facilities Manager advised that a key for the padlock for the extra identified parking site would be provided to the Chairperson to open and close the area as/when required.

MC15.2.5 Kaituna Re-Diversion Works**A. Impact of Heavy Traffic**

The Chairperson advised that a number of concerns had been raised relating to heavy trucks using local roadways while working on the Kaituna Re-Diversion project being undertaken by the Bay of Plenty Regional Council. Concerns had been voiced about the speed of the trucks, damage to the roads, incidents of pot holes caused by the frequency of heavy traffic using the roadways in association with the re-diversion work.

The Board would like an assurance that the local roadways would be monitored and maintained as required during the course of the works and brought back to the required standard by the Bay of Plenty Regional Council at the conclusion of the re-diversion work.

The Chief Executive Officer advised that the Deputy Chief Executive Officer had had discussions relating to the heavy vehicles on the roadways during the Kaituna Re-Diversion work. Discussions were ongoing and the designation of the affected roads was to be clarified.

B. Bell Road - Suggestion to Install a Jetty

It was suggested that the installation of a basic jetty at the end of Bell Road would assist boaties who were now using this boat ramp/access. The Maketu Boat ramp was not suitable for bigger boats and this would be a welcome alternative during the Kaituna Re-Diversion works.

The Reserves and Facilities Manager advised that he would advise the Kaituna Catchment Manager, Bay of Plenty Regional Council of this suggestion.

MC15.2.6 St Thomas Anglican Church 150 Years Celebration

The Board extended congratulations to the St Thomas Anglican Church congregation at Maketu for the recent celebration of their 150 year

establishment anniversary on August 25 and 26 2018. It was a huge milestone to be able to celebrate the inception of the oldest church in the Western Bay of Plenty and one of the oldest in New Zealand. The significant occasion had been very well attended and was extremely well run, and given due acknowledgement of the auspicious commemoration that it had been.

Resolved: Member Beech / Councillor Marsh

THAT the Chairperson's Report to the Maketu Community Board for September 2018 be received.

MC15.3 **Councillor's Report**

The Board considered a report from Councillor Marsh dated 22 August 2018 as circulated with the agenda.

Representation Review

Council were currently process for determining representation across the district and Council Marsh advised of his requirement to remain impartial in this matter. Hearings of submissions on the Representation review took place on 3 September 2018, and Council would determine the final decision at the Council meeting on 20 September 2018.

Member Cantlon asked that it be recorded in the minutes of this meeting at this point, that he was disappointed in the manner in which the Mayor cut short the speaking time for the verbal submission from David Campbell at the Representation Review submission hearing held in the Council chamber on Monday 3 September 2018.

Resolved: Councillor Marsh / Member Beech

THAT the report from Councillor Marsh dated 22 August 2018 be received.

MC15.4 **Infrastructure Services Report Maketu - September 2018**

The Board considered a report from the Deputy Chief Executive dated 20 August 2018 as circulated with the agenda.

MC15.4.1 **Emergency Management**

The Board was working through the development of their community response plan and were at the point that they needed to discuss the plan with Emergency Management staff. The Reserves and Facilities Manager advised that he would contact the Emergency Management Manager and ask her to contact the Chair or Deputy Chairperson.

MC15.4.2 **Water Tank Face Life - Minute Action Sheet Reference MC22 16 3.11**

The Board had been presented with some mural designs for the Park Road Toilet Block, the Maketu Information Centre and the water tanks. The Board had resolved to commit funding for a mural on the Park Road Toilet Block and this would be facilitated in liaison with the Reserves and Facilities Officer (East) and the Chairperson to have the mural painted as soon as possible.

Development of a mural for the water tanks would be considered at a later date. Board members noted that the equipment shed in front of the water tank should also be considered as a future canvas for a mural.

MC15.4.3 **Kohanga Reo Parking Issues - Minute Action Sheet Reference MC8 17 2.4**

The Reserves and Facilities Manager advised that the parking issues continued to be monitored.

The Board made reference to the agreement reached in September 2017 with Kohanga Reo representatives to achieve improvements to parking access for the Kohanga Reo. At the meeting on 27 September 2017 (Maketu Community Board Minutes Reference MC8.2.4) referred "It had been agreed that an entrance gate to the premise be relocated and an overhead shelter from the designated car park area to the Kohanga Reo entrance be constructed. At the meeting, it had been indicated that the Community Board would financially assist the Kohanga Reo to achieve improved parking arrangements and access."

Improvements to the parking area had not yet been put in place as liaison with Kohanga Reo representatives had been difficult to achieve.

The Board advised that there were large pot holes at the entrance area to the reserve and the area also needed to be metalled. Members stressed that children were being put at risk having to walk on the road due to the dangerous parking of vehicles on the footpath outside the Kohanga Reo. The Board would like to see some movement to try and resolve this ongoing issue as soon as possible.

The Reserves and Facilities Manager advised that a formal letter would be sent to the Kohanga Reo summarising the previous meeting agreement (as per Minute Reference MC8.2.4) advising that the Board was willing to progress the agreed actions, with a request for a formal response from the Kohanga Reo representatives to reaffirm that the Kohanga Reo were willing to undertake the agreed actions as discussed on 27 September 2017.

MC15.4.4 Removal of Gum Tress - Minute Action Reference MC6 17 4.4.5 and MC8 17 5.18

The Reserves and Facilities Manager advised that negotiations for the removal of the gum trees were being finalised and parties associated with the land and the trees had recently met on site and agreed that the trees should be removed as soon as possible.

The Reserves and Facilities Manager would now implement the required road stopping notice to enable the work to be undertaken in November/December 2018.

MC15.4.5 Maketu Project Team - Cycleway into Maketu - Minute Action Reference MC8 17 5.3 and MC9 17 4.9

The Board thanked Councillor Marsh for meeting with Council staff and the landowner to discuss options to construct the cycleway partly over private property. In light of the decision by the landowner not to surrender any land for the proposed cycleway, the Deputy Chief Executive Officer had advised that cycleway alignment would be designed with estimates based on three options being:

- a) Wetlands side Maketu to Kaituna
- b) Estuary side Maketu to Kaituna Road (previously designed and estimated)
- c) Wetland side from Maketu to a crossing point with good visibility then coastal side to Kaituna Road.

The Board advised that they would like to see another two options for a proposed cycleway (d) and e)) - noting their earlier statement that immediate residents along the route, cycling groups who regularly used the roadway, members of Maketu Projects Team and locals were clear that they did not want the cycleway to be on the left hand side of the roadway coming into Maketu.

The Board looked forward to receiving the options report as soon as possible.

MC15.4.6 Improvement to Culvert Capacity - Spencer Avenue - Minute Action Reference MC12 18 5.2

The Board was advised that the parallel pipe with fish friendly flaps was being assessed before approaches were made to the Bay of Plenty Regional Council with a proposal for consideration of funding options.

The Board was clear that they wanted to see the increased capacity to remove accumulated stormwater (- meaning increased culvert capacity -) specifically for the management of Spencer Avenue stormwater and flood protection agreed and installed as soon as possible.

The Reserves and Facilities Manager advised that the Kaituna Catchment Manager was waiting for further input from the Western Bay of Plenty Utilities Manager with progress on this matter reported back to the Board.

MC15.4.7 Closing of the Kaituna Boat Ramp for the Period of the Kaituna Re-Diversion Project - Minute Action Reference MC13 18 2.2

The Board noted that while the Bay of Plenty Regional Council had upgraded navigational aides in anticipation of the increased boat usage at the Maketu Boat Ramp, these were totally independent to the dredging of the channel which the Board wished to be undertaken.

MC15.4.8 Placement of Drinking Fountain on Maketu Reserve - Minute Action Reference MC13 18 5.6

The Board was advised that verbal approval from Te Arawa Lakes Trust had been given for a drinking fountain to be installed on Te Arawa land on the grassed area to the left of the surf club near the footpath.

Resolved: Members Cantlon / McFadyen

THAT the Deputy Chief Executive Officer's Report dated 20 August 2018 and titled Infrastructure Services Report Maketu - September 2018 be received.

MC15.5 Financial Report Maketu - July 2018

The Board considered a report from the Management Accountant dated 13 August 2018 as circulated with the agenda.

Resolved: Councillor Scrimgeour / Member McFadyen

THAT the Management Accountant's report dated 13 August 2018 and titled "Financial Report Maketu - July 2018" be received.

MC15.6 Council, Standing Committee and Community Board Meetings

The Board considered a schedule of meetings for the months of September and October 2018 as circulated with the agenda.

Resolved: Councillor Scrimgeour / Member McFadyen

THAT the schedule of meetings for September and October 2018 be received.

Local Government Official Information and Meetings Act**Exclusion of the Public****Schedule 2A****Resolved:** Member Beech / Councillor Marsh*THAT the public be excluded from the following part of this meeting namely:*

- *Upgrade of CCTV Equipment at Maketu - September 2018*

The general subject to 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:

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>Upgrade of CCTV Equipment at Maketu – In Confidence</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>

Transferred to Open Business**MC15.7 Upgrade of CCTV Equipment at Maketu - September 2018 (In Confidence)****Resolved:** Members Clark / Cantlon

1. *THAT the In Confidence report from the Democracy Advisor dated 22 August 2018 and titled Upgrade of CCTV Equipment at Maketu - September 2018 be received.*
2. *THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.*
3. *That the Board approve the upgrade and replacement of the CCTV cameras for the Park Road Reserve at Maketu funded from the Maketu Community Board Reserves Account as follows:*
 - a. *New Hikvision 2MP DarkFighter PTZ (\$3,172.50) and associated costs as indicated in the quote provided to the total of \$5,502.08 + GST.*

Subject to confirmation of the final placement of the new camera following consultation between the Board Chairperson and the security provider.

4. *THAT the recommendation be transferred into the Open Section of the Maketu Community Board meeting held on 4 September 2018 forthwith.*

Western Bay of Plenty District Council

**Minutes of Meeting No. TP15 of the
Te Puke Community Board held on 6 September 2018
at the Te Puke Library and Service Centre
commencing at 7.00pm**

Present

Members P Miller (Chairperson), B Button (Deputy Chairperson), J Dugmore and R Spratt, and Councillors G Dally and J Scrimgeour

In Attendance

E Holtsbaum (Group Manager Technology, Customer and Community Services), S Harvey (Roading Engineer (East/West)) and A Alty (Democracy Advisor)

Others

Two members of the public and one member of the press.

Public Forum

Resolved: Members Button / Spratt

THAT the meeting adjourn for the purpose of holding a public forum.

The Chairperson clarified the protocols relating to the Public Forum section of the meeting as set out in the Standing Orders for the Te Puke Community Board. He invited attending members of the public to take part in the Public Forum

My Story - Book Launch

Karyl Gunn-Thomas spoke to the Board about the book that she had written called My Story, which was the story of her personal journey lasting 55 years outlining how she had been inspired to write her story, and now she wanted her story to inspire others. The book had taken her a year to put together and would be launched on 27 September 2018. Karyl stressed, that if by telling her story she helped just one person she would have achieved what she wanted. The book would not be available through general bookshop sales, but would be available through referral from health professionals and counsellors with advice about the story and would have an associated health card included for the purchaser.

Karyl Gunn-Thomas said that she had been inspired to write the book and she hoped that her story would inspire others to positively deal with issues relating to varying aspects of family harm.

Board members congratulated Karyl Gunn-Thomas on her book and thanked her for her presentation.

New Zealand National Geographic

Karyl Gunn-Thomas advised the Board of an article in the September/October edition of New Zealand National Geographic Magazine that featured various aspects of Te Puke life.

Resolved: Councillor Scrimgeour / Member Spratt

THAT the meeting be re-convened in formal session at 7.16pm.

The Chairperson advised that the meeting was now under formal process and members of the public were most welcome to stay but may not interject or speak to Board members during the course of the formal meeting.

TP15.1 Minutes of Meeting No. TP14 of The Te Puke Community Board Held on 26 July 2018

The Board considered the minutes no. TP14 of the Te Puke Community Board for the meeting held on 26 July 2018 as circulated with the agenda.

Resolved: Member Button/ Councillor Scrimgeour

THAT the minutes from meeting no. TP14 of the Te Puke Community Board held on 26 July 2018 as circulated with the agenda, be confirmed as a true and correct record.

TP15.2 Chairpersons Report

The Board considered a report from the Chairperson dated 21 August 2018 as circulated with the agenda.

TP15.2.1 Palmer Place Parking

At the last Community Board meeting, the Board was advised of an initial cost estimate of \$10,000 to \$12,000 for requested work in Palmer Place. The Board indicated that that in their view this price was exorbitant and requested that an alternative quote for the work be sought.

The Roading Engineer (East/West) advised that while WestLink do not provide alternate quotes for works of such small scale he had received a revised price for the proposed work at \$6,300.00.

While the Board was happy to receive the amended price, there was concern in the variance of cost between the first and second price given from Westlink.

The Roading Engineer (East/West) explained that the first price had included the possibility of power cable reinstatement, and it had been established that this would not be required, resulting in the second reduced job cost price being submitted.

Resolved: Members Button / Spratt

THAT the Te Puke Community Board accept the reviewed quoted price of \$6,300 for the tree and bark garden in Palmer Place to be removed and the parking space they current occupy reinstated as such, funded from the Te Puke Community Board Roading Account.

TP15.2.2 **Annual Parking and Bylaw Review**

The Board would again include a request for consideration of a bylaw to be enacted to prohibit the parking of heavy vehicles in urban Te Puke in the forthcoming Annual Parking and Bylaw Review to be presented at the next Board meeting. This problem was still a concern in Te Puke and was a serious safety issue particularly around Dunlop Road and Raymond Avenue.

TP15.2.3 **Park Bench Renovations**

The first of the renovated park benches had been installed on Cannell Farm Road and was already used by residents walking into the central business district.

The Board would give consideration to the placement of the remaining two park benches that were currently being renovated by members of the Te Puke Menz Shed.

TP15.2.4 **Township Footpath Deficit List**

The Board discussed proposed footpath works at their last workshop noting that they were very aware that Te Puke Veterinary Clinic to King Street was a high risk area for pedestrians passing through this very busy commercial area and the feasibility of the installation of a footpath in this vicinity needed to be considered as soon as practicable.

Concern was expressed relating to the waiting time for a footpath to be installed on Station Road. It was explained that the planned rehabilitation of Station Road would be undertaken before the footpath was installed. If the new footpath was installed before the roadworks, the footpath may be damaged in the course of the rehabilitation work and the footpath needed

to be installed after the road realignment and contouring had been completed.

The Board confirmed the following footpath priorities:

Resolved: Members Spratt / Button

THAT the Te Puke Community Board approve the following footpath priorities to be included in the Council minor works programme funded from the Community Roding Budget for completion in the near future as:

1. *Station Road
From Jellicoe Street intersection west to recycling centre (South side)*
2. *Beatty Avenue
From Tui Street to Brown Terrace (West Side) stopping at the cricket oval.*
3. *Washer Road From Station Road to the southern carpark of Eastpack (subject to discussion with Eastpack)*
4. *Te Puke Quarry Road from Te Puke Highway to Eastpack Pack House*
5. *No.1 Road From Te Puke Highway to the Trevelyan's Pack House*
6. *Collins Lane from Te Puke Highway to Eastpack Pack House*
7. *Te Puke Veterinary Clinic to King Street*

And that feasibility and construction estimates for the above works be reported back to the Board.

TP15.2.5

MacLoughlin Drive

At the last Te Puke Community Board meeting the Board highlighted the need for kerb and channel work to be installed on the southern side of McLoughlin Drive.

The Roding Engineer (East/West) advised that he had requested a quote from Westlink for the design and construction of the requested work.

TP15.2.6

Tactile Paving

The Chairperson advised that he had recently met with the Rehabilitation Instructor from the Blind Institute who had demonstrated the difficulties that blind people had moving about their respective communities. The Chairperson had been shown the tactile paving that had been installed in the recent upgrade of Jellicoe Street at each of the three pedestrian crossings and it was disappointing to see that in the repaving of some areas of Jellicoe Street the directional tactile paving that had been uplifted had not been re-laid when the new pavers went down.

The Board was advised that the Development Engineering Manager has suggested that the directional tactile paving that should be in place on the three pedestrian crossings on Jellicoe Street be installed as part of the main street renovation safety audit to be undertaken in the first quarter of the new year.

The Board requested that the installation of tactile paving on one pathway into the central business district from the Boucher Ave crossing by the Fire Station, down Jocelyn Street to Jellicoe Street be investigated.

It was requested that the Roothing Engineer (East/West) work with the (Blind Foundation) Rehabilitation Instructor to ascertain what was needed for this pathway and to provide a costing for the required work. The Board would consider options for funding the required work when costings were made available.

TP15.2.7 **Covers Over Mobility Car Parks**

The Chairperson advised that he had been approach with a request to have covers over mobility car parks in Te Puke installed.

The Board would seek a design and costing from the Roothing Engineer (East/West) and further consider the placement of covers for the mobility car parks at their next workshop.

TP15.2.8 **Parking Lines Jellicoe Street**

With the high volume of traffic movement in and out of the parking spaces in this business precinct the parking lines were fading badly and the old lines were beginning to show through again. This was particularly noticeable on the southern side of Jellicoe Street, between Oxford Street and Jocelyn Street.

The Board was advised that a Service Request had been instigated for this item and the Roothing Engineer (East/West) advised that the Road Marking team would be moving through the Eastern end of the Western Bay of Plenty district in September and the re-marking of the parking lines would be marked at that time.

TP15.2.9 **Beatty Avenue Litter**

The Chairperson advised that since the last Community Board meeting he had taken the opportunity to visit Beatty Avenue and view the concerns raised and talk with residents and students and also met with the Deputy Principal at Te Puke High School.

The Chairperson noted that he had been advised that rubbish bins had previous been located along this route but due to them being used to dump household residential rubbish they had been removed.

The Board had indicated that they recommended that two rubbish bins be placed on Beatty Avenue funded by the Te Puke Community Board and serviced by the Council Contractor.

At this point in the meeting the Chairperson allowed a Beatty Avenue resident in attendance to speak about his experiences and opinions relating the littering along Beatty Avenue.

The placement of the rubbish bins needs to be re-considered and the Board felt that the design of the rubbish bins needed to more modern with an opening that prohibited household rubbish being placed into the bins.

The Board was advised by the Reserves and Facilities Manager that staff were arranging a quote to supply and install two new rubbish bins along Beatty Avenue.

Resolved: Members Miller / Button

THAT the Te Puke Community Board fund the cost of the supply and installation of two new rubbish bins on Beatty Avenue up to a value of \$1,000.00 each (totalling \$2,000.00) funded from the Te Puke Community Board Reserves Fund subject to discussion between the Chairperson and the Reserves and Facilities Officer and on confirmation of the design and placement of the bins.

TP15.2.10

EPIC Te Puke

The Board received a letter dated 7 August 2018 from Epic Te Puke suggesting that the Board consider sponsorship of the 2018 Treat Trail, a very successful event that the group organised for Halloween afternoon in the Te Puke township area. The Board declined to take up sponsorship of this event but encouraged the group to submit an application for a Community Grant to assist with the traffic management for the event.

The Chairperson advised that he had written a letter of support for EPIC Te Puke to accompany any application this group might make for financial assistance with their annual Christmas parade.

TP15.2.11

Te Puke Emergency Response Plan

The Chairperson advised that the draft Community Response Plan had been signed off at the last meeting of the Emergency Response Plan Committee. The draft of the plan would be presented to the public at a combined community meeting to be held in the Settlers Lounge on Thursday 20 September 2018. The Chairperson extended thanks to all who had contributed to this important community plan.

TP15.2.12

Council Funding for Freedom Camping

The Board was pleased to see Government funding to assist Council to manage freedom camping in the Western Bay district. The Board reiterated that in Te Puke there was freedom camping issues all year around and not just during the summer months. It was noted that some

funding would be used to monitor freedom camping which was very positive. There was a real need to monitor freedom camping in the Commerce Lane carpark which was now an area that was constantly occupied all year round by campers and not just one that arose in the kiwifruit season.

The Board would like to see the rules pertaining to Commerce Lane enforced and at the same time Council investigate the setting up of a Kiwicamp in conjunction with one or more of the post harvest kiwifruit companies.

The Board received advice that staff were currently negotiating an increased level of service for freedom camping monitoring with the Compliance and Monitoring Services Contractor. The increased level of service would include regular patrols of the Commerce Lane carpark, Donovan Park, and would include daily visits by the contractor to areas that had continuing and emerging freedom camping issues. CCTV cameras would be used as a tool to assist with monitoring and the collection of non-compliance evidence.

Once negotiations had been completed, staff would respond to Central Government and confirm the conditions of drawing down the proposed funds prior to initiating the increased level of service.

Resolved: Member Spratt / Councillor Dally

THAT the Chairperson's Report to the Te Puke Community Board for September 2018 be received.

TP15.3

Councillor's Report

The Board considered a report from Councillor Scrimgeour dated 23 August 2018 as circulated with the agenda.

Resolved: Councillor Scrimgeour / Member Spratt

THAT the report from Councillor Scrimgeour dated 23 August 2018 be received.

TP15.4

Community Board Grant Applications - September 2018

The Board considered a report from the Democracy Advisor dated 21 August 2018 as circulated with the agenda.

Te Puke Events and Promotions (EPIC)

The Board considered a Community Board funding application from Te Puke Events and Promotions for \$500.00 to cover the cost of traffic management for their Te Puke Treat Trail to be held on 31 October 2018.

Board members noted that while the event had been very successful last year, traffic management within the township had been chaotic. This year a full traffic management plan was to be implemented.

It was noted that while the concept of the event was not totally supported, the event encouraged family participation and it was important to bring people into the town centre for an enjoyable, family event.

Resolved: Member Spratt / Councillor Scrimgeour

THAT the Te Puke Community Board approve the following grant to be funded from the 2018/2019 Te Puke Community Board Grant Account subject to all accountabilities being met:

Te Puke Events and Promotions Group (EPIC)\$500.00

Karyl Gunn-Thomas

The Board considered a Community Board funding application from Karyl Gunn-Thomas requesting funding for \$2,148.98 for costs associated with the book launch and publication of her "My Story" book launch to be held on 27 September 2018.

While applauding the passion of the author and the publication of the book, Board members advised that the application did not fit the criteria set down for Community Board Grant Funding, and it was felt that it did not meet with the strategic fit of Council and was not of equal benefit to the residents of the community board area.

Resolved: Members Spratt / Button

THAT the Te Puke Community Board decline the Te Puke Community Board Grant Application request from Karyl Gunn-Thomas.

Resolved: Members Button / Spratt

THAT the report from the Democracy Advisor dated 21 August 2018 titled Community Grant Application September 2018 be received.

TP15.5

Infrastructure Services Report Te Puke - September 2018

The Board considered a report from the Deputy Chief Executive dated 20 August 2018 as circulated with the agenda.

TP15.5.1 **Te Puke Recycling Centre Extended Opening Hours Trial**

The Board was pleased to see that the Te Puke Recycling Centre was now operating under the approved extended opening hours.

TP15.5.2 **MacLoughlin Drive - Minute Action Reference TP14 18 4.8**

The Board was pleased to note that a quote for design and construction from Westlink had been requested for the widening of MacLoughlin Drive and the installation of kerb and channel on the southern side of the roadway.

It was reiterated that this road was now a very busy thoroughfare and it was important that traffic speed limits for the roadway were considered in the forthcoming annual speed limit review.

TP15.5.3 **Community Consultation Programme - Minute Action Reference TP14 18 4.9**

The Chairperson advised that at the Community Consultation meeting to be held on Thursday 20 September 2018, the following topics would be highlighted for information and discussion:

- Development of a Community Dog Exercise Area
- Te Puke Stormwater Catchment Management Plan Update
- Waiari Water Scheme Project Update
- Tactile Paving
- Mobility Parking Covers

Resolved: Members Spratt / Button

THAT the Deputy Chief Executive report dated 20 August 2018 and titled Infrastructure Services Report Te Puke - September 2018 be received.

TP15.6 **Financial Report Te Puke - July 2018**

The Board considered a report from the Management Accountant dated 13 August 2018 as circulated with the agenda.

Resolved: Member Button / Councillor Scrimgeour

THAT the Management Accountant's report dated 13 August 2018 and titled Financial Report Te Puke - July 2018 be received.

TP15.7 **Council, Standing Committee and Community Board Meetings**

The Board considered a schedule of meetings for the month of September and October 2018 as circulated with the agenda.

Resolved: Member Spratt / Councillor Dally

THAT the schedule of meetings for September and October 2018 be received.

Local Government Official Information and Meetings Act

Exclusion of the Public

Schedule 2A

Resolved: Member Spratt / Councillor Scrimgeour

THAT the public be excluded from the following part of this meeting namely:

- *Commerce Lane Toilet CCTV Camera Upgrade*

The general subject to 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:

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>Commerce Lane Toilet CCTV Camera Upgrade - In Confidence</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>

Transferred to Open Business

TP15.8 **Commerce Lane Toilet CCTV Camera Upgrade**

Resolved: Member Spratt / Councillor Dally

1. *THAT the Reserves and Facilities Officer East's report dated 17 August 2018 and titled Commerce Lane Toilet CCTV Camera Upgrade be received.*

2. *THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.*
3. *THAT the Board approves the upgrade and two new CCTV cameras for the Commerce Lane carpark area as follows;*
 - a) *New Hikvision 2MP DarkFighter PTZ (\$5,457.76 plus GST)*
 - b) *Additional New 5MP Turret Camera (\$420.00 plus GST)*
 - c) *Additional New Hikvision 2MP DarkFighter PTZ (\$5,995.59 plus GST)*
4. *THAT if approved, the upgrade and new cameras be funded from the Te Puke Community Board Reserves Account.*
5. *THAT the recommendation be transferred into the Open Section of the Te Puke Community Board meeting held on 6 September 2018 forthwith.*

Western Bay of Plenty District Council

**Minutes of Meeting No. C18 of Council
held on 9 August 2018 in the Council Chamber, Barks Corner, Tauranga
commencing at 9.30am**

Present

His Worship the Mayor G J Webber (Chairperson), Councillors G Dally, M Dean, M Lally, P Mackay, K Marsh, D Marshall, M Murray-Benge, J Palmer, J Scrimgeour, D Thwaites and M Williams

In Attendance

M Taris (Chief Executive Officer), G Allis (Deputy Chief Executive), E Holtsbaum (Group Manager Technology, Customer and Community Services), K Perumal (Chief Financial Officer), R Davie (Group Manager Policy, Planning and Regulatory Services), I Butler (Finance Manager), B Williams (Strategic Property Manager), G Payne (Strategic Advisor), P Hennessey (Strategic Advisor), R Woodward (Communications Advisor), and F Sweeney (Democracy Management Advisor)

Community Boards

J Dugmore (Member, Te Puke Community Board)

Apologies

An apology for lateness was received from Councillor Dally.

Resolved: Mayor Webber / Mackay

THAT the apology for lateness from Councillor Dally be accepted.

Late Item

The Mayor advised there was one late item for the Council to consider for inclusion in the open section of the agenda, being a report on the Proposed Interim Omokoroa Library and Service Centre.

The reason that this item was not included on the agenda was that the Council agenda was prepared before the decision from the Operations and Monitoring Committee meeting (OP13

2 August 2018) relating to the proposal was advised and the financial estimated costs shown in the funding model of the attached report were not available at that time and it could not be delayed to the next scheduled Council meeting because a decision at this time would assist in progressing preliminary investigations with regard to the construction of a service centre within the proposed new Omokoroa Sport and Recreation Pavilion precinct.

Resolved: Thwaites / Marshall

1. *THAT, in accordance with Section 46A (7) of the Local Government Official Information and Meetings Act the following item be considered as a late item of (open/public excluded) business:*

- *Proposed Interim Omokoroa Library and Service Centre*

C18.1 **Receipt of Community Board Minutes**

Council considered minutes of the meetings of the Community Boards as circulated separately with this agenda.

Resolved: Williams / Mackay

THAT the minutes of the following meetings be received:

1. *Minute no. WB14 of the Waihi Beach Community Board held on 16 July 2018.*
2. *Minute no. OM14 of the Omokoroa Community Board held on 17 July 2018.*
3. *Minute no. K14 of the Katikati Community Board held on 18 July 2018.*
4. *Minute no. MC14 of the Maketu Community Board held on 23 July 2018.*
5. *Minute no. TP14 of the Te Puke Community Board held on 25 July 2018.*

C18.2 **Minutes of Council and Committee Meetings for Confirmation**

Council considered minutes of the meetings of the Council and its Standing Committees as circulated separately with this agenda.

Resolved: Thwaites / Dean

THAT the minutes of the following meetings as circulated separately with the agenda are confirmed and are a true and correct record:

6. *Minute no. C16 of the Western Bay of Plenty District Council held on 28 June 2018.*
7. *Minute no. C17 of the Western Bay of Plenty District Council held on 10 July 2018.*
8. *Minute no. OP13 of the Operations and Monitoring Committee held on 2 August 2018.*
9. *Minute no. RUR9 of the Rural Committee held on 10 July 2018.*

9.32am Councillor Dally joined the meeting.

C18.3 **Minutes for Receipt**

Council considered minutes as circulated separately with this agenda.

Resolved: Dean / Murray-Benge

THAT the minutes of the following meetings as circulated separately with the agenda are received:

- 10. Minute no. DL9 of the District Licensing Committee held on 26 June 2018.*
- 11. Minute no. RH12 of the Regulatory Hearings Committee held on 28 June 2018.*
- 12. Minute No. DP2 of the District Plan Committee held on 10 July 2018.*

C18.4 **Information for Receipt**

Council considered the information included in the Minute Index and Information Pack dated 9 August 2018 as circulated separately with the agenda.

Resolved: Dean / Scrimgeour

THAT the information items included in the Minute Index and Information Pack dated 9 August 2018 as circulated separately with the agenda be received.

C18.5 **District Licensing Committee Membership**

Council considered a report from the Compliance and Monitoring Manager dated 20 July 2018 as circulated with the agenda.

Resolved: Murray-Benge / Williams

- 1. THAT the Compliance and Monitoring Managers report dated 20 July 2018 and titled District Licensing Committee Membership be received.*
- 2. THAT the report relates to an issue that is not considered significant in terms of Council's policy on Significance.*
- 3. THAT Council will advertise for expressions of interest in membership on the District Licensing Committee and will establish a panel of Councillors Mackay, Thwaites and senior staff to review applications and make recommendations to His Worship the Mayor, for Council approval.*

C18.6 **Proposal to Lease - Centennial Park Te Puke Gymsport Incorporated**

Council considered a report from the Reserves and Facilities Manager dated 10 July 2018 as circulated with the agenda.

Resolved: Lally / Marsh

1. *THAT the Reserves and Facilities Manager's report dated 10 July 2018 and titled "Proposal to Lease - Centennial Park Te Puke Gymsport Incorporated" be received.*
2. *THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.*
3. *THAT after consideration of the submission received, in exercise of the powers conferred on it by delegation from the Minister of Conservation under the Reserves Act 1977, the Council in its capacity as administering body, grants Te Puke Gymsport Incorporated a lease for 2000m², more or less, of the land for up to 33 years over part of Centennial Park, Te Puke pursuant to Section 54 (1) (b) of the Reserves Act 1977.*

C18.7 **Chief Executive Officer's Report to Council - July 2018**

Council considered a report from the Chief Executive Officer dated 30 July 2018 as circulated with the agenda. The Chief Executive noted the following:

- The Local Government Chief Executive Officers group meeting in Australia looked at managing growth in a similar situation in Noosa. She noted there were different approaches taken to this growth including a population cap and encouraging high value developments.
- Noosa had the philosophy of value over volume with land reclamation to bushland or forest and no more subdivision development. They were not encouraging tour groups but just high value tourism.
- The Priority One equivalent organisation at Noosa was not paid for through rates, but rather through a levy by application from commercial entities. Council did not control this organisation.
- Council had set aside areas outside the main Central Business District for affordable living with very good public transport links.
- The Noosa example was controlled tourism with the neighbouring area taking the other end of tourism.
- Noosa had six Councillors for a population of 62,000 with no community boards.

The Chief Financial Officer spoke to his exception report highlighting the main issues in the report and noting the following:

- The variance was attributable to revaluation and non-cash items, with a good operational result for the year.

- Financial contributions were tracking below budget but this was related to timing issues rather than trends in development.
- The numbers in the reports were interim for the end of the year, and the final end of year report due in September would provide all the detail needed.

In response to questions staff advised as follows:

- A very gradual increase in interest rates across the globe was expected.
- Ahead of the September adoption date of the Annual Report there would be a workshop on the final results for the year.
- The S224 certificate sign-offs were a timing issue, as it was known that the big subdivisions in Omokoroa had been selling, but the final sign-offs would start coming through in the next quarter.

The Chief Financial Officer then gave a summary of the position of the Local Government Funding Agency from a recent meeting noting the following:

- Two further authorities had joined the company.
- The primary purpose of the Local Government Funding Agency was to lend to local authorities and not to associated entities (for example Council Controlled Organisations).
- The Agency continued to be in a strong position.

Resolved: Mackay / Scrimgeour

THAT the Chief Executive Officer's report dated 30 July 2018 and titled "Chief Executive Officers Report" be received.

C18.8

Mayor's Report to Council - July 2018

Council considered a report from His Worship the Mayor dated 30 July 2018 as circulated with the agenda. It was noted that there were links provided to the LGNZ Conference papers. It was noted that the emphasis on localism was at Council level suggesting that Councils take on more of central Government issues, and Councils supporting issues at a grass roots level.

The Mayor advised that in regard to SmartGrowth there was a need to produce a future development strategy, and as it seemed that Te Tumu and Wairakei would not meet the future housing requirements and Western Bay of Plenty District Council had suggested that in considering future development Paengaroa should also be included in the study. He also noted an upcoming meeting where the transport and roading infrastructure would be discussed, with particular emphasis on the need for the infrastructure to develop in tandem with growth, with a view to developing a presentation to central Government and the Board of the New Zealand Transport Agency.

The Mayor noted for Council's information the timetable for the Chief Executive's review.

Resolved: Mayor Webber / Williams

THAT the Mayor's Report to Council for July 2018 be received.

Late Item

C18.9

Proposed Interim Omokoroa Library and Service Centre

Council considered a late item circulated separately from the Strategic Property Manager dated 7 August 2018. The Deputy Chief Executive Officer advised that the Operations Committee resolution did not address the funding model and this report would address that matter.

The Chief Executive Officer said if the current building was retained for community purposes this may need to be considered within wider strategies for community buildings across the district.

In response to questions Council was advised as follows:

- If the current building was retained for Council or community purposes, there would be no need to consult.
- If the Interim Omokoroa Library proposal was a permitted activity, it could proceed and if not it would require a consenting process.
- Currently the use of the present building was covered by a consent for community use.

It was noted that if Council passed the recommendation as presented and a later decision was made to retain the current building the proposed resolution would need to be revisited.

Resolved: Palmer / Williams

1. *THAT the Strategic Property Manager's report dated 7 August 2018 and titled Proposed Interim Omokoroa Library and Service Centre be received.*
2. *THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.*
3. *THAT approval be given for the construction of an interim Library and Service Centre on the Omokoroa Sportsground.*
4. *THAT the interim Library and Service Centre at Western Avenue be funded from:*
 - a) *Sale of the existing Library and Service Centre*
 - b) *The balance required to be funded from the Property and Asset Reserve.*

Local Government Official Information and Meetings Act

Exclusion of the Public - Schedule 2A

Resolved: Murray-Benge / Scrimgeour

THAT the public be excluded from the following part of this meeting namely:

- *In Confidence Council and Committee minutes for Confirmation.*
- *In Confidence Minute Index and Information Pack*
- *Operations and Monitoring Committee Recommendatory Report - Te Puke Animal Shelter*
- *Purchase of 452 Omokoroa Road*
- *In Confidence Chief Executive Officer's Report - July 2018*

The general subject to 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
<i>In Confidence Council and Committee minutes for Confirmation</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>For reasons previously stated on the relevant minutes.</i>
<i>In Confidence Minute Index and Information Pack</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>For reasons previously stated on the relevant minutes. Protect the privacy of natural persons, including that of deceased natural persons. Maintain legal professional privilege.</i>
<i>Operations and Monitoring Committee Recommendatory Report – Te Puke Animal Shelter</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>
<i>Purchase of 452 Omokoroa Road</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>In Confidence Chief Executive Officer's Report – July 2018</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Protect the privacy of natural persons, including that of deceased natural persons.</i>

Western Bay of Plenty District Council

**Minutes of Meeting No. CC12 of the Community Committee
held on 30 August 2018 at the Community Hub, The Centre. Pātuki Manawa
Katikati, commencing at 10.00am**

Present

Councillor P Mackay (Chairperson), Councillors G Dally, M Lally, K Marsh, D Marshall, M Murray-Benge, J Palmer, J Scrimgeour, D Thwaites, M Williams and His Worship the Mayor G J Webber

In Attendance

E Holtsbaum (Group Manager Technology, Customer and Community Services), F Begley (Community Relationships Manager), C Lim (Community Team Leader), B Wilson (Community Relationships Advisor), R Woodward (Communications Advisor), and M Parnell (Democracy Advisor)

Community Boards

J Hobbs (Chairperson, Katikati Community Board) and A Sole, (Chairperson, Waihi Beach Community Board)

Others

Eight members of the community and as listed in the minutes.

Apologies

Apologies for lateness were received from Councillors Dally and Scrimgeour. It was noted that Councillor Dean was on leave of absence.

Resolved: Mackay / Mayor Webber

THAT the apologies for lateness from Councillors Dally and Scrimgeour be accepted.

The Community Team Leader explained the programme for the meeting.

10.01am Councillor Scrimgeour joined the meeting.

CC12.1 **Katikati Youth**

Noelene Te Whakaara of Katikati Youth was in attendance to speak to the Committee regarding challenges facing young Māori learners. Lisa Tawhiti joined Miss Te Whakaara in support.

Miss Te Whakaara introduced herself via mīhi and spoke to a tabled powerpoint presentation.

She advised of the following challenges facing young Māori learners:

- They preferred to work together and would chose less challenging classes so they could be in the same class as their friends and teaching staff in these classes were more approachable.
- Māori students naturally work together because of the tribal structure they have grown up in but the education system individualised students.
- Family issues - poverty, unemployment, addictions and violence.
- Lack of support (both perceived and actual) both in and outside of school.

Miss Te Whakaara felt her success was due to the following:

- Strong connection to culture thorough activities provided at Katikati College.
- Mentorship with Lisa Tawhiti
- Having made the change to Toi Ohomai - she felt more "heard" in this learning environment, had access to helpful resources and more opportunities.

She also believed that the following

- Cultural youth committee connecting the leadership team of the school.
- The pod - one on one help
- An alternative education programme for those who had needed to be removed from school. Ms Tawhiti explained that she had a proposal for an alternative education scheme and had sought funding for the project.

In response to questions, Miss Te Whakaara advised as follows:

- There was opportunity for the community to be involved in the solutions.
- She was unsure if Te Puke High School faced the same issues as Katikati College. She had perceived in her interactions with Te Puke High School students a stronger cultural presence at Te Puke High School.
- The cultural youth committee she had mentioned was still in the conceptual stage.
- There had been a challenge for her to get to her course at Toi Ohomai but as there were a group of students attending from Katikati, Toi Ohomai had provided a vehicle and driver to get the students to their course each day.

- Had noticed greater connection to her culture when there were lots of cultural activities at school. These activities relied heavily on facilitation by staff with expertise in areas of waiata, kapa haka and Māori weaponry and during her time at Katikati College some activities had ceased due to staff moving on.
- In a question regarding the Māori Wardens, Chris Jacobs, Acting Manager, Te Runanga O Ngai Tamawhariua advised that due to the relocation of the Māori wardens to the Runanga, that they currently did not have a residential home for Katikati youth to go to but that this would be remedied soon and all other services were being provided.

Miss Te Whakaara concluded her presentation was not exclusive to the Māori culture but to all cultural minorities and she acknowledged the support she had received from Carolyn Pentecost, the principal at Katikati College while she was there.

The Chairperson thanked Miss Te Whakaara for her presentation.

Resolved: Mayor Webber / Marshall

THAT the presentation from Noelene Te Whakaara be received.

10.40am The meeting adjourned for morning tea.
10.55am The meeting reconvened.

CC12.2 **Katikati College**

Carolyn Pentecost, Principal of Katikati College, was in attendance to speak to the Committee regarding challenges facing students. She introduced herself via mihi and explained some of the current challenges that she and Katikati College were facing.

Ms Pentecost explained that she was very passionate about education for all ages and the changing needs of students as society moved from knowledge based to information based. She acknowledged the individual needs of all students, the changing dynamic of families and the associated changing role of teachers in the classroom. She explained that there were higher instances of burn out amongst teachers as a result of these changing roles and responsibilities as well as the administrative requirements on them.

She felt a change of mindset regarding how school had been traditionally viewed would be helpful. For example people tended to have very clear feelings about the subject of maths but essentially maths taught problem solving skills and so by changing the name, students could be more open to learning certain topics.

Ms Pentecost advised that truancy was an issue for Katikati College and in an effort to involve the community had made her cell phone number public and asked that members of the Katikati community contact her if they saw

students not in school. She had not yet received any phone calls but was looking for opportunities to work closely with the community to solve issues.

Ms Pentecost advised of the following solutions to current issues:

- Change the “us and them” culture to a “we and our” culture.
- Clarify expectations of students rather than putting restrictions and rules on them.
- Understand that behaviours were learned and enabled, and provide better support for the whole family unit.
- Understanding that not all Māori students looked the same and that Māori could be appreciated by all students.
- Not being too quick to kick students out of the school system.
- An alternative education system for those who did not do well in the school context was a must.
- Retaining staff who were able to facilitate cultural activities and experiences for students and continue building a string team at Katikati College who supported the students and the community.
- To not let the negative take away from the positive - the Katikati College rugby team had been doing very well that season.

Ms Pentecost further advised that some changes would be made at Katikati College that she hoped would facilitate positive change. The senior school had been restructured in a more modular fashion and had been divided into semesters to enable students to change courses more quickly if required. There was also a larger focus on career pathways and the provision of subjects like horticulture, which fed into careers in the Katikati area. She also explained more Ngai Te Rangi context was being introduced into the junior school.

In response to questions, Ms Pentecost explained the following:

- The proposed alternative education scheme could be connected with the school. It was important that students who would be referred to this programme be given a fresh start and the community needed to work together to provide this.
- There was a need to think strategically about classroom management and not always do the same thing just because it was always done.
- The current roll at Katikati College was 874 students and the school had the capacity for 1,200 students. The roll was increasing.
- Smaller class sizes would definitely help. Katikati College was also challenging their decile rating, which was currently six.
- Ms Pentecost was excited to meet and work with groups within the community and sought to create relationships with in the community to facilitate positive change. She had approached a number of groups including Rotary and Lions and local iwi.

Ms Pentecost was thanked for her open and frank presentation about the realities of her work at Katikati College and thanked for the work she did both at the school and in the community.

Resolved: Scrimgeour / Murray-Benge

THAT the presentation from Katikati College be received.

CC12.3

MPOWA Youth, Katikati

Melody Bishop, Youth Programme Coordinator of MPOWA Youth Katikati, was in attendance to speak to the Committee regarding youth development activities in Katikati.

Ms Bishop advised of her role in the Katikati Community Centre and MPOWA and spoke to a tabled powerpoint presentation. She explained the four goals that MPOWA worked towards that had been updated as of 2 May 2018 and the types of events that MPOWA ran in the community. She also showed some videos of these events.

Ms Bishop explained some of the community projects that MPOWA were involved in including a skate competition. She also advised of the one on one support she provided for up to three youth at a time and of the Breakway Holiday Programme, Coding Club and the Bluelight Collaboration supporting Katikati youth to get their drivers licenses.

Ms Bishop summarised what she felt were the needs of youth in the community and what was next for MPOWA including opportunities for sponsorship and to diversify the groups in the community they can reach.

In response to a question, Ms Bishop advised the following:

- MPOWA events were targeted to all youth but they got a lot a support from Katikati College and so picked up a lot of students from the school.

Ms Bishop was commended for her commitment to the youth of Katikati and for her work at MPOWA.

Resolved: Williams / Murray-Benge

THAT the presentation from MPOWA Youth be received.

CC12.4

Katikati Community Centre

David Marshall, Chairperson of Katikati Community Centre Board was in attendance to speak to the Committee regarding recent research undertaken about the Katikati Indian and Tongan communities and to introduce the new centre manager, Allan Wainwright. Mr Wainwright thanked the committee for the opportunity to meet them today.

Councillor Marshall spoke to a tabled powerpoint presentation about the research outcomes regarding the Katikati Tongan and Indian communities. He explained the values held and the challenges faced within these communities.

Resolved: Murray-Benge / Mayor Webber

THAT the presentation from the Katikati Community Centre be received.

12.16pm

The meeting adjourned for lunch.

1.04pm

The meeting reconvened. Councillor Marsh was not present and Councillor Dally joined the meeting.

CC12.5

Community Matching Fund

The Community Committee considered a report from the Community Relationships Advisor dated 17 August 2018 as circulated with the agenda.

The Community Relationships Advisor explained the process the Community Funding Working Party had entered into to make the recommendations before the committee and compared the process to the same process in 2018.

Councillor Scrimgeour complimented staff on the Working Party process.

In response to a question, staff advised as follows:

- The Te Puke Community Steering Group was the Te Puke group including Karen Summerhays and Monique Lints that were working towards developing a community hub and community liaison.

Some inconsistencies were noted between the report in the agenda and the supplementary information provided. After some clarification, the Community Committee resolved as follows:

Resolved: Scrimgeour / Mackay

1. *THAT the Community Relationship Advisor's report dated 17 August 2018 and titled 'Community Matching Fund Allocations for 2018/2019 be received.*
2. *THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.*

3. THAT the 2018/2019 Community Matching Fund recommendations be confirmed as follows:

Environmental Applications

<i>Aongatete Forest Project</i>	\$4,000.00
<i>Aongatete Outdoor Education Centre</i>	\$8,000.00
<i>Friends of Puketoki Reserve Whakamarama</i>	\$2,000.00
<i>Kotukutuku Gully Maketu</i>	\$6,000.00
<i>Rotehu Ecological Trust</i>	\$10,000.00
<i>Te Whakakaha Conservation Trust</i>	\$10,000.00
TOTAL	\$40,000.00

General Applications

<i>BOP Garden and Art Fest Trust</i>	\$2,000.00
<i>Love 4 Life (Omokoroa Community Chapter 15)</i>	\$1,800.00
<i>The Oropi Settlers Incorporated</i>	\$4,200.00
<i>Citizens Advice Bureau</i>	\$500.00
<i>Katikati Community Centre</i>	\$1,000.00
<i>Katikati Long Journey Band Group</i>	\$5,000.00
<i>Katikati Mpowa Youth</i>	\$4,100.00
<i>Katikati Sport and Recreation Centre</i>	\$1,000.00
<i>Katikati Welcoming Communities</i>	\$5,000.00
<i>Pakeke Lions Club</i>	\$4,000.00
<i>St Peter's Anglican Church</i>	\$2,000.00
<i>Maketu Community Led Development and Projects</i>	\$5,000.00
<i>Maketu Rotary</i>	\$4,000.00
<i>Te Ara Kahikatea Incorporated</i>	\$2,000.00
<i>Te Puke Centre Steering Committee</i>	\$5,000.00
<i>Te Puke Community Events</i>	\$3,150.00
<i>Te Puke Community Garden</i>	\$1,000.00
<i>Te Puke Community Menz Shed</i>	\$1,750.00
<i>Te Puke Toy Library</i>	\$1,000.00
<i>The Search Party Charitable Trust</i>	\$3,500.00
<i>Vector Group Charitable Trust</i>	\$3,000.00
TOTAL	\$60,000.00

The meeting concluded at 1.17pm.

CC12

Western Bay of Plenty District Council

**Minutes of Meeting No. PP15 of the Policy Committee
held on 4 September 2018 in the Council Chamber, Barkes Corner, Tauranga,
commencing at 9.30am**

Present

Councillor M Williams (Chairperson), Councillors G Dally, M Dean, P Mackay, D Marshall, M Murray-Benge, J Palmer, J Scrimgeour, D Thwaites and His Worship the Mayor G J Webber

In Attendance

R Davie (Group Manager Policy, Planning and Regulatory Services), K Perumal (Chief Financial Officer), E Watton (Policy and Planning Manager), G Payne (Strategic Advisor) M Leighton (Senior Policy Analyst) and M Parnell (Democracy Advisor)

Community Boards

M Grainger (Chairperson, Omokoroa Community Board), and A Sole (Chairperson, Waihi Beach Community Board)

Apologies

An apology for absence was received from Councillor Marsh and for lateness from Councillor Scrimgeour. Councillor Lally was not present for the meeting.

Resolved: Mackay / Thwaites

THAT the apologies for absence from Councillor Marsh and for lateness from Councillor Scrimgeour be accepted.

PP15.1

Review of Council's Sensitive Expenditure Policy

The Policy Committee considered a report from Chief Financial Officer dated 6 August 2018 as circulated with the agenda.

The Chief Financial Officer explained why the policy had been updated before its review period and what had been updated and why.

Resolved: Mackay / Scrimgeour

1. *THAT the Chief Financial Officer's report dated 4 September 2018 and titled 'Review of Council's Sensitive Expenditure Policy' be received.*
2. *THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.*
3. *THAT the Policy Committee approve the current Sensitive Expenditure Policy with recommended amendments.*

PP15.2

Receipt of Policy Committee Information Pack No. PP15

The Policy Committee considered the Policy Committee Information Pack No. PP15 dated 4 September 2018 as circulated separately with the agenda.

Resolved: Mayor Webber / Marshall

THAT the Policy Committee Information Pack No. PP15 dated 4 September 2018 be received and the information noted.

The meeting concluded at 9.35am.

PP15

Western Bay of Plenty District Council

**Minutes of Meeting No. JG5 of the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee
held on 8 August 2018 in the Council Chambers, Barkes Corner, Tauranga
commencing at 1.00pm**

Present

Tauranga City Council

His Worship the Mayor Greg Brownless (Deputy Chairperson), and Deputy Mayor Kelvin Clout

Western Bay of Plenty District Council

His Worship the Mayor Garry Webber (Chairperson), and Deputy Mayor Mike Williams

In Attendance

Tauranga City Council

Anne Blakeway (Manager CCO Relationships and Governance), Ross Hudson (Team Leader Strategy Development)

Western Bay of Plenty District Council

Miriam Taris (Chief Executive Officer), Erica Holtsbaum (Group Manager Customer and Community Services), Frank Begley (Community Relationships Manager), Peter Hennessey (Strategic Advisor), Gill Payne (Strategic Advisor), and Fleur Sweeney (Democracy Management Advisor)

Others

As noted in the minutes.

JG5.1 **Minutes from the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee JG4 Dated 13 June 2018**

The Committee considered minutes from the meeting JG5 of the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee dated 13 June 2018 as circulated with the agenda.

Resolved: Mayor Brownless / Deputy Mayor Clout

THAT the minutes from the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee (JG4) as circulated in the agenda and held on 13 June 2018 be confirmed as a true and correct record.

JG5.2

Priority One Annual Report

The Committee considered a report from Ross Hudson (Team Leader Strategy Development Tauranga City Council) and Frank Begley (Community Relationships Manager, Western Bay of Plenty District Council) dated 8 August 2018 as circulated with the agenda. Nigel Tutt, Chief Executive and Greg Simmonds, Chief Operating Officer of Priority One were in attendance to speak to the report. They tabled and spoke to a powerpoint presentation. In response to questions they advised as follows:

- In terms of lowering business confidence, the trading environment was still good, with a slight downturn internationally around tariffs. Locally the minimum wage rise was an issue and businesses had some concerns about industrial law changes that may result in the rise of unions.
- SmartGrowth did a good job in terms of transportation planning and could be used to demonstrate intentions to businesses coming to the area, but what was actually needed was actual network improvements and not just strategies.
- Residential building was tapering off but commercially there was massive development in the area.
- Rangiuru was the next area for industrial development and Priority One was supporting this.

In discussion members noted as followed:

- In terms of an economic strategy review by the Councils there was a question as to whether this was needed, given how well things were going and perhaps the Priority One example should be used to demonstrate that the economic strategies in place were working.
- All Councillors from both Councils should be invited to the Priority One Annual General Meeting.
- All Councillors from both Councils should be invited to a workshop when Priority One made changes to its direction, to have these explained, and going forward to ensure that all were working together especially on central government issues such as roading.

Resolved: Deputy Mayor Williams / Deputy Mayor Clout

THAT the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee receive the Priority One Annual Report for the Year Ended 30 June 2018.

JG5.3 **Creative New Zealand Survey Findings for Residents in the Bay of Plenty**

The Committee considered a report from Erica Holtsbaum (Group Manager Technology, Customer and Community Services) dated 8 August 2018 as circulated with the agenda. It was suggested that the findings may be brought back to a future joint workshop for discussion with the partner councils. In discussion members noted the following:

- There were already enough strategies in place for the arts.
- The December workshop should receive a summary of the report including information on how much Councils spent on sports facilities in comparison to spending on the arts.
- Creative Bay of Plenty should be involved in this workshop.

Resolved: Deputy Mayor Clout / Mayor Webber

THAT the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee receive the Creative New Zealand Survey Findings for Residents in the Bay of Plenty.

JG5.4 **Tourism Bay of Plenty - Statement of Intent - 2018-2019 to 2020-2021**

The Committee considered a report from Anne Blakeway (Manager: CCO Relationships and Governance Tauranga City Council) and Frank Begley (Community Relationships Manager, Western Bay of Plenty District Council) dated 8 August 2018 as circulated with the agenda. In response to a question members were advised that the three key result areas in the Statement of Intent reflected the "Our Story" information.

In regard to destination management there needed to be evidence that the investment in Cruise ship facilities was warranted and created value.

Resolved: Mayor Webber / Mayor Brownless

THAT the Tauranga City Council/Western Bay of Plenty District Council Joint Governance Committee receive the Tourism Bay of Plenty's final Statement of Intent 2018-2019 to 2020-2021

Local Government Official Information and Meetings Act

Exclusion of the Public - Schedule 2a

Resolved: Mayor Webber / Deputy Mayor Williams

THAT the public be excluded from the following part of this meeting namely:

- *Appointment of the Deputy Chair of Tourism Bay of Plenty*

The general subject to 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:

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>Appointment of the Deputy Chair of Tourism Bay of Plenty</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist</i>	<i>Protect the privacy of natural persons, including that of deceased natural persons.</i>

Action Sheets not complete for Council

Remit Number	Remit Title	Owner	Remit Description	Owner Comments	Current Status
C1217.7 14 Dec 2017	Recommendatory Report from the Operations Committee - Bramley Drive to Ruamoana Place - Walkway Reinstatement Proposal	DEPUTY CEO/GROUP MANAGER INFRASTRUCTURE SERVICES	<p>1. THAT the walkway between Bramley Drive and Ruamoana Place Omokoroa be reinstated on the following basis:</p> <ul style="list-style-type: none"> • THAT total possible long term reinstatement and stability protection works be limited to \$600,000 and be funded on a shared basis as follows: Council up to \$300,000 Property Owners \$300,000 • THAT a legal agreement be entered into with the owners of 23, 24 and 25 Ruamoana Place that sets out the cost share basis, their funding contribution of \$300,000, and clarifies the risk of the work with a "best endeavours" clause. • THAT in order to work with the property owners on a cost share basis the work proceeds over the 2017/2018 year. • THAT the Council share of the cost of the works be funded as follows: \$100,000 from the 2017/2018 Coastal Erosion Protection budget \$200,000 transferred from either the General Rate Reserve or the Environmental Protection Rate Reserve. <p>2. THAT it be noted that the works required for the possible long term reinstatement of the walkway may include works such as horizontal and directional bore drains, head scarp trimming, a ground anchor wall (as shown in Option C of the agenda report), and with exact details subject to detailed design in an endeavour to reduce further slippage. The option of connected vertical and horizontal drains should be regarded as trial.</p> <p>3. THAT it be noted that the possible long term reinstatement and slip protection works are undertaken on a "best endeavours" basis and that due to weather and ground conditions these may still be subject to slips in the future.</p> <p>4. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.</p>	<p>7/7The construction work is underway, earthworks are complete, vertical drilling will commence late July. 17/5 Agreement signed with property owners. Consent issued. Earthworks have commenced. 16/03/2018: Consent being lodged, design underway and cost sharing agreement in the process of being finalised. 16/02/2018: design underway and cost sharing agreement in the process of being finalised. 19/1/18 T&T commissioned to proceed with design. Legal agreement drafted.</p>	UNDER ACTION
C1318.6 22 Feb 2018	Right of Way Easement Over Part of Uretara Domain, Katikati	LEGAL PROPERTY OFFICER RESERVES FACILITIES	<p>1. THAT the Legal Property Officer/Reserves and Facilities' report dated 2 February 2018 and titled Right of Way Easement Over Part of Uretara Domain, Katikati be received.</p> <p>2. THAT the report relates to an issue that is not considered significant in terms of Council's Policy on Significance.</p> <p>3. THAT pursuant to the authority delegated by the Minister of</p>	<p>15/05/2018 - as below As this is being done in conjunction with a subdivision it may be some time that the landowner provides a survey plan and the instrument registered. To advise landowner of approval and to proceed</p>	UNDER ACTION

C1318.9 22 Feb 2018	Mayor's Report to Council - January/February 2018	GROUP MANAGER TECHNOLOGY, CUSTOMER AND COMMUNITY SERVICES	<p>Conservation to the Western Bay of Plenty District Council, and the provisions of Section 48 of the Reserves Act 1977, Council hereby consents to the creation of a Right of Way easement in accordance with the area shown highlighted in red on the plan attached to the report (Attachment A) over Lots 177 and 178 DP 67 to Lot 1 DPS 57029.</p>	<p>when ready. A survey plan will be the first action required, to council staff for approval.</p>	UNDER ACTION
			<ol style="list-style-type: none"> 1. THAT the Mayor's report dated 9 February 2018 and titled Mayor's Report to Council - January/February 2018 be received. 2. THAT Katikati/Waihi Beach Ward Councillors attend the Waihi Beach Anzac Day Service and lay a wreath not exceeding the value of \$200.00 on behalf of the Western Bay of Plenty District Council. 3. THAT Maketu/Te Puke Ward Councillors attend the Te Puke Anzac Day Service and lay a wreath not exceeding the value of \$200.00 on behalf of the Western Bay of Plenty District Council. 4. THAT Mayor Webber and Councillor Marsh attend the Maketu Anzac Day Service and lay a wreath not exceeding the value of \$200.00 on behalf of the Western Bay of Plenty District Council. 5. THAT Katikati/Waihi Beach Councillors attend the Katikati Anzac Day Service and lay a wreath not exceeding the value of \$200.00 on behalf of the Western Bay of Plenty District Council. 6. THAT Councillor Palmer attend the Omokoroa Anzac Day Service and lay a wreath not exceeding the value of \$200.00 on behalf of the Western Bay of Plenty District Council. 7. THAT Councillor Murray-Benge attend the Tauranga Anzac Day Service and lay a wreath not exceeding the value of \$200.00 on behalf of the Western Bay of Plenty District Council. 8. THAT a report be provided on implications for Council to implement the proposal from the Poppy Places Trust to identify places within the district that had a link to New Zealand military involvement in conflicts or operational service overseas and to mark these places with a poppy. 	<p>This action requires investigation as to who the right person/team are to complete the report regarding the Poppy Places Trust.</p> <p>An Issues and Options paper has been produced by Policy to be put forward to the Elected Members.</p> <p>Discussions had with Policy and Resource Consents as to the rightful place for this task. A decision was made to send a letter to the Poppy Places Trust advising them that they would be best to put in a submission to the LTP to obtain funding for this project.</p> <p>A Submission was put forward by the trust and an issues and options paper prepared by Policy for the LTP process. The elected members are yet to confirm the LTP but preliminary results are that there are to be further discussions around this topic.</p> <p>The LTP has concluded and the response to the request from the Poppy's Place Trust is to consult with the Trust and understand the future implications to Council.</p>	
C1418.9 05 Apr 2018	Storm Water Easement Over Part of the Te Puna Estuary Esplanade Reserve	LEGAL PROPERTY OFFICER RESERVES FACILITIES	<ol style="list-style-type: none"> 1. THAT the Legal Property Officer Reserves and Facilities' report dated 12 March 2018 and titled Storm Water Easement Over Part of Te Puna Estuary Esplanade Reserve be received. 2. THAT the report relates to an issue that is not considered 	<p>15 May 2018 - Await response as below. 23/04/2018 - Advised applicant 11/04 to proceed with supplying survey plan of</p>	UNDER ACTION

			significant in terms of Council's Policy on Significance.	easement	
			3. THAT pursuant to the authority delegated by the Minister of Conservation to the Western Bay of Plenty District Council, and the provisions of Section 48 of the Reserves Act 1977, Council hereby consents to the creation of a storm water easement shown on the attached plan (Attachment A) to allow Lot 7 DP 483940 to discharge stormwater over Lot 5 DPS 28412.		
C1518.6 17 May 2018	Recommendatory Report from the Katikati Community Board - Options to Change Unformed Thompsons Track Road to Recreation Reserve	RFM - RESERVES AND FACILITIES MANAGER	<p>1. THAT Council, give consideration to and approve the investigation of the Road Stopping Process for the Unformed Thompsons Track Road and the setting aside of that land for Reserve.</p> <p>2. THAT the report relates to an issue that is considered to be of medium significance in terms of Council's Significance and Engagement Policy.</p>		NOT COMMENCED
C1618.7 28 Jun 2018	Review of Council Risk Profile	RS - RISK SPECIALISST	<p>1. THAT the Risk Specialist's report dated 11 June 2018 and titled 'Review of Council Risk Profile' be received.</p> <p>2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.</p>		NOT COMMENCED
C1818.5 09 Aug 2018	District Licensing Committee Membership	CMM - COMPLIANCE AND MONITORING MANAGER	<p>1. THAT the Compliance and Monitoring Managers report dated 20 July 2018 and titled District Licensing Committee Membership be received.</p> <p>2. THAT the report relates to an issue that is not considered significant in terms of Council's policy on Significance.</p> <p>3. THAT Council will advertise for expressions of interest in membership on the District Licensing Committee and will establish a panel of Councillors Mackay, Thwaites and senior staff to review applications and make recommendations to His Worship the Mayor, for Council approval.</p>		NOT COMMENCED
C1818.6 09 Aug 2018	Proposal to Lease - Centennial Park Te Puke Gymsport Incorporated	RFM - RESERVES AND FACILITIES MANAGER	<p>1. THAT the Reserves and Facilities Manager's report dated 10 July 2018 and titled "Proposal to Lease - Centennial Park Te Puke Gymsport Incorporated" be received.</p> <p>2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.</p>		NOT COMMENCED

			<p>3. THAT after consideration of the submission received, in exercise of the powers conferred on it by delegation from the Minister of Conservation under the Reserves Act 1977, the Council in its capacity as administrating body, grants Te Puke Gymsport Incorporated a lease for 2000m², more or less, of the land for up to 33 years over part of Centennial Park, Te Puke pursuant to Section 54 (1) (b) of the Reserves Act 1977.</p>		
C1818.9 09 Aug 2018	Proposed Interim Omokoroa Library and Service Centre	SPM - STRATEGIC PROPERTY MANAGER	<p>1. THAT the Strategic Property Manager's report dated 7 August 2018 and titled Proposed Interim Omokoroa Library and Service Centre be received.</p> <p>2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.</p> <p>3. THAT approval be given for the construction of an interim Library and Service Centre on the Omokoroa Sportsground.</p> <p>4. THAT the interim Library and Service Centre at Western Avenue be funded from:</p> <p>a) Sale of the existing Library and Service Centre</p> <p>b) The balance required to be funded from the Property and Asset Reserve.</p>	NOT COMMENCED	
C1915.2.14 09 May 2015	Topic 1507 - Wastewater - Issue 6 - Ongare Point Funding Model - Submission Id 995 - and Internal Submission	UM - UTILITIES MANAGER	<p>THAT Council approves in principle, proceeding with the Ongare Point wastewater scheme generally incorporating the following principles and funding model.</p> <ul style="list-style-type: none"> • That the installation proceed subject to more than 50% of the connected properties agreeing. • That the on property costs be averaged across the scheme and all property owners pay the same amount for their on property and connection costs. • That the subsidy from Bay of Plenty Regional Council for the construction of a wastewater scheme at Ongare Point, be applied proportionally to the property owner and Council scheme costs. • That the scheme (off property costs) are loan funded and repaid by the combined wastewater UAC in accordance with the Wastewater Revenue and Financial Policy. • That the scheme mode generally comprises onsite treatment pumped to offsite secondary treatment and disposal fields. • That the scheme investigation, consenting, consultation and 	<p>June 2018 - 20 underground tanks now installed. Treatment plant is well underway with filter tanks installed and</p> <p>underground drip irrigations being installed</p> <p>May 2018 - Project underway with 8 underground private property units now installed. Treatment plant construction underway.</p> <p>April 2018 - Resource consent conditions received for Ongare Point wastewater scheme. Construction of both reticulation and treatment plant components underway. Project is</p>	UNDER ACTION

design costs budgeted at \$50,000 in 2015/16 are funded in accordance with the Infrastructure Investigation Revenue and Financial Policy 60% EPR, 40% future UAC.

Indicative Full Scheme Reticulation Costs (approximately 58 properties)

Excluding GST Option 2

Property Owner - On property costs (STEP, electrical, drain laying, etc.) \$ 488,851

Council - Scheme Reticulation \$ 650,549

BOPRC subsidy \$618,000

Total Costs \$1,757,400

Property Owner Costs (approximately 58 properties) \$8,428

Council Cost \$650,549

That these decisions be subject to undertaking the appropriate consultation and decision making to meet legislative requirements.

expected to be completed by October/November 2018 depending on weather conditions. all going to plan construction can start in Feb 2018.

C1915.4.324 09 May 2015	Topic - Stormwater/Erosion - Issue Stormwater Small Settlements - Submission Ids 701, 965	UM - UTILITIES MANAGER	Council is currently in the process of reviewing the Stormwater Catchment Management Plan and Comprehensive Stormwater Consent application for the central catchment (including Te Puna and Minden). As part of this review Council will undertake further consultation with the Te Puna and Minden communities and in particular Te Puna Heartlands.	June 2018- Feedback provide from BOPRC additional info required to be submitted. May 2018 - Still await feedback April 2018 - UM has contacted BOPRC regarding the processing delays, We have been advised that a consultant has now been tasked with processing the application. Unfortunately can not progress any further. March 2018 - UM has contacted BOPRC regarding the processing delays, We have been advised that a consultant has now been tasked with processing the application. Unfortunately can not progress further until a response is received from BOPRC.	UNDER ACTION
C2715.5 17 Dec 2015	Application to Lease 8 The	STRATEGIC PROPERTY	1. THAT the Strategic Property Manager's report dated 18 November 2015 and titled Application to Lease 8 The Esplanade to	16/5/18 Signed lease not yet receives. Chasing up with Club 11/4/18 Signing	UNDER ACTION

	Esplanade to Waihi Beach Board Riders	MANAGER	<p>Waihi Beach Board Riders be received.</p> <p>2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.</p> <p>3. THAT staff be directed to proceed with the removal of numbers 2 and 4 The Esplanade.</p> <p>4. THAT after consideration of the submissions received regarding the proposed lease of number 8 The Esplanade to the Waihi Beach Board Riders Club Incorporated, Council agrees to accept the Waihi Beach Board Riders Club Incorporated application to lease number 8 The Esplanade for clubrooms.</p>	<p>in process as staff understand.13/03/2018: The Boardriders Club have taken possession of No 8 The Esplanade and are using the house for their clubrooms.</p> <p>14/2/18 Slow communication with club, but lease has been prepared and terms are in process of being nominated. 18/1/2018 draft lease prepared and sitting with club. 6/12/17 meeting held with club representatives and a draft lease being prepared for the clubs consideration.13/11/17 Staff meeting with club member shortly to further discuss the potential to lease the bach.</p>	
C417.16 06 Apr 2017	Mayor's Report to Council - March 2017	CHIEF EXECUTIVE OFFICER	<p>Resolved: Mayor Webber / Murray-Benge</p> <p>THAT Council receive a paper on options for pensioner housing management and/or ownership.</p>	<p>4/7/2018 No change.</p> <p>13/6/2018 Council to defer a decision on pensioner housing until issues over funding and subsidies are clarified. Housing report represented to Council in April. Next steps to come back for direction on a range of district and national housing issues, including pensioner housing.</p>	UNDER ACTION
C517.5 18 May 2017	Proposal to Officially Name Waihi Beach Surf Club Reserve	LEGAL PROPERTY OFFICER RESERVES FACILITIES	<p>1. THAT the Reserves and Facilities Manager's report, dated 3 May 2017, and titled "Proposal to officially name Waihi Beach Surf Club Reserve" be received.</p> <p>2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.</p> <p>3. THAT Council approves Council staff to undertake the Reserves Act 1977 process to officially name the reserve being Part Lot 5 DPS 13324 and Lot 1 DPS 14034 and currently unofficially known as Waihi Beach Surf Club Reserve as Waihi Beach Surf Club Reserve;</p>	<p>15/05/2018 - As below, to be undertaken later in month</p> <p>08/12/2017 - To be actioned in the New Year</p> <p>12/10/2017 - As below</p> <p>19/06/2017 - Due to LPOR's workload this will be diarised later to action</p>	UNDER ACTION

C817.2 21 Sep 2017	Pukehina Angling and Fishing Club Inc. - Request to Extend Footprint of Lease Area	RESERVES AND FACILITIES MANAGER	<p>4. THAT Council explore options for the recognition of the community contributions of Norma Rosborough and other prominent Waihi Beach residents.</p> <p>1. THAT the Reserves and Facilities Manager's report dated 4 September 2017 and titled Pukehina Angling and Fishing Club Inc. - Request to extend footprint of lease area be received.</p> <p>2. THAT the report relates to an issue that is not considered significant in terms of Council's Policy on Significance.</p> <p>3. THAT Council resolve to approve Pukehina Angling and Fishing Club Incorporated's request to extend their lease footprint by an approximate additional 100m² over part of Midway Park.</p>	<p>15/3/18 Documentation being held up due to other urgent matters which are affecting priorities.</p> <p>16/2/18 - No change .22 Jan. 2018 - Lease documentation is being prepared for the Fishing club to sign.</p> <p>17/11/17 - Staff have met with the Fishing Club representatives and negotiated agreed terms to vary the lease to take into consideration the extended area and conditions of use of the extended area.</p> <p>6 October 2017 - Meeting scheduled for 18 October with Fishing club to negotiate lease conditions for an extension</p>	UNDER ACTION
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Completed Minute Action Sheets for Council to 10 September 2018

Minutes Number	Remit Title	Owner	Remit Description	Owner Comments	Current Status
C1418.12 05 Apr 2018	Mayor's Report to Council - March 2018	CONTRACTS AND PROCUREMENT TEAM LEADER	<ol style="list-style-type: none"> 1. THAT the Mayor's Report to Council for March 2018 be received. 2. THAT the Chief Executive Officer's payroll financial delegation be amended to read "As Required - Approval of payroll in accordance with Council's employment agreement commitments." 	<p>16.05.2018 The review of staff delegations will be presented for approval at OMT on 21 May 2018.</p> <p>17.04.18 - The change to the CEO's delegation in regards to payroll approval has been passed to CON1 to action as part of his delegation review. Revised delegated financial authorities have now been finalised and approved by Operations Management Group. Staff letters advising of changes are to go out.</p>	COMPLETE
C1518.5 17 May 2018	Recommendatory Report from the Katikati Community Board - Naming of the Katikati New Library and Community Space	CUSTOMER RELATIONSHIPS MANAGER	<ol style="list-style-type: none"> 1. THAT Council formally adopt the name of the new Katikati Library and Community Hub complex as 'The Centre' and that the name 'Patuki Manawa' (meaning the beating heart) be adopted for reference to new Library/Community Hub and Town Centre. 2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy. 	No further action required.	COMPLETE
C1618.5 28 Jun 2018	Recommendations from the Long Term and Annual Plan Committee - Adoption of the Long Term Plan 2018-28 and the Schedule of Fees and Charges 2018-19	CHIEF FINANCIAL OFFICER	<ol style="list-style-type: none"> 1. THAT Council approve the draft Long Term Plan 2018-28 as amended in accordance with the Long Term and Annual Plan Committee resolutions contained in the minutes of LTAP6 dated 7 June 2018. 2. THAT the Audit Report from Audit New Zealand regarding the 2018-28 Long Term Plan be received. 3. THAT in accordance with Section 93 of the Local Government Act 2002 the audited Long Term Plan 2018-28 be adopted. 4. THAT in accordance with sections 82 and 150 of the Local Government Act 2002, the Schedule of Fees and Charges 2018-19 excluding Dog Control and Health Act (Registered Premises) be adopted as amended in accordance with the Long Term and Annual Plan Committee resolutions contained in the minutes of LTAP6 dated 7 June 2018. 5. THAT the report relates to an issue that is considered 	LTP adopted.	COMPLETE

to be of high significance in terms of Council's Significance and Engagement Policy.

6. THAT the decision story be adopted as the formal response to submitters, for dissemination as soon as practicable following the adoption of the Long Term Plan 2018-28.

7. THAT the Chief Executive be delegated authority to make such minor editorial changes to the Long Term Plan 2018-28, Schedule of Fees and Charges and decision story as may be required prior to printing.

C1718.1 10 Initial Proposal - 2018
Jul 2018 Representation Review

CUSTOMER
RELATIONSHIPS
MANAGER

1. THAT the Customer Relationships Manager's report dated 29 June 2018 and titled Initial Proposal - 2018 Representation Review be received.

2. THAT the report relates to an issue that is considered to be of high significance in terms of Council's Significance and Engagement Policy.

3. THAT pursuant to sections 19H and 19J of the Local Electoral Act 2001, Council resolves to adopt, as its initial proposal for the review of representation arrangements for the 2019 and 2022 triennial elections, the following:

(a) the Western Bay of Plenty District Council to comprise 11 councillors elected under the ward system, plus the mayor elected at large;

(b) the Western Bay of Plenty District Council be divided into three wards, these being:

(i) Katikati-Waihi Beach Ward (three councillors) being the existing ward comprising the area delineated on LGC Plan 022-2013-W-2 deposited with the Local Government Commission with the addition of a small north-western portion of the current Kaimai Ward (westward of the Waipapa River), the boundaries of which are shown on Attachment 1;

(ii) Kaimai Ward (four councillors) being the existing ward comprising the area delineated on LGC Plan 022-2013-W-3 deposited with the Local Government Commission with the exclusion of a small north-western portion (westward of the Waipapa River), the boundaries of which are shown on Attachment 1;

(iii) Maketu-Te Puke Ward (four councillors) being the existing ward comprising the area delineated on LGC Plan 022-2013-W-4 deposited with the Local Government Commission, the boundaries of which are

Recommendation wording amended as required COMPLETE

C1818.7 09 Aug 2018	Chief Executive Officer's Report to Council - July 2018	CHIEF FINANCIAL OFFICER	<p>shown on Attachment 1;</p> <p>(c) the five existing community boards of Waihi Beach, Katikati, Omokoroa, Te Puke and Maketu be disestablished and replaced with three ward committees of Council, with membership being the relevant ward councillors and community representatives from identified communities of interest within the relevant ward areas;</p> <p>(d) the reason the total number of councillors is proposed to remain at 11 (plus the mayor) is to provide effective representation to Western Bay of Plenty District residents and ratepayers (ensuring accessibility to a large and diverse area made up of populated towns and villages and sparsely populated areas);</p> <p>(e) the reason for the minor ward boundary alteration is to better reflect identified communities of interest;</p> <p>(f) the reason for disestablishing the existing community boards and replacing these with ward committees is that Council can better achieve fair and effective representation of all of the communities of interest across the District (as opposed to the current representation where 58% of the population reside in current community board boundaries);</p> <p>(g) the above initial proposal be submitted for formal public consultation, including inviting submissions, in the period 24 July 2018 to 24 August 2018.</p>	Workshop scheduled for 4 September.	COMPLETE
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Schedule of Payments for the Month of July 2018


1. Purpose

The purpose of this report is for the Elected Members to receive the information on payments from ANZ Bank for the month of July 2018.

2. Background


In accordance with the provisions of the legislation the following payments were made during the month of July 2018. Computer printouts listing all the vouchers issued over the period will be available for inspection if required.

Payment Summary – July 2018	
	\$
Payment of Accounts -	
Direct Credits and Cheques	8,544,574.15
Direct Debits (salary payments)	1,590,417.56
Investments	12,000,000.00
Direct Debits (other accounts)	1,656,965.67
TOTAL	23,791,957.38



Ian Butler
Finance Manager

Approved



Kumaren Perumal
Chief Financial Officer

New Zealand Local Government Funding Agency Limited Annual Report 2017/18

1. Executive Summary

The purpose of this report is to provide the Elected Members with the New Zealand Local Government Funding Agency's (LGFA) Annual Report for the year ended 30 June 2018 as required under Section 8 of LGFA's Statement of Intent.

LGFA's Annual Report was approved by the Board of LGFA and received by Council on the 28 August 2017.

2. Background

The New Zealand Local Government Funding Agency Limited (LGFA) is a designated Council-Controlled Trading Organisation under the Local Government Act 2002. The company was incorporated on 1 December 2011.

As a Council-Controlled Trading Organisation, LGFA is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent.

Under Section 67 of the Local Government Act 2002, within 3 months after the end of each financial year, the board of a council-controlled organisation must deliver to the shareholders, and make available to the public, a report on the organisation's operations during that year, including financial statements and auditor's report.

The Annual Report is included as **(Attachment A)** to this report.

3. Summary of Achievements

LGFA have made longer dated borrowing options available to an increased number of council borrowers

By 30 June 2018, LGFA had loans outstanding of \$7.96 billion to fifty-six participating councils. This is an increase of \$180 million in loans and we added three new council members over the past year.

Market share of 70% of sector borrowing for the year

For the 12-month period to 30 June 2018, LGFA provided 70% of the sector borrowing and are appreciative of the support from their borrowing councils.

A strong financial position has ensured a dividend payment of 5.14% for shareholders

The financial strength of LGFA has been enhanced with a Net Operating Profit of \$11.8 million for the 2017/18 year and Shareholder Equity of \$64.29 million as at 30 June 2018. A \$1.285 million dividend has been declared by the LGFA Board for the year ended 30 June 2018. The dividend rate is \$0.0514 per paid up share and was paid to councils on Friday 7 September.

A copy of the statement of dividend paid to Western Bay of Plenty District Council (\$95,911.32) is attached to this report (**Attachment B**).

4. Annual General Meeting (AGM)

LGFA's AGM is scheduled to take place in Wellington on the 21 November 2018.



Kumaren Perumal
Chief Financial Officer

Partnering with Councils to finance infrastructure investment

Mā te huruhuru
ka rere te manu

Annual report
30 June 2018



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

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

Its wider meaning is that
'investment is needed for success'.

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About us

Ko ngāi mātou

Establishment

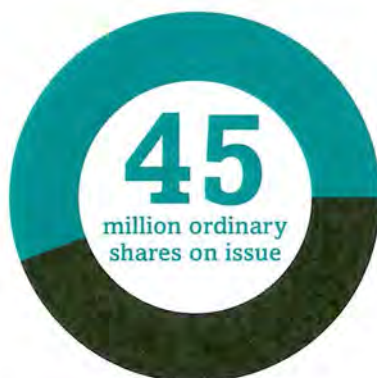
The New Zealand Local Government Funding Agency Ltd (LGFA) specialises in funding the New Zealand local government sector, the primary purpose being to provide more efficient funding costs and diversified funding sources for New Zealand local authorities. LGFA was established to raise debt on behalf of local authorities on terms that are more favourable to them than if they raised the debt directly.

Incorporated
on 1 December
2011 under the
Companies
Act 1993.

Enabled
by Local
Government
Borrowing
Act 2011

**Council-
controlled
organisation**
under the Local
Government
Act 2002.

Ownership



20 million of which
remain **uncalled**.



20%
New Zealand
Government

80%
30 councils

Share ownership is restricted
to New Zealand Government
or councils.

Guarantee structure

LGFA's securities obligations are guaranteed by the councils that are Guarantors.

LGFA is not guaranteed by the New Zealand Government

All council shareholders must be a Guarantor as well as any council with aggregate borrowings over \$20 million.

Credit rating

as at 30 June 2018

Domestic Currency AA+ / Foreign Currency AA (Stable Outlook)

Standard & Poor's

Domestic Currency AA+ / Foreign Currency AA (Stable Outlook)

Fitch Ratings

These credit ratings are the same as the New Zealand Government ratings.

Face value of bonds on issue

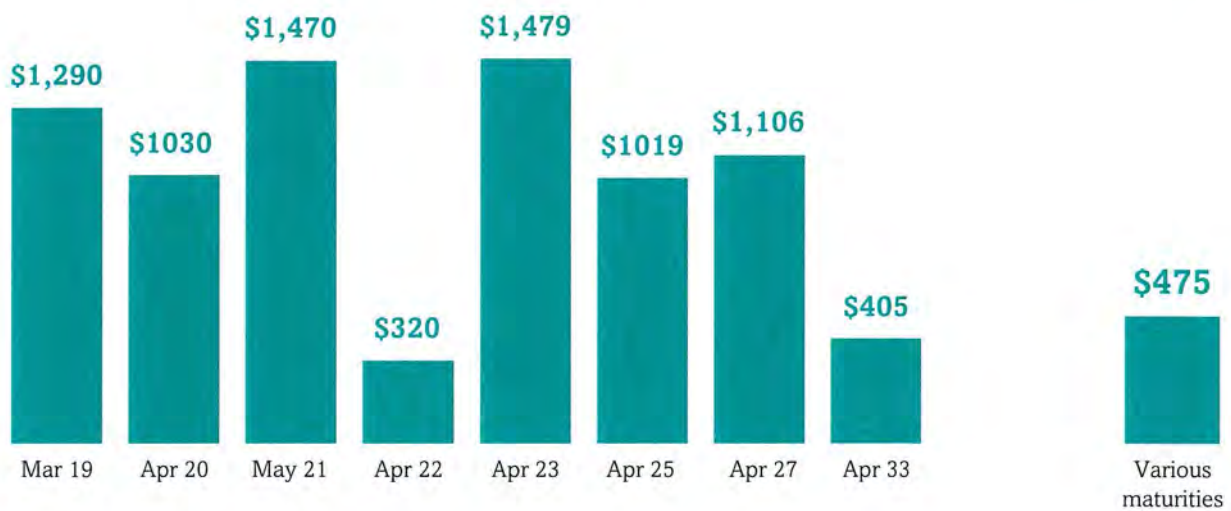
as at 30 June 2018 (NZ\$ million)

Bills on issue

as at 30 June 2018 (NZ\$ million)

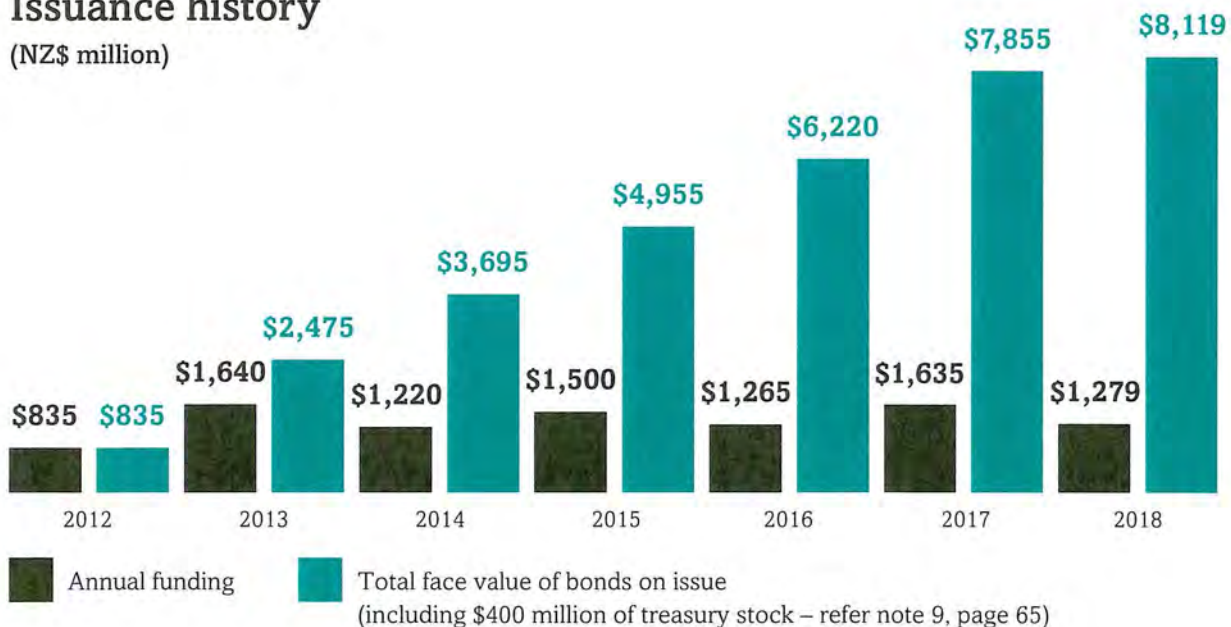
\$8,119
million

\$475
million



Issuance history

(NZ\$ million)



Governance overview



31 Shareholders

New Zealand Government shareholding reduces to 11.1% if a call is made on uncalled capital of the 30 council shareholders.



LGFA Shareholders' Council, comprising five to ten appointees from the Council Shareholders and the New Zealand Government. Role of the Shareholders' Council is to:

- Review and report** performance of LGFA and the Board;
- Recommendations** to Shareholders as to the **appointment, removal, replacement and remuneration of directors**;
- Recommendations** to Shareholders as to any **changes to policies**, or the SOI, requiring their approval;
- Update Shareholders** on LGFA matters and to coordinate Shareholders on governance decisions.



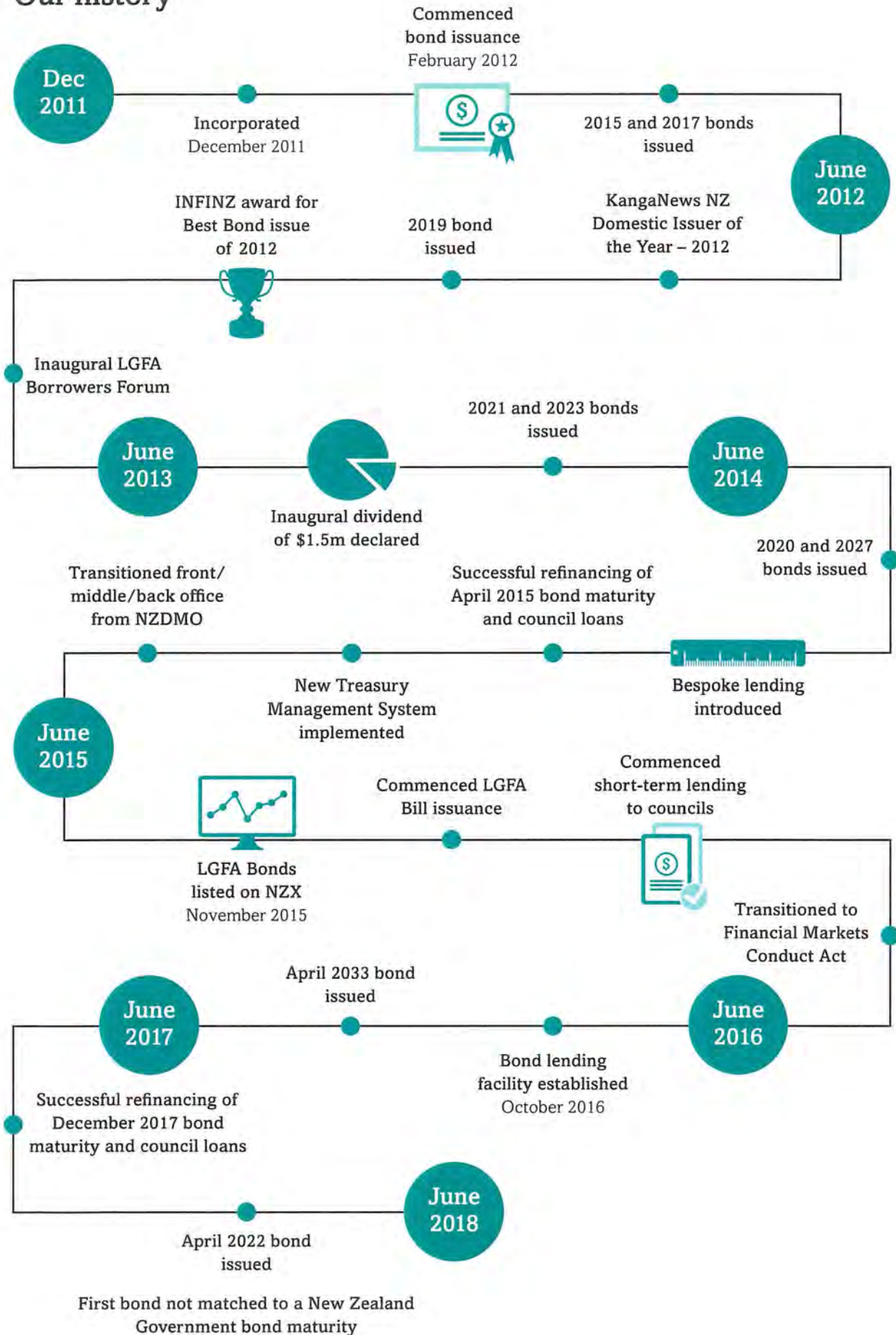
LGFA Board, is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with:

- Local Government Act 2002;
- Local Government Borrowing Act 2011;
- Companies Act 1993;
- LGFA's Constitution;
- LGFA Shareholder Agreement;
- LGFA Annual Statement of Intent.

The Board comprises **five independent** and **one non-independent** directors appointed by shareholders.



Our history



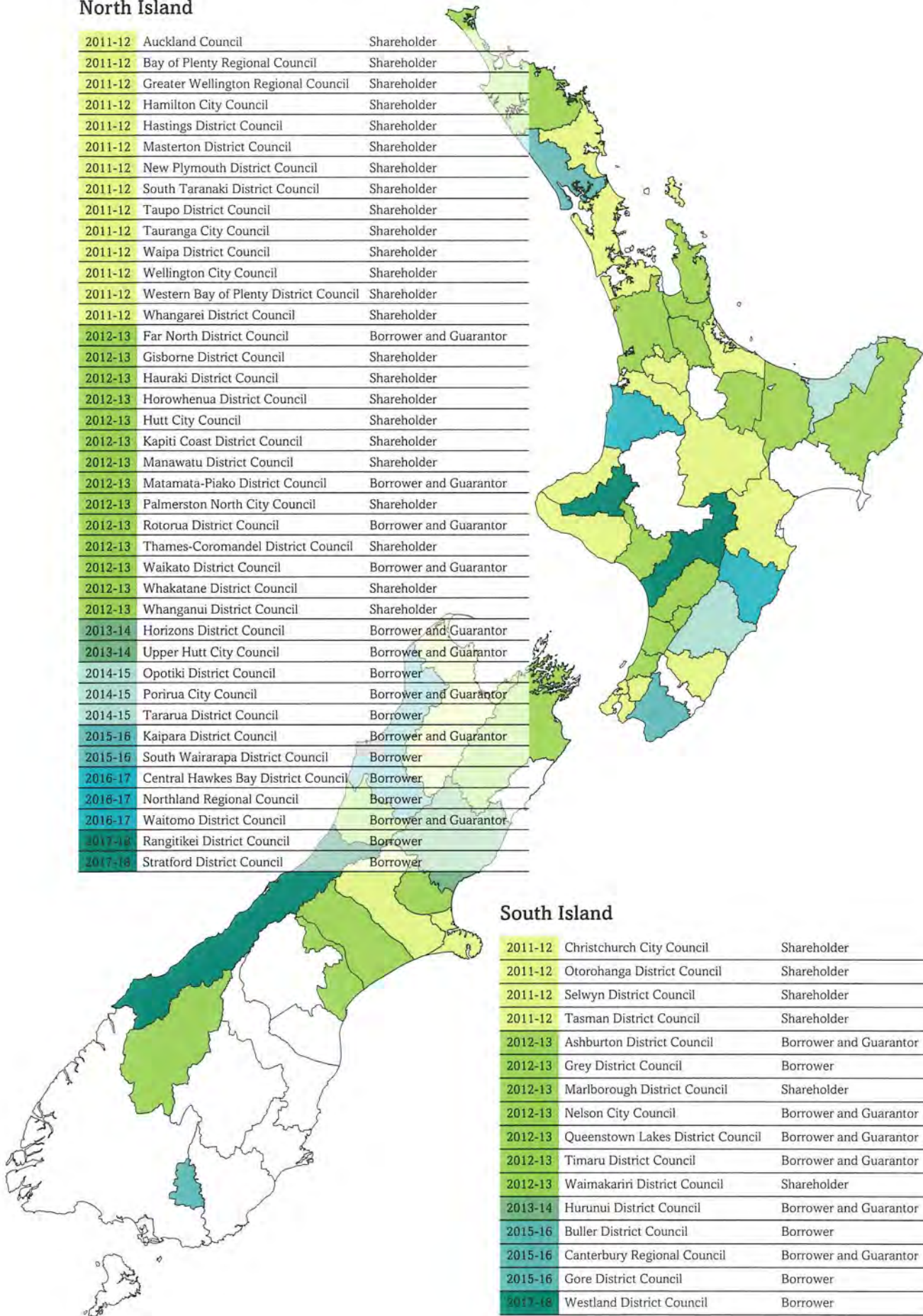
LGFA's 56 participating councils with year of joining

North Island

2011-12	Auckland Council	Shareholder
2011-12	Bay of Plenty Regional Council	Shareholder
2011-12	Greater Wellington Regional Council	Shareholder
2011-12	Hamilton City Council	Shareholder
2011-12	Hastings District Council	Shareholder
2011-12	Masterton District Council	Shareholder
2011-12	New Plymouth District Council	Shareholder
2011-12	South Taranaki District Council	Shareholder
2011-12	Taupo District Council	Shareholder
2011-12	Tauranga City Council	Shareholder
2011-12	Waipa District Council	Shareholder
2011-12	Wellington City Council	Shareholder
2011-12	Western Bay of Plenty District Council	Shareholder
2011-12	Whangarei District Council	Shareholder
2012-13	Far North District Council	Borrower and Guarantor
2012-13	Gisborne District Council	Shareholder
2012-13	Hauraki District Council	Shareholder
2012-13	Horowhenua District Council	Shareholder
2012-13	Hutt City Council	Shareholder
2012-13	Kapiti Coast District Council	Shareholder
2012-13	Manawatu District Council	Shareholder
2012-13	Matamata-Piako District Council	Borrower and Guarantor
2012-13	Palmerston North City Council	Shareholder
2012-13	Rotorua District Council	Borrower and Guarantor
2012-13	Thames-Coromandel District Council	Shareholder
2012-13	Waikato District Council	Borrower and Guarantor
2012-13	Whakatane District Council	Shareholder
2012-13	Whanganui District Council	Shareholder
2013-14	Horizons District Council	Borrower and Guarantor
2013-14	Upper Hutt City Council	Borrower and Guarantor
2014-15	Opotiki District Council	Borrower
2014-15	Porirua City Council	Borrower and Guarantor
2014-15	Tararua District Council	Borrower
2015-16	Kaipara District Council	Borrower and Guarantor
2015-16	South Wairarapa District Council	Borrower
2016-17	Central Hawkes Bay District Council	Borrower
2016-17	Northland Regional Council	Borrower
2016-17	Waitomo District Council	Borrower and Guarantor
2017-18	Rangitikei District Council	Borrower
2017-18	Stratford District Council	Borrower

South Island

2011-12	Christchurch City Council	Shareholder
2011-12	Otorohanga District Council	Shareholder
2011-12	Selwyn District Council	Shareholder
2011-12	Tasman District Council	Shareholder
2012-13	Ashburton District Council	Borrower and Guarantor
2012-13	Grey District Council	Borrower
2012-13	Marlborough District Council	Shareholder
2012-13	Nelson City Council	Borrower and Guarantor
2012-13	Queenstown Lakes District Council	Borrower and Guarantor
2012-13	Timaru District Council	Borrower and Guarantor
2012-13	Waimakariri District Council	Shareholder
2013-14	Hurunui District Council	Borrower and Guarantor
2015-16	Buller District Council	Borrower
2015-16	Canterbury Regional Council	Borrower and Guarantor
2015-16	Gore District Council	Borrower
2017-18	Westland District Council	Borrower

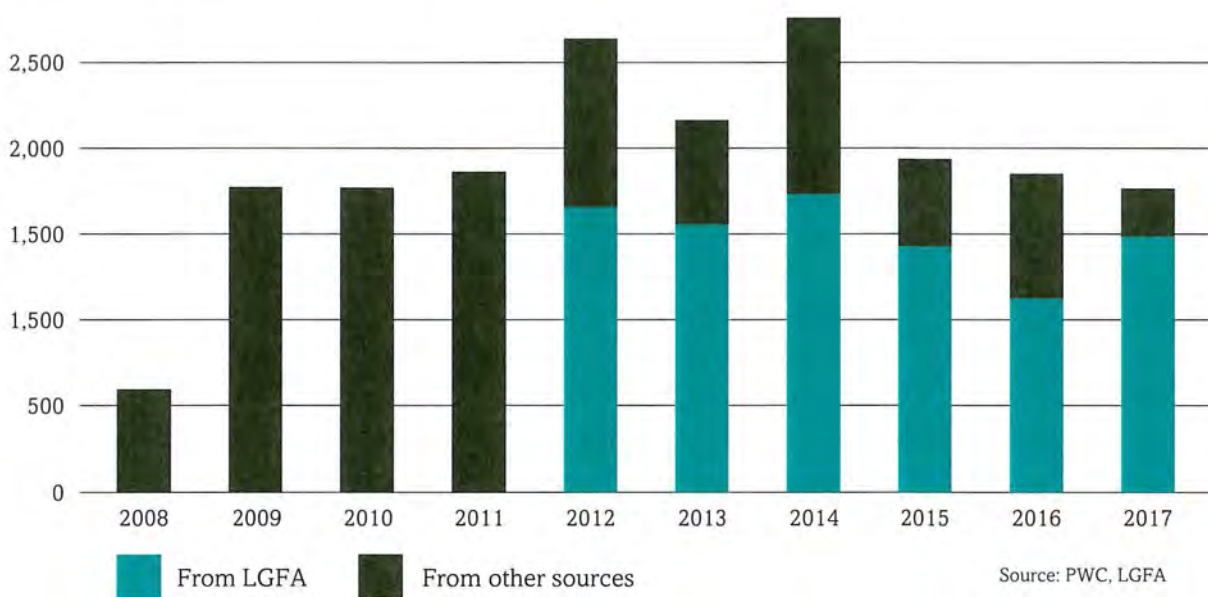


Participating councils

Borrower Type	Number of Councils	Amount Borrowed (NZ\$ million)	Percentage of Total Borrowing
Guarantors	45	7,846	98.6
Non Guarantors	11	130	1.4
Total	56	7,976	100

Councils' borrowing

All councils (NZ\$ million) calendar year



New member Councils

LGFA welcome the following three councils who joined as eligible borrowers in the year-ended 30 June 2018:



Message from the Chair

He karere mai i te Toihau

For the year ended 30 June 2018

“LGFA continues to be the leading provider of cost-effective funding to New Zealand councils while offering investors a highly rated, higher yielding alternative to New Zealand Government Bonds.”

Craig Stobo, Chair LGFA Board



Directors are pleased to record another period of strong financial and non-financial performance to 30 June 2018 and to highlight the following developments over the past year.

Strong financial and operational performance

LGFA total interest income for the financial year of \$342.8 million was a 6.9% increase over the 2016-17 financial year result of \$320.7 million while net operating profit of \$11.80 million for the financial year was a 6.8% increase on the 2016-17 financial year result of \$11.05 million.

Net interest income and operating profit exceeded both the previous year's result and the Statement of Intent (SOI) forecast due to the early refinancing of loans by councils maturing in December 2017 and a higher level of liquid assets held than forecast.

Expenses have been managed under budget over the past year as lower personnel costs and lower fees from a reduced utilisation of the standby facility relative to forecast were offset by higher legal costs from the establishment of an Australian Medium Term Notes Programme and lending activities above budget.

While we achieved strong financial and operating performance and delivered value to stakeholders, we did not meet all SOI specific performance targets outlined on page 43 of this Annual Report. The average margin on loans to councils was higher than the SOI target due to many councils borrowing from LGFA for longer tenors at higher margins. For the coming year, we have adopted a flat margin structure for councils, irrespective of loan tenor. Our lending to councils was lower than expected due to the timing of the March 2019 loan refinancing. This led to LGFA not achieving our target for lending volumes for the first time in six years and we will work closer with councils in the coming year regarding the timing of their borrowing.

LGFA bonds continue to be an attractive investment for investors, while LGFA has also delivered savings in borrowing costs and extended the tenor of lending available to our council borrowers.

The financial strength of LGFA was reaffirmed in late 2017 by credit rating agencies Standard & Poor's and Fitch who both maintained our credit rating at 'AA+', which very importantly is the same as the New Zealand Government. In May 2018, S&P announced the introduction of a new ratings methodology for non-US public sector funding agencies such as LGFA and subsequently affirmed our local currency long term rating as 'AA+' on 13 July 2018.

Borrowing activity

LGFA issued \$1.279 billion of bonds over the financial year and outstandings now total \$8.119 billion (including \$400 million of treasury stock) across eight maturities from 2019 to 2033. A highlight was the debut issuance of an April 2022 bond which provides a new mid curve maturity for investors. The issuance of the April 2022 bond was a change from our previous strategy of issuing into New Zealand Government Bond (NZGB) maturities but, after careful consideration, it was decided to issue the new maturity to help reduce the mismatch between LGFA bond issuance and on-lending to councils.

LGFA is the largest issuer of NZD securities after the New Zealand Government and our bonds are amongst the largest and most liquid New Zealand dollar debt instruments available for investors. It was pleasing to see our estimated offshore investor holdings grow to 39% from 31% a year ago.

The performance of LGFA bonds over the past year was mixed with LGFA bond spreads to both swap and NZGB tighter on maturities out to 2021, but spreads wider on maturities beyond 2023. Outright yields declined between 28 bps (0.28%) on the 2033 maturity and 55 bps (0.58%) on the 2021 maturity over the year.

LGFA continues to issue short-dated LGFA Bills ranging in maturities from three months to 12 months through a combination of monthly tenders and private placements. Outstandings under the programme have reached \$475 million. These instruments provide a source of funding for short-dated lending to our council borrowers and assist LGFA with liquidity management.

Lending to the sector

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the New Zealand Government remain as shareholders. Over the past year, we added three new members with Stratford, Rangitikei and Westland District Councils joining as non-guarantors. Total membership is now 56 councils, and this is expected to rise in the coming year as several councils have included joining LGFA in their Long-Term Plans.

Long-dated lending over the 2017-18 year totalled \$1.088 billion with much of the lending activity being the refinancing of council loans maturing on 15 December 2017. The tenor of borrowing by councils shortened slightly to an average term of borrowing of 6.9 years over the 12-month period.

Short-dated lending for terms less than 12 months has been well received by councils and as at 30 June 2018, LGFA had \$236 million of short-term loans outstanding to 19 councils.

The sector outlook and impact on LGFA

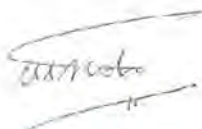
The success of LGFA over the past six years has been in part due to its ability to evolve and adapt to meet the needs of the local government sector. This has been apparent with the introduction of short-term lending, bespoke lending and the introduction of long-dated bond maturities allowing councils to undertake long-dated borrowing.

Following the change in central government in October 2017, there has been several policy announcements regarding the need to hasten delivery of housing infrastructure, the establishment of an inquiry by the Productivity Commission into local government funding and financing and the review of the management of drinking water, stormwater and waste water (the Three Waters review). The outcome of these initiatives may have a significant impact on the wider local government sector, so LGFA is assisting where possible both central and local government to work through the issues.

Our council members are also currently in the process of publishing their Long-Term Plans and we would expect both higher infrastructure investment and increased borrowing requirements from the sector over the next 10 years. We are confident that LGFA can meet the needs of our council members.

Acknowledgments

The Agency's work cannot be implemented without the support of our staff, fellow directors, Shareholders' Council and the New Zealand Debt Management Office (NZDMO), whose efforts all should be acknowledged. I would like to also thank Mark Butcher, our Chief Executive, for his leadership of the organisation over the past year. Directors believe the Agency's future remains positive and look forward to working with all stakeholders in the year ahead.



Craig Stobo
Chair, LGFA Board



Award winning
redeveloped
Stratford District
Library.
Stratford District
Council



Stratford water
treatment plant.
The \$7.0m project was
undertaken to meet
the new Drinking
Water Standards.
Stratford District
Council



the more things
you will know.

Performance highlights

Putanga mahi matua

Bonds issued over financial year

\$1.279
billion

Lending to councils over financial year

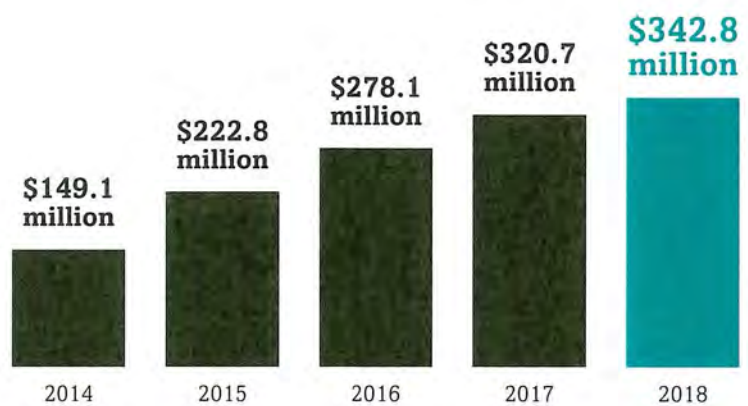
\$1.088
billion

Total interest income

\$342.8
million

▲ **6.9%**

increase over the 2016-17 financial year

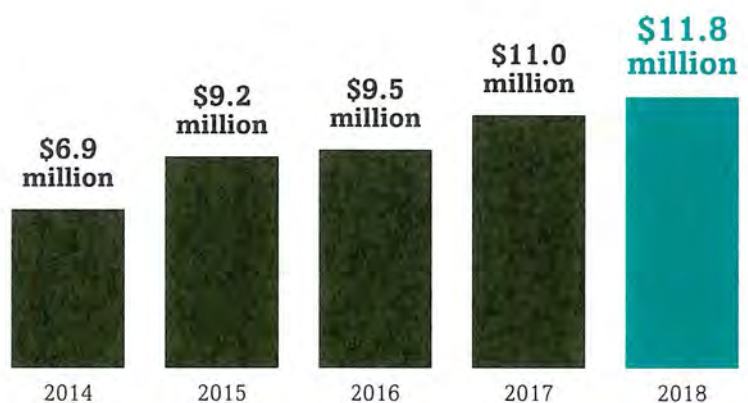


Net operating profit

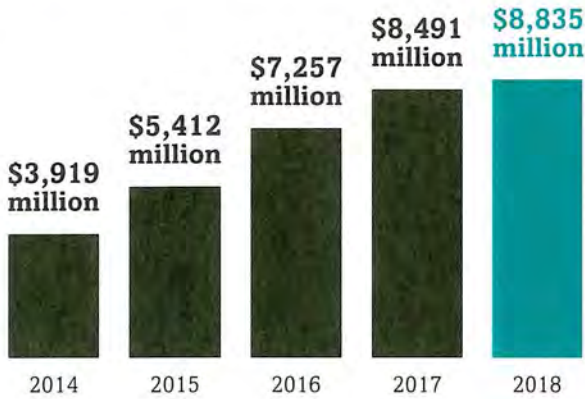
\$11.8
million

▲ **6.8%**

increase over the 2016-17 financial year



Total assets



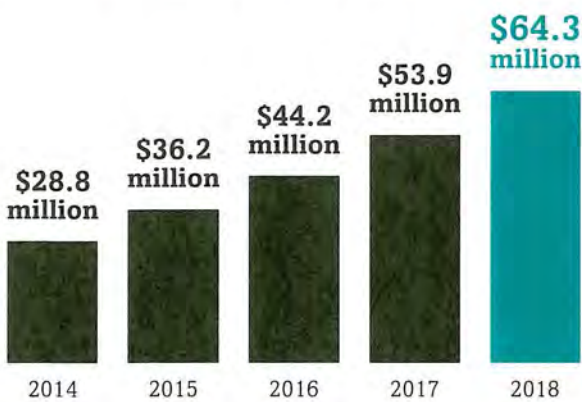
Liquidity as at 30 June 2018



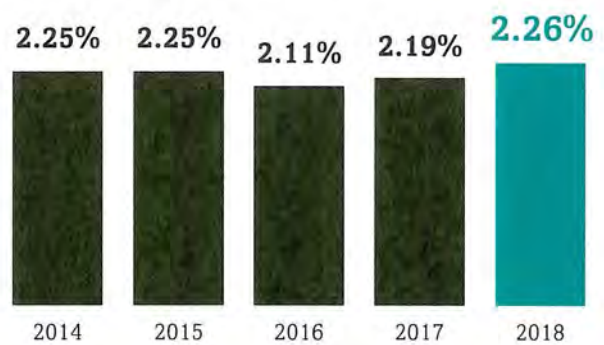
Shareholder funds 30 June 2018



Shareholder equity



Shareholder funds and borrower notes / total assets



Borrower Notes are subordinated convertible debt instruments subscribed for by borrowing councils.

Corporate governance Ārahitanga ā-rangatōpū

NZX Corporate Governance Best Practice Code

The LGFA Board is committed to ensuring the Company demonstrates ongoing commitment to strong and sound corporate governance.

LGFA is a listed issuer on the NZX Main Board and this section sets out the Company's compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code 2017.

The Company considers that its governance practices have not materially differed from the NZX Code for the year ended 30 June 2018. Areas where the Company has implemented alternative measures to the Code are as follows:

An Issuer should establish a nomination committee to recommend director appointments to the Board.

An Issuer should establish a remuneration committee to recommend remuneration packages for directors to shareholders.

The process for the nomination and remuneration of directors is documented in the Constitution of New Zealand Local Government Funding Agency Limited and outlined below.

The following governance documents referred to in this section are available on the LGFA website: lgfa.co.nz/about-lgfa/governance:

- LGFA Constitution
- Shareholders Agreement
- Code of Ethics
- Board Charter
- Audit and Risk Committee Charter
- Internal Audit Charter
- Diversity Policy

Principle 1 Code of ethical behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for delivering these standards throughout the organisation.

Code of Ethics

LGFA has adopted a formal Code of Ethics, incorporating both our Conflicts of Interest Policy and Code of Conduct Policy, which sets out the standards that both directors and employees of LGFA are expected to follow to reflect the values of LGFA.

The Company recognises impartiality and transparency in governance and administration are essential to maintaining the integrity of LGFA. Accordingly, the Conflicts of Interest Policy formally provides guidance to employees and directors of LGFA in relation to conflicts of interest and potential conflicts of interest, including specific guidance on the process for managing potential conflicts that may arise for non-independent directors. Directors and employees are expected to avoid all actions, relationships and other circumstances that may impact on their ability to exercise their professional duties.

The Code of Conduct Policy requires employees and directors to carry out their roles while maintaining high standards of integrity and conduct by clearly

setting out our standards for expected behaviour. In addition, the policy sets out the Company's commitment to behave in a fair and reasonable manner to employees, while providing a fair and safe working environment.

Protected Disclosures and Whistle Blowing

The Company has adopted a Protected Disclosures and Whistle Blowing Policy which provides procedure, support and protection to persons who disclose information which they reasonably believe to be about serious wrong-doing in or by LGFA.

Financial Products Trading Policy

LGFA has formally adopted a Financial Products Trading Policy, which applies to all directors, employees and contractors, and details LGFA's policy on, and rules for dealing in, listed debt securities issued by LGFA and any other quoted financial products of LGFA.

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Principle 2 Board composition and performance

LGFA Board Charter

The LGFA Board has adopted a Board Charter which describes the Board's role and responsibilities and regulates the Board's procedures. The Board Charter states that the role of the Board is to ensure the Company achieves the Company goals. Having

regard to its role the Board will direct, and supervise the management of, the business and affairs of the Company, including:

- ensuring that the Company goals are clearly established, and that strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from management);

- establishing policies for strengthening the performance of the Company;
- ensuring strategies are in place for meeting expectations set out in the current Statement of Intent and monitoring performance against those expectations, in particular the Company's primary objective of optimising the debt funding terms and conditions for participating local authorities;
- monitoring the performance of management;
- appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment with the Company;
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company's financial statements are true and fair and otherwise conform with law;
- ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
- ensuring that the Company has appropriate risk management/regulatory compliance policies in place. In the normal course of events, day-to-day management of the Company will be in the hands of management. The Board will satisfy itself that the Company is achieving the Company goals; and engaging and communicating with Shareholders' Council

Board composition

The LGFA Board comprises five independent Directors and one non-independent Director. An independent director is a director who, within five years prior to appointment, was not an employee of any shareholder, employee of a Council Controlled Organisation owned by a shareholder, or a councillor of any local authority which is a shareholder.

The directors of LGFA as at 30 June 2018:



Craig Stobo
Independent Chair

BA (Hons) Economics. First Class, Otago

Craig has worked as a diplomat, economist, investment banker and Chief Executive Officer of BT Funds Management (NZ) Limited. He has completed the Advanced Management Programme at Wharton Business School in Philadelphia, authored reports to the New Zealand Government on the Taxation of Investment Income (which led to the PIE regime), and the creation of New Zealand as a funds domicile. He currently chairs the listed companies Precinct Properties New Zealand Limited, and AIG Insurance (NZ Board). He has directorship and private equity interests in financial services and other businesses. He was chair of the Establishment Board and acting Chief Executive of LGFA. He is chair of the Establishment Board of the Local Government Risk Agency.



John Avery
Independent Director

LLB, C.F.Inst.D

John was managing partner, then Chairman of Hesketh Henry. He was a director of The Warehouse Group Limited, several start-up businesses, a number of CCOs, an industry cooperative 'ITM', Regional Facilities Auckland Limited and Spider Tracks Limited. He is currently an independent director of Strategic Pay Limited, Fund Managers Auckland Limited and a trustee of the New Zealand School of Dance.



Philip Cory-Wright
Independent Director

LLB (Hons), BCA Business Management, INFINZ (Cert), C.F.Inst.D

Philip is a solicitor of the High Court of New Zealand and Victoria. He has worked as a corporate finance adviser in New Zealand to the corporate sector on debt and equity matters for more than 25 years. He is currently a director of South Port New Zealand Limited, Papa Rererangi i Puketapu (New Plymouth Airport) and strategic adviser to clients in the energy and infrastructure sectors. He was a member of the Local Government Infrastructure Expert Advisory Group tasked with advising the Minister of Local Government on improvements in local government infrastructure efficiency.



Linda Robertson
Independent Director

B.Com, Dip Banking, INFINZ (Distinguished Fellow), C.F.Inst.D, GAICD

Linda is a professional director with nearly 20 years governance experience and over 30 years experience in executive finance roles, having worked in the banking and energy sector in New Zealand. She is Chair of Pacific Radiology Group, a director of Auckland Council Investments Limited, Dunedin City Holdings Limited, Dunedin City Treasury Limited, NZPM Group Limited and Crown Irrigation Investments Limited. Linda is also a member of the Audit and Risk Committee for the Ministry of Social Development, a member of the Treasury Advisory Committee of the New Zealand Export Credit Office and Chair of the Audit and Risk Committee for Central Otago District Council.



Mike Timmer
Non-Independent Director

CA, BBS, BAgSci, INFINZ (Cert), M.Inst.D

Mike has worked for Citibank in its financial market section and held accountancy and treasury roles in the health sector and is presently Treasurer at the Greater Wellington Regional Council. He is Chairman of the Finance Committee of Physiotherapy New Zealand Incorporated and past Deputy Chair of the LGFA Shareholders' Council.



Anthony Quirk
Independent Director

BCA Hons (First Class), INFINZ (Fellow), M.Inst.D

Anthony is an experienced financial services sector professional with over thirty years executive experience in the sector, including nine years as Managing Director of Milford Asset Management. He has a varied portfolio of governance interests with an emphasis on areas that improve or contribute to communities.

He is a Fellow of the Institute of Finance Professionals New Zealand (INFINZ) and is a former Chairman of that organisation. He was previously Chair of the Asset Management Advisory Board of the New Zealand Exchange, Deputy Chair and Board member of the New Zealand Society of Investment Analysts and a previous member of the Financial Reporting Standards Board of the New Zealand Society of Accountants.

Name of Director	Nature and extent of interest	
Craig Stobo (Chair)	<p>Director</p> <p>Precinct Properties New Zealand Limited</p> <p>Elevation Capital Management Limited</p> <p>Saturn Portfolio Management Limited</p> <p>Stobo Group Limited</p> <p>AIG Insurance NZ Limited</p> <p>Bureau Limited</p> <p>SouthWest Trustees Limited</p> <p>Appello Services Limited</p> <p>Biomarine Group Limited</p> <p>Legend Terrace Limited</p>	<p>General disclosure</p> <p>Chair, Establishment Board, Local Government Risk Agency</p>
John Avery	<p>Director</p> <p>Fund Managers Auckland Limited</p> <p>Strategic Pay Limited</p> <p>Strategic Pay Trustee Service Limited</p>	<p>General disclosure</p> <p>The New Zealand School of Dance (Trustee)</p> <p>New Zealand Dance Advancement Trust (Trustee)</p> <p>Stinger Trust (Trustee)</p>
Philip Cory-Wright	<p>Director</p> <p>South Port New Zealand Limited</p> <p>Papa Rererangi i Puketapu (New Plymouth Airport)</p>	
Anthony Quirk	<p>Director</p> <p>Evolve Education Group</p> <p>Non-Executive Director and Shareholder, Milford Asset Management</p> <p>Deputy Chair, Compass Housing NZ</p>	<p>General disclosure</p> <p>Chairman, New Zealand Water Polo Board member, Graeme Dingle Foundation, Wellington</p>
Linda Robertson	<p>Director</p> <p>RML Consulting Limited</p> <p>Dunedin City Holdings Limited</p> <p>Dunedin City Treasury Limited</p> <p>NZPM Group Limited</p> <p>Auckland Council Investments Limited</p> <p>Crown Irrigation Investments Limited</p> <p>Pacific Radiology Group Limited (Chairman)</p>	<p>General disclosure</p> <p>Central Lakes Trust</p> <p>Audit and Risk Committee, Ministry of Social Development</p> <p>Technical Advisory Committee, NZ Export Credit Office</p> <p>Trustee, Central Otago District Council</p> <p>Chair, Audit and Risk Committee</p>
Mike Timmer		<p>General disclosure</p> <p>Officer, Greater Wellington Regional Council</p> <p>Chairman of Finance Committee, Physiotherapy New Zealand</p>

Nomination of Directors

Director nominations can only be made by a shareholder by written notice to the Company and Shareholders' Council, with not more than three months, nor less than two months before a meeting of shareholders. All valid nominations are required to be sent by the Company to all persons entitled to attend the meeting.

Retirement and re-election of Directors

Directors are appointed to the Board by an Ordinary Resolution of shareholders. At each Annual General Meeting, two directors must retire and, if desired, seek re-election. The directors who retire each year are one each of the independent and non-independent, who have been longest in office since their last appointment or, if there are more than one of equal term, those determined by lot, unless the Board resolves otherwise.

Director tenure

As at 30 June 2018

Director	Originally appointed	Last reappointed/ elected	Tenure
Craig Stobo (Chair)	1 December 2011	19 November 2013	6 years, 7 months
John Avery	1 December 2011	24 November 2015	6 years, 7 months
Philip Cory-Wright	1 December 2011	24 November 2016	6 years, 7 months
Anthony Quirk	21 November 2017	21 November 2017	7 months
Linda Robertson	24 November 2015	24 November 2015	2 years, 7 months
Mike Timmer	24 November 2015	24 November 2016	2 years, 7 months

Abby Foote, Independent Director, retired from the Board on 21 November 2017. Abby was appointed to the LGFA Board on 1 December 2011 and served as a Director for 6 years.

Meetings of the Board

The table below shows attendances at Board, committee and strategy meetings by directors during the year ended 30 June 2018. In addition to the scheduled meetings, additional meetings are convened as necessary to consider specific issues.

Director	Board	Audit and Risk Committee
Craig Stobo (Chair)	6/6	--
John Avery	6/6	--
Philip Cory-Wright	6/6	4/4
Abby Foote ¹	2/2	2/2
Anthony Quirk ²	4/4	2/2
Linda Robertson	6/6	4/4
Mike Timmer	6/6	4/4

1. Abby Foote retired from the Board on 21 November 2017.
2. Anthony Quirk was elected to the Board on 21 November 2017.

Board performance review

The Board has established an annual formal self-assessment procedure to assess director, board and committee performance. In addition, Board performance is reviewed by external consultants on a periodic basis.

Director training

As part of LGFA's commitment to ongoing director education, LGFA regularly invites directors to attend relevant industry conferences and training events, as well as organising for industry experts to attend and present to directors at Board meetings.

Diversity

The LGFA is committed to promoting a culture that supports both workplace diversity and inclusion within the organisation.

The Company has formally adopted a Diversity Policy which applies to both LGFA employees and directors. Diversity and inclusiveness at LGFA involves recognising the value of individual differences and managing them in the workplace. Diversity in this context covers gender, age, ethnicity, cultural background, sexual orientation, religious belief, disability, education and family responsibilities.

Appointments to the LGFA Board are made in accordance with the Constitution of the Company and the Shareholders Agreement.

Gender diversity of directors



2018
Female 1, Male 5



2017
Female 2, Male 4

Gender diversity of employees



2018
Female 2, Male 4



2017
Female 2, Male 4

Indemnities and insurance

Under the Company's constitution, LGFA has indemnified directors for potential liabilities and costs they may incur for acts of omission in their capacity as directors. LGFA has arranged directors' and officers' liability insurance covering directors and management acting on behalf of the Company. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for the Company. The types of acts that are not covered are dishonest, fraudulent, malicious acts, or omissions, wilful breach of statute or regulation, or duty to the Company, improper use of information to the detriment of the Company, or breach of professional duty.

Principle 3 Board committees

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

Audit and Risk Committee

The LGFA Audit and Risk Committee is a committee of the Board.

The Audit and Risk Committee is governed by an Audit and Risk Committee Charter, which states that the purpose of the Audit and Risk Committee is to provide advice, assurance and observations to the Board relating to the effectiveness and adequacy of internal control and risk management systems, processes and activities across LGFA. It assists the Board to fulfil its duties by considering, reviewing and monitoring:

- Risk management framework and processes;
- Internal control environment and mechanisms;
- Processes relating to the preparation and audit of financial statements of LGFA;
- The integrity of performance information, including financial reporting;

- The governance framework and process;
- Policies, processes and activities to ensure compliance with legislation, policies and procedures; and
- Statutory/regulatory disclosure and reporting and performance against Statement of Intent targets.

Audit and Risk Committee members are appointed by the Board. Membership comprises at least three directors, the majority of whom must be independent. The members of the Audit and Risk Committee as at the date of this Annual Report are:

- Linda Robertson (Chair)
- Philip Cory-Wright
- Anthony Quirk
- Mike Timmer

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Principle 4 Reporting and disclosure

The Board is committed to ensuring the highest standards are maintained in financial reporting and disclosure of all relevant information.

The Audit and Risk Committee has responsibility to provide assurance to the Board that due process has been followed in the preparation and audit of the financial statements of LGFA and to ensure there

are appropriate processes and activities to ensure compliance with relevant regulatory and statutory requirements.

The Company has adopted a formal Continuous Disclosure Policy, the requirements of which ensure that LGFA meets the continuous disclosure requirements of the NZX Listing Rules.

Principle 5 Remuneration

The remuneration of directors and the CEO should be transparent, fair and reasonable.

The remuneration of the Board reflects the size and complexity of the Company and the responsibilities, skills, performance and experience of the directors. A specialist independent adviser may be used to ensure the remuneration is appropriate.

Board remuneration is determined by an Ordinary Resolution of shareholders. The current board remuneration was approved by shareholder resolution at the Annual General Meeting on 21 November 2017.

Approved Director annual fee breakdown

Position	Fees per annum	2018	2017
Board Chair		\$97,000	\$90,000
Audit and Risk Committee Chair		\$60,000	\$54,000
Director		\$55,000	\$51,000

Director remuneration

Director	2018
Craig Stobo	\$97,000
John Avery	\$55,000
Philip Cory-Wright	\$55,000
Abby Foote ¹	\$23,500
Anthony Quirk ²	\$33,611
Linda Robertson ³	\$58,056
Mike Timmer	\$55,000
Total	377,167

1. Abby Foote retired from the Board on 21 November 2017.

2. Anthony Quirk was elected to the Board on 21 November 2017.

3. Linda Robertson was appointed Audit and Risk Committee Chair on 21 November 2017.

The remuneration of the CEO is determined by the Board and is reviewed on an annual basis taking into consideration the scope and complexity of the position with reference to the remuneration of CEOs of similar organisations. A specialist independent adviser may be used to ensure the remuneration is appropriate.

The CEO remuneration package comprises a fixed cash component of \$504,000 per annum as at 30 June 2018 (\$480,000, 2017) and an at-risk short-term incentive of up to 15% of the fixed cash component. The short-term incentive payment is made annually at the Board's discretion subject to the CEO and the Company meeting a range of specific performance objectives for the respective financial year.

Chief Executive remuneration

	2018	2017
Salary	504,000	480,000
Taxable benefits	-	-
Subtotal	504,000	480,000
Pay for Performance STI	75,600	72,000
Total remuneration	579,600	552,000

Staff remuneration

Total remuneration	2018
\$120,000 to \$129,999	2
\$220,000 to \$229,999	1
\$270,000 to \$279,999	1
\$570,000 to \$579,999	1
Total staff receiving \$100,000 or more	5

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.



Principle 6
Risk management

LGFA recognises that an effective risk management framework is a critical part of its business structure. LGFA is exposed to both business and treasury related risks because of its normal business activities that relate to raising and on-lending funds to local councils.

LGFA adopts the three lines of defence model to ensure that essential risk management functions are completed using a systematic approach that reflects industry best practice:

- The first line of defence relates to the operational risk and control within the business. Managers within the business are responsible for identifying controls, maintaining effective controls, assessing the controls and mitigating risks. The first line of defence establishes risk ownership within the business.
- The second line of defence relates to establishing risk control within the organisation. The second line of defence involves reviewing risk reports, checking compliance against the risk management framework and ensuring that risks are actively and appropriately managed.
- The third line of defence establishes risk assurance using both internal and external audit functions to highlight control weaknesses and inefficiencies to management. The audit functions provide independent assurance on the risk governance framework.

The Audit and Risk Committee assists the Board by considering, reviewing and monitoring LGFA's risk management framework and processes, and the internal control environment and mechanisms.

LGFA continually reviews its core business risks. This review process includes the identification and assessment of core business risks which are ranked using predetermined criteria for both the likelihood and potential impact of each risk. LGFA maintains a company-wide risk register which records all identified risks, potential impacts and the controls and mitigation strategies used to manage the risks.

LGFA has treasury exposures arising from its normal business activities that principally relate to the raising and on-lending of funds. A detailed description of LGFA's risk management processes for treasury exposures is detailed in the Treasury Risk Management section of this report.

Internal audit

LGFA has established an internal audit function to provide assurance that LGFA's risk management, governance and internal controls are operating effectively.

The Audit and Risk Committee has responsibility for oversight of the internal audit function, including:

- Reviewing the Internal Audit Charter, the operations of the internal audit and organisational structure of the internal audit function;
- Reviewing and approving the annual audit plan;
- Reviewing the effectiveness of the internal audit function; and
- Meeting separately with the internal auditor to discuss any matters that the Audit and Risk Committee or Internal Audit believes should be discussed privately.

Health and safety

LGFA is committed to a safe and healthy work environment and has formally adopted a LGFA Health and Safety Policy that clearly sets out the duty of directors, LGFA and staff under the Health and Safety at Work Act 2015. A staff health and safety committee has been established with responsibility to continuously review health and safety issues and ongoing compliance with the Act, with reporting to the Board on health and safety issues at each Board meeting.

Principle 7 Auditors

The Board should ensure the quality and independence of the external audit process.

External audit

The external audit of LGFA is conducted in accordance with Section 14 of the Public Audit Act 2001, including the appointment of the external auditors of LGFA by the Auditor-General.

The Audit and Risk Committee has responsibility for all processes relating to the audit of financial statements, including the setting of audit fees and ensuring the independence and objectivity of the auditors.

The external audit of LGFA is conducted in accordance with a formal external audit plan which is reviewed and approved by the Audit and Risk Committee on an annual basis.

The external auditor attends the Company's Annual General Meeting.

The Board should respect the rights of shareholders and foster relationships with shareholders that encourage them to engage with the issuer.

Principle 8 Shareholder rights and relations

LGFA has 31 Shareholders, comprising the New Zealand Government (20%) and 30 councils (80%).

New Zealand Government

Auckland Council

Bay of Plenty Regional Council

Christchurch City Council

Gisborne District Council

Greater Wellington Regional Council

Hamilton City Council

Hastings District Council

Hauraki District Council

Horowhenua District Council

Hutt City Council

Kapiti Coast District Council

Manawatu District Council

Marlborough District Council

Masterton District Council

New Plymouth District Council

Otorohanga District Council

Palmerston North City Council

Selwyn District Council

South Taranaki District Council

Tasman District Council

Taupo District Council

Tauranga City Council

Thames-Coromandel District Council

Waimakariri District Council

Waipa District Council

Wellington City Council

Western Bay of Plenty District Council

Whakatane District Council

Whanganui District Council

Whangarei District Council

Foundation documents

The LGFA Constitution and the Shareholders' Agreement are foundation documents of the Company.

The **LGFA Constitution** defines the rights and the exercise of powers of shareholders, the acquisition and redemption of Company shares, proceedings of shareholder meetings, voting at meetings and the right to demand polls, shareholder proposals and review of management.

The **Shareholders' Agreement** is an agreement between the Company and its shareholders which clearly defines the Company's business, its objectives, the role of the Board, the establishment of the Shareholders' Council and the approval rights of the shareholders.

LGFA Shareholders' Council

The LGFA Shareholders' Council comprises five to ten appointees from the Council Shareholders and the New Zealand Government. The role of the Shareholders' Council comprises the following:

- Review and report performance of LGFA and the Board;
- Recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors;
- Recommendations to Shareholders as to any changes to policies, or the Statement of Intent (SOI), requiring their approval;
- Update Shareholders on LGFA matters and to coordinate Shareholders on governance decisions.

Members of the Shareholders' Council as at 30 June 2018

- Alan Adcock, Whangarei District Council, Chair
- John Bishop, Auckland Council, Deputy Chair
- David Jensen, Tauranga City Council
- David Bryant, Hamilton City Council
- Kumaren Perumal, Western Bay of Plenty District Council
- Mat Taylor, Bay of Plenty Regional Council
- Martin Read, Wellington City Council
- Mike Drummond, Tasman District Council
- Carol Bellette, Christchurch City Council
- Richard Hardie/David Stanley, New Zealand Government

Treasury risk Management

Whakahaeretanga ā-mōrearea

The Local Government Funding Agency (LGFA) funds itself through domestic and international wholesale and retail debt capital markets, with the funds raised on-lent to participating New Zealand Local Authority borrowers. LGFA activities are governed by the Local Government Borrowing Act 2011, the Local Government Act 2002, and the Companies Act 1993. In addition, the company is required to comply with 'Foundation Policies' outlined in the Shareholders Agreement. Any change to the Foundation Policies require shareholders' consent.

LGFA has treasury exposures arising from its normal business activities that principally relate to the raising and on-lending of funds. LGFA manages treasury exposures under a Board-approved Treasury Policy. The objectives for the Treasury Policy are to:

- Effectively manage balance sheet and interest rate risk within the interest rate risk control limits to protect LGFA's capital position and Net Interest Margin over time.
- Fund participating local authorities in the most cost-effective manner and in accordance with the operating principles, values and objectives of the LGFA.
- Protect LGFA's assets and prevent unauthorised transactions.
- Promote professional expertise of financial and management control to all external parties.
- Minimise operational risk by maintaining adequate internal controls, systems and staffing competencies.

- Provide timely reporting to the LGFA Board with meaningful and accurate reporting of interest rate exposures, liquidity, asset and liability maturity, funding, counterparty credit, performance and Policy compliance.

Specific treasury exposures relate to liquidity, interest rate/market risk, foreign exchange, counterparty credit, operational and lending risks.

Liquidity risk

Liquidity risk refers to the potential inability of LGFA to meet its financial obligations when they become due, under normal or abnormal/stressed operating conditions.

Liquidity risk is managed using a forecasted cashflow approach measured over 30 day, 90 day and one year periods. LGFA is required to maintain sufficient liquidity (comprising a government standby facility and holdings of cash and liquid investments) to support 12 months operating and funding commitments.

Interest rate risk / market risk

Interest rate risk is the risk that financial assets may re-price/mature at a different time and/or by a different amount than financial liabilities.

Market risk is managed using Value at Risk (VaR) and Partial Differential Hedge (PDH) limits to mitigate the potential change in value of the balance sheet due to changes in interest rates.

- PDH risk measures the sensitivity of a portfolio to a one basis point change in underlying interest rates. For example, a PDH of

NZD\$40,000 means that the portfolio value will increase by NZD \$40,000 for a one basis point fall in interest rates.

- Value at Risk is used to measure market risk. The VaR model calculates the amount LGFA's portfolio could be expected to lose 5% of the time over a given time period. It is calculated using historical changes in underlying risk variables and applying those changes to the current portfolio.

LGFA measures VaR over a daily time horizon with a 95% confidence interval. A daily 95% VaR exposure of \$100,000 means that there is a 5% chance that the portfolio will lose more than \$100,000 over the next business day.

Counterparty credit risk

Counterparty credit risk is the risk of financial loss to LGFA (realised or unrealised) arising from a counterparty defaulting on an investment, security and/or financial instrument where LGFA is a holder or party.

Counterparty credit risk is managed through:

- Counterparty limits for investments. These are determined as a function of the term of investment, liquidity and credit quality of the counterparty (as measured by credit rating).
- Counterparty risk on derivative contracts is mitigated by utilising the NZDMO as the counterparty to derivative contracts.

Investment is restricted to approved financial investments listed in the Treasury Policy.

Foreign currency risk

Exposure to foreign exchange could exist if LGFA accesses foreign capital markets for funding purposes.

Foreign exchange risk is managed through a requirement for LGFA to fully hedge back to floating rate NZD the full amount and term of all foreign currency funding and cash flows.

Operational risk

Operational risk, with respect to treasury management, is the risk of financial and/or reputation loss because of human error (or fraud), negligent behaviour, system failures and inadequate procedures and controls.

Operational risk is managed using internal controls and procedures across LGFA's operational functions. Segregation of duties between staff members who have the authority to enter transactions with external counterparties and the staff who control, check and confirm such transactions is a cornerstone internal control principle, that is always complied with.

Financial instruments are not entered into if the systems, operations and internal controls do not satisfactorily support the measurement, management and reporting of the risks.

Lending risk

The LGFA provides debt funding solely to New Zealand Local Government ie. the Local Government borrowing counterparty will be the Council itself and will not be any Council Controlled Organisation, Council Controlled Trading Organisation, Council joint venture or partially owned entity.

The LGFA Board will have ultimate discretion on approving term funding to councils.

All Local Authorities that borrow from the Company will:

- Provide debenture security in relation to their borrowing from the Company and related obligations, and (if relevant), equity commitment liabilities to the Company and (if relevant) guarantee liabilities to a security trustee approved for the Company's creditors.
- If the principal amount of a Local Authority's borrowings is at any time equal to, or greater than, NZD 20 million, then it is required to become a party to a deed of guarantee and an equity commitment deed.
- Issue securities (bonds/floating rate notes/commercial paper) to the Company (ie. not enter into facility arrangements).
- Comply with their own internal borrowing policies.
- Comply with the financial covenants outlined in the following table, provided that:
 - Unrated Local Authorities or Local Authorities with a long-term credit rating lower than 'A' equivalent can have bespoke financial covenants that exceed the:
 - Lending policy covenants outlined in the following table only with the approval of the Board;
 - Foundation policy covenants outlined in the following table only with the approval of an Ordinary Resolution of shareholders.
 - Local Authorities with a long-term credit rating of 'A' equivalent or higher will not be required to comply with the lending policy covenants in the following table and can have bespoke financial covenants that exceed the foundation policy covenants outlined in the following table only with the approval of an Ordinary Resolution of shareholders.

- Any Board or Ordinary Resolution approval of bespoke financial covenants will only be provided after a robust credit analysis and any approval must also include bespoke reporting and monitoring arrangements.

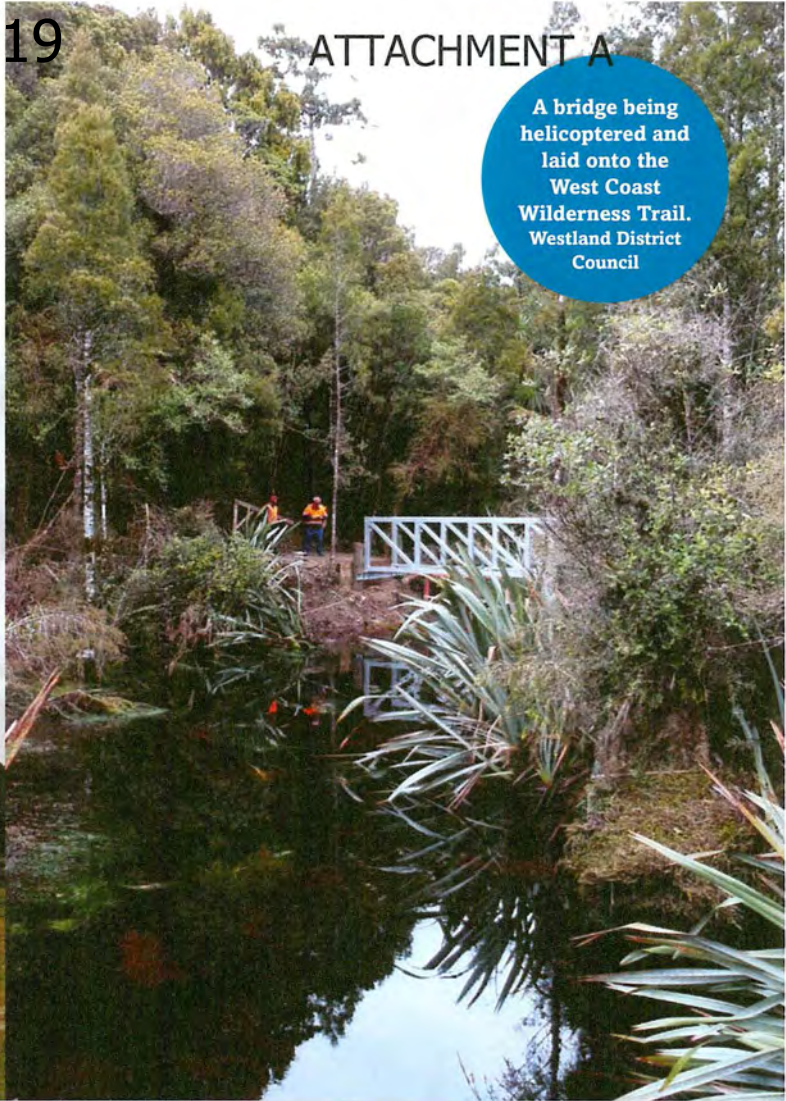
Financial covenant	Lending policy covenants	Foundation policy covenants
Net debt / total revenue	<175%	<250%
Net interest / total revenue	<20%	<20%
Net interest / annual rates income	<25%	<30%
Liquidity	>110%	>110%

- Non-compliance with the financial covenants will either preclude a council from borrowing from the LGFA or in the case of existing council borrowers trigger an event of review. An event of default will occur if (among other things) a council fails to meet an interest or principal payment (subject to grace periods). An event of default will enable the LGFA to accelerate all loans to the defaulting council.
- Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions, eg. developer contributions and vested assets.
- Net debt is defined as total consolidated debt less liquid financial assets and investments.
- Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.
- Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
- Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local governments for services provided and for which the other local governments rate.

Financial covenants are measured on Council only, not consolidated group.

To minimise concentration risk the LGFA will require that no more than the greater of NZD 100 million or 33% of a Council's borrowings from the LGFA will mature in any 12-month period.

Auckland Council will be limited to a maximum of 40% of the LGFA's total Local Government assets.



A bridge being helicoptered and laid onto the West Coast Wilderness Trail. Westland District Council



Staff oversee work being carried out on the Rangitāiki Floodway Project. Bay of Plenty Regional Council

Performance against objectives

Tutukinga mahi ki ōna whāinga

The statement of service performance details LGFA's performance against the objectives and targets set out in the LGFA Statement of Intent 2017-18 (SOI)

Performance against primary objectives

This section sets out LGFA's performance for the year ended 30 June 2018 against the two primary objectives set out in the 2017-18 SOI.

1. **LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:**

- i. **Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;**

LGFA aims to minimise its issuance margin over swap rates to provide cost-effective funding to councils. The LGFA margin to swap will depend upon several factors including the relative demand and supply of high grade bonds, general credit market conditions, performance of New Zealand Government bonds and swap rates, investor perceptions of LGFA and the issuance volume and tenor of LGFA bonds.

2017-18 performance objectives

The SOI set out two primary performance objectives and eight additional objectives for LGFA for the year ended 30 June 2018:

Primary objectives

1. LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:
 - i. Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
 - ii. Making longer-term borrowings available to Participating Local Authorities;
 - iii. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
 - iv. Offering more flexible lending terms to Participating Local Authorities.
2. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes:
 - i. LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and visit each Participating Local Authority on an annual basis;
 - ii. LGFA will analyse finances at the Council group level where appropriate;

- iii. LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues; and
- iv. LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market

Additional objectives

1. Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6;
2. Provide at least 50% of aggregate long-term debt funding to the Local Government sector;
3. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
4. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015;
5. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
6. Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4;
7. Meet or exceed the Performance Targets outlined in section 5; and
8. Comply with its Treasury Policy, as approved by the Board.

Given that LGFA tends to match fund its on-lending to councils, ie. tends to issue bonds in the same tenor and volume as its on-lending, then LGFA only has influence over investor perception amongst the above factors that determine LGFA spreads to swap.

There will be periods within the interest rate and credit market cycles when LGFA bonds will outperform its benchmarks (spread narrowing) and there will be periods of time when LGFA bonds underperform (spread widening).

LGFA spreads to swap have consistently narrowed since it first began issuing bonds in February 2012 and over the past year, spreads to swap as measured by secondary market levels have narrowed on the shorter LGFA bond maturities and widened on the long-dated maturities.

LGFA bond margin to swap	As at 30 June 2018 (bps)	As at 30 June 2017 (bps)	Spread movement (bps)
15 March 2019	4	12	(8)
15 April 2020	5	15	(10)
15 May 2021	11	20	(9)
14 April 2022*	20	N/A	N/A
15 April 2023	34	27	7
15 April 2025	53	38	15
15 April 2027	54	43	11
14 April 2033	79	72	7

*The first tranche of the 2022 bond was issued in April 2018.

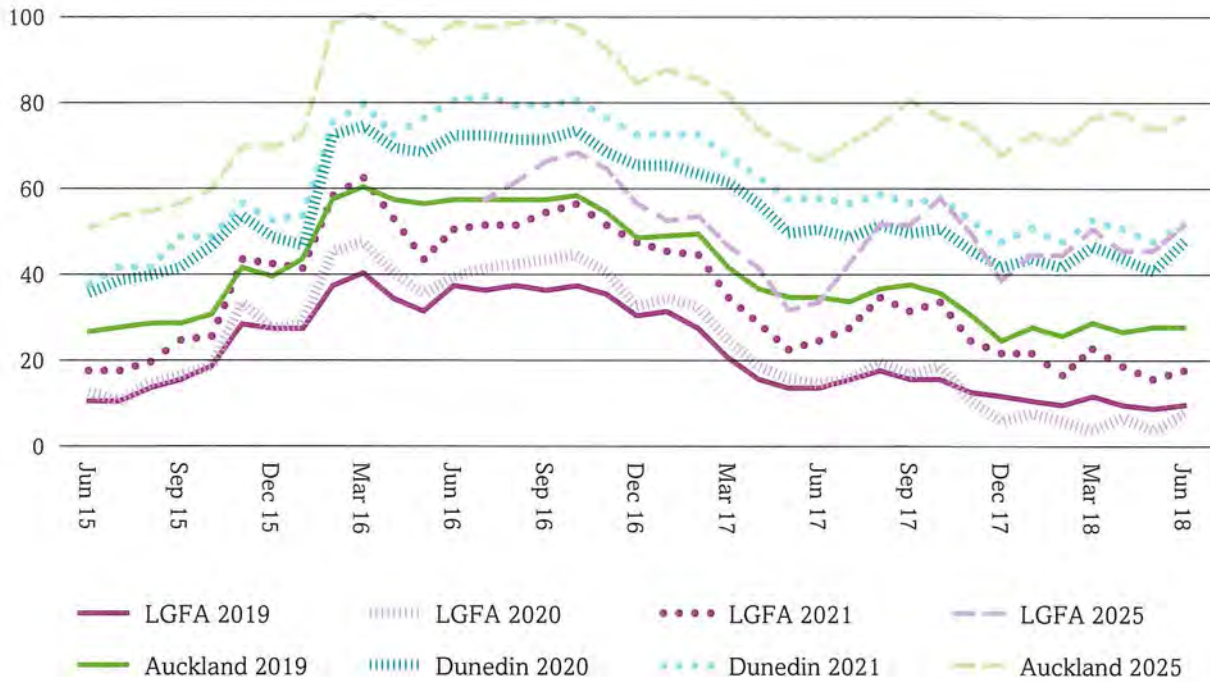
Some of the movement is due to the changes in the spread between swap rates and NZ Government Bond (NZGB) yields as over the same period LGFA spreads to NZGB have narrowed for some maturities.

LGFA bond margin to NZGB	As at 30 June 2018 (bps)	As at 30 June 2017 (bps)	Spread movement (bps)
15 March 2019	30	31	(1)
15 April 2020	37	39	(2)
15 May 2021	44	51	(7)
14 April 2022*	53	N/A	N/A
15 April 2023	69	58	11
15 April 2025	83	71	12
15 April 2027	83	78	5
14 April 2033	104	103	1

*The first tranche of the April 2022 bond was issued in April 2018.

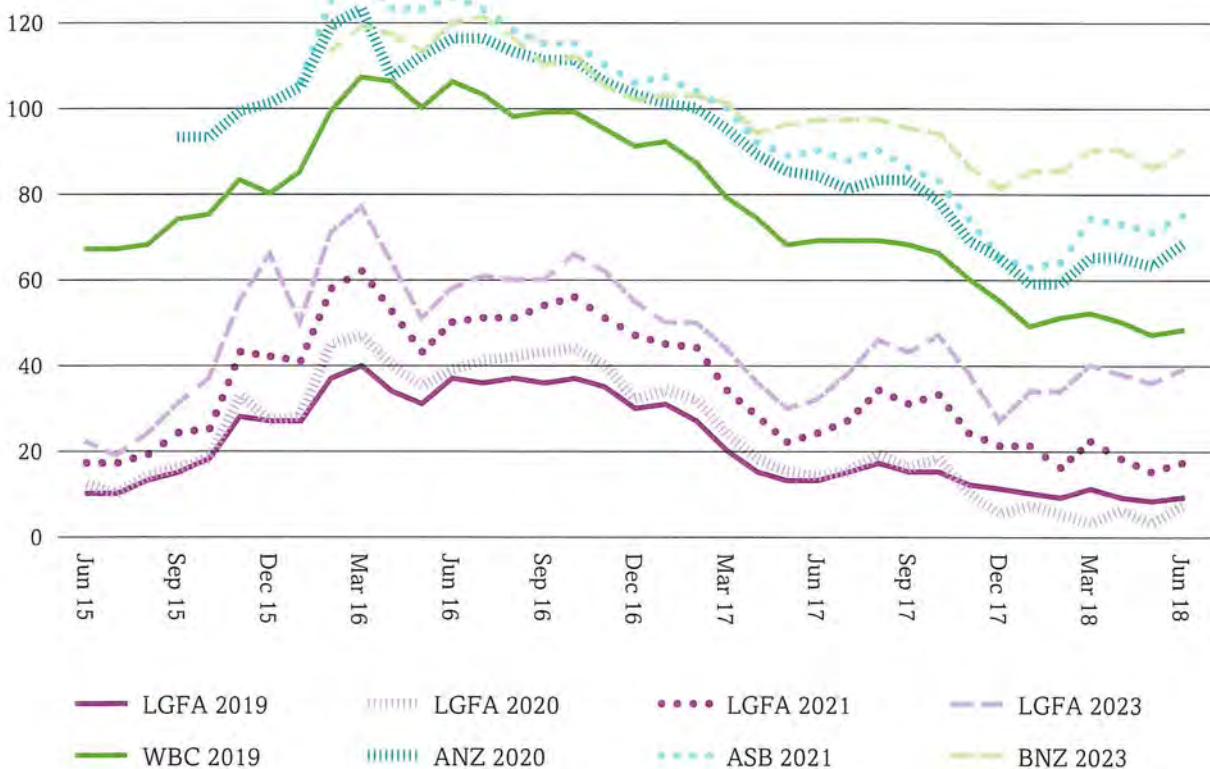
LGFA continues to provide savings in borrowing cost for councils relative to other sources of borrowing. We compare our secondary market spreads on LGFA bonds to those of Auckland Council and Dunedin City Treasury (as a proxy for councils borrowing in their own name) and a mix of banks (as a proxy for general market conditions).

Secondary market credit spread to swap for LGFA and council bonds
(basis points)



Source: Bloomberg, LGFA

Secondary market credit spread to swap for LGFA and bank bonds
(basis points)



Source: Bloomberg, LGFA

From the table below, we estimate that based upon secondary market spread data as at 30 June 2018, LGFA was saving AA rated councils between 10 bps and 21 bps depending upon the term of maturity. This compares to savings of between 12 bps and 22 bps a year ago.

30 June 2018	Auckland 2019	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025
AA rated councils margin to swap (bps)	25	36	40	45	73
Less LGFA margin to swap (bps)	(4)	(5)	(11)	(20)	(53)
LGFA gross funding advantage (bps)	21	31	29	25	20
Less LGFA base margin (bps)	(10)	(10)	(10)	(10)	(10)
Total saving (bps) *	11	21	19	15	10

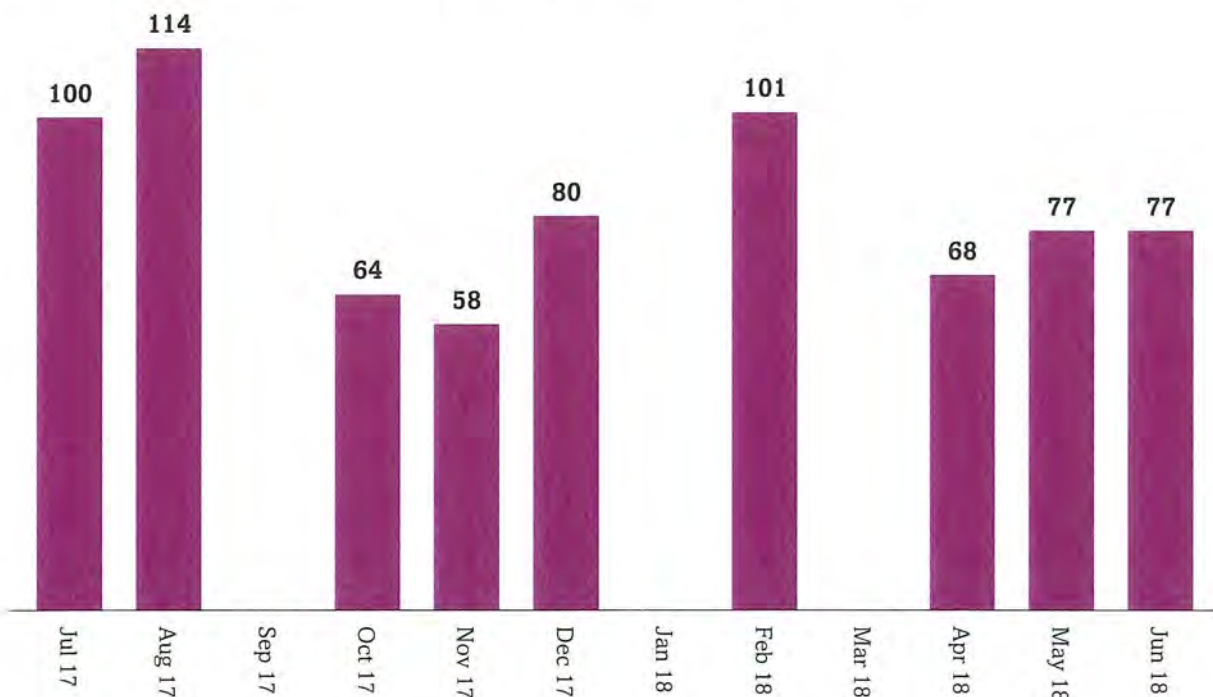
* Note that from June 2017 we have excluded from the estimated savings any positive impact from the 'LGFA effect' that was equivalent to 10 bps of savings evident when LGFA first commenced lending in February 2012.

ii. Making longer-term borrowings available to Participating Local Authorities;

The average borrowing term (excluding short-dated borrowing) for the 12-month period to June 2018 by council members was 6.9 years and this was significantly shorter than the average borrowing term of 8.1 years for the prior year. The shortening

in term was due to councils reacting to the recent widening of borrowing margins in the longer-dated maturities. Also, many councils had taken advantage of the tighter margins and lower yields in early 2017, using the opportunity to extend longer when the 2033 maturities were first made available in April 2017.

Average total months to maturity – on-lending to councils



While LGFA can provide councils with the ability to currently borrow from LGFA for terms from one month to 15 years, it is up to the councils to determine their preferred term of borrowing.

In April 2018, LGFA commenced the issuance of a 4-year bond (April 2022) and this shorter maturity went against the recent trend of introducing a newer longer-dated bond each financial year. The decision to issue a new shorter bond maturity was made to

reduce some of the mismatch between our bond issuance and council on-lending. However, with the issuance of the April 2033 LGFA bond, councils can borrow on a bespoke basis out to 15 years.

The following chart shows the total LGFA bond outstandings, including treasury stock, by maturity as at 30 June 2018.

LGFA bonds on issue (NZ\$ million)

As 30 June 2018 : NZ\$8,119 million

Includes NZ\$400 million treasury stock



iii. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practices;

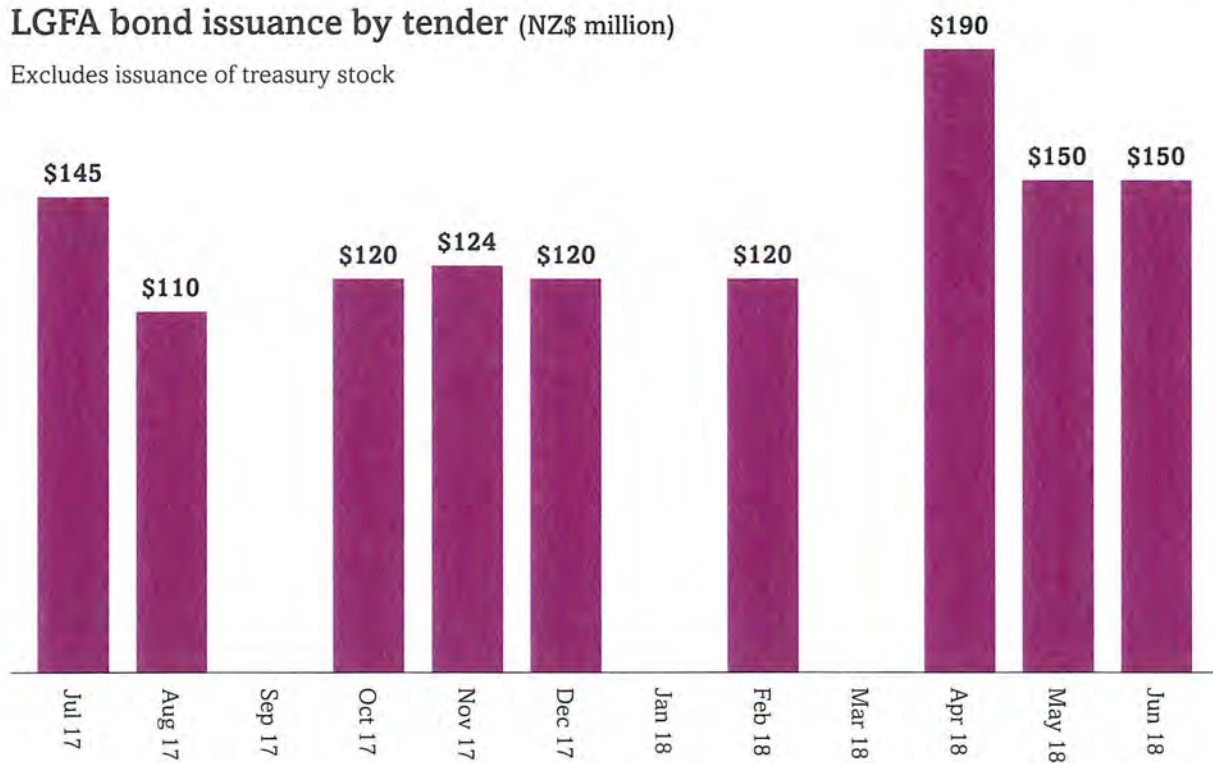
LGFA listed its bonds on the NZX Debt Market in November 2015 and this has led to greater awareness and participation in LGFA bonds by domestic retail and offshore investors. Average turnover on the NZX Debt Market since listing has been \$13 million per month or 9% of the total turnover of the NZX Debt Market. Turnover has reduced over the past twelve months as retail investors are more attracted to higher term deposit rates.

LGFA commenced the issuance of LGFA Bills for terms of three months and six months in late 2015. Because of this issuance, LGFA has offered short-term loans of less than one year to councils since 2015. As at 30 June 2018, LGFA has short-term loans outstanding to 20 councils of \$236 million.

LGFA held nine bond tenders during the 12-month period to 30 June 2018, with an average tender volume of \$136.5 million and a range of \$110 million to \$190 million in size.

LGFA bond issuance by tender (NZ\$ million)

Excludes issuance of treasury stock



All tenders were successful. The average bid-coverage ratio across the nine bond tenders was 2.81 times and this compared to the average of 3.2 times for the 56 bond tenders held since LGFA first commenced issuance in February 2012.

LGFA bond tender results by maturity	2017-18 annual issuance amount (NZ\$ million)	LGFA tender average bid coverage ratio	LGFA tender average successful bid range
15 December 2017	Nil	n/a	n/a
15 March 2019	40	2.5 x	0 bps
15 April 2020	225	3.0 x	1 bps
15 May 2021	70	2.6 x	3 bps
14 April 2022	270	2.8 x	3 bps
15 April 2023	79	1.7 x	2 bps
15 April 2025	309	3.1 x	2 bps
15 April 2027	96	2.6 x	2 bps
14 April 2033	140	2.7 x	3 bps
Across all LGFA maturities	1,229	2.8 x	n/a

The successful bid range (difference between the highest and lowest successful bid yield) for each maturity at each tender averaged between 0 bps and 3 bps with an average successful bid range of 2 bps across all maturities and all tenders over the year.

LGFA established an Australian Medium Term Notes Programme in November 2017 to provide the ability to issue in currencies other than NZD. It is not our intention to use this programme but instead to provide some flexibility in case of the unlikely scenario of a significant market disrupting event in the future.

iv. Offering more flexible lending terms to Participating Local Authorities.

Councils can currently access flexible lending conditions by using the short-term lending and bespoke lending products. Short-term lending is for loans between 30 days and 364 days while bespoke lending is where councils can borrow for any term between one year and the longest dated LGFA bond maturity (currently 14 April 2033) on any drawdown date. Therefore, council members can borrow for terms ranging from 30 days to 15 years at any time they wish to drawdown.

Bespoke lending for council members has continued to grow in popularity over the past year. During the 12-month period to 30 June 2018 we lent \$842.6 million on a bespoke basis to 35 councils. This was 77% of total term lending to our council members over that period.

Short-term borrowing by councils as at 30 June 2018 was \$244 million comprising borrowing from 20 councils for terms between one and 12 months.

2. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes:

i. LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and visit each Participating Local Authority on an annual basis;

LGFA undertakes a detailed financial assessment on each of its borrowers, and meets with all member councils on an annual basis while monitoring council performance throughout the year. LGFA reviews the annual and long-term plans for each council and the annual financial statements. All councils were compliant with LGFA financial covenants as at 30 June 2017 and a copy of each council's borrowing position and compliance with LGFA covenants was provided to LGFA shareholders and non-shareholder guarantors in December 2017. LGFA assigns an internal credit rating to each of its council members as part of the review exercise.

LGFA management met with 47 councils over the 12-month period to 30 June 2018.

ii. LGFA will analyse finances at the Council group level where appropriate;

LGFA reviews the financial position of each council on a parent basis except for Auckland Council where LGFA analyses the financial statements at both

parent and group level. This is because Auckland Council is the only council to deliver a wide range of its essential services on a group basis.

iii. LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues.

LGFA staff and directors have met with DIA, OAG, LGNZ, Ministry of Business Innovation and Employment (MBIE), Treasury, Crown Infrastructure Partners, Infrastructure New Zealand and the Local Government Commission during the 2017-18 year to discuss sector issues. LGFA attended the Local and Central Government Forum and participated in three sector-wide risk and audit forums. LGFA presented at each of the quarterly media briefings organised by LGNZ.

iv. LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market

LGFA management aim to meet with the management team of each council at least once a year. We also presented to elected officials at councils prior to them joining LGFA to remind them of their obligations.

We have been involved in discussions between Central Government agencies and the Housing Infrastructure Fund (HIF) councils regarding the structuring of the HIF loans to ensure the interests of councils, ratepayers and LGFA are protected.

We presented at various capital market conferences and regularly met with banks and investors on a regular basis. We present each quarter on sector finances at the LGNZ media briefing.

Performance against additional objectives

In addition to the two primary performance objectives, LGFA has eight performance objectives which complement the primary objectives. This section sets out LGFA's performance for the year ended 30 June 2018 against the additional objectives set out in the 2017-18 Statement of Intent.

2.1 Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6 of the SOI.

The LGFA Board has the sole discretion to set the dividend and the policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA's cost of funds plus 2%.

On 28 August 2018, the directors of LGFA declared a dividend for the year to 30 June 2018 of \$1,285,000 (\$0.0514 per share). This is calculated on LGFA's cost of funds for the 2017-18 year of 3.14% plus a 2% margin. This is similar to the previous year dividend of \$0.0556 per share.

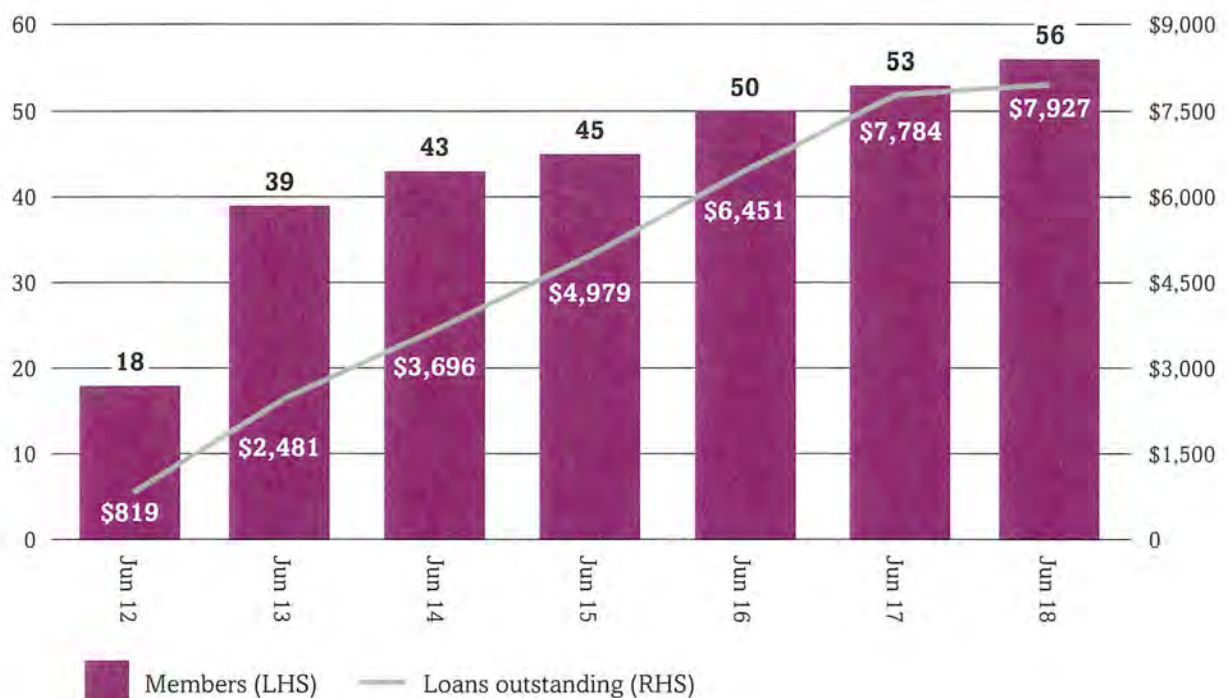
The impact from the current low interest rate environment is that LGFA has a lower cost of funds. While council borrowers benefit from lower borrowing costs, the dividend payment calculated on the above guidance is lower than it would otherwise be in an environment of higher interest rates.

2.2 Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities.

Three councils joined LGFA in the 12-month period to June 2018, bringing the total number of council members to 56. Stratford, Rangitikei and Westland District Councils all joined as non-guarantor borrowers.

Councils have strongly supported LGFA by joining as members and borrowing from LGFA. As at 30 June 2018, 54 participating councils have so far borrowed from LGFA.

LGFA council members and nominal loans outstanding (NZ\$ million)



The following chart shows LGFA's share of new local government long-term debt issuance and is derived from survey data provided by PwC. Our share of long-term borrowing by the sector including non-members of LGFA was 69.9% for the 12-month period to 30 June 2018. The market share is influenced by the amount of debt issued by the sector's largest borrower, Auckland Council

in its own name in the domestic market. Auckland Council is required to issue debt under their own name as LGFA is restricted by its foundation policies to a maximum of 40% of total loans outstanding to Auckland. If Auckland Council's external borrowing is excluded from the data, then LGFA estimated market share for the 12-month period to 30 June 2018 was 79.9%.

LGFA council members and LGFA loans outstanding



2.3 Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4 of the SOI.

Issuance and operating expenses for the 12-month period to 30 June 2018 were \$7.163 million which is \$174k below SOI forecast. This variance is the consequence of:

- Issuance and on-lending costs (excluding Approved Issuer Levy payments) at \$2.207 million were \$118k below budget due to lower fees relating to the NZDMO facility, offset by higher legal costs from the establishment of the Australian Notes Programme and increased registry fees;
- Operating costs at \$2.981 million were \$143k below budget and reflected lower overhead, personnel and travel costs than forecast, offset by higher non-issuance legal fees; and

- Approved Issuer Levy payments of \$1.975 million were \$88k above forecast due to higher than expected holdings of LGFA bonds by offshore investors.

2.4 Take appropriate steps to ensure compliance 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 2017-18 year.

The Kaikoura earthquake in November 2016 impacted on Wellington CBD buildings. From November 2016 to November 2017, staff worked from the Local Government New Zealand offices and have subsequently relocated back into the office once the building was accessible.

2.5 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 credit ratings from Standard and Poor's (S&P) and Fitch Ratings (Fitch) and meets with both agencies in September and October each year. Meetings were held in 2017 with both agencies and S&P affirmed the long-term rating of LGFA at AA+ (stable outlook) on 25 September 2017 and Fitch affirmed the rating at AA+ (stable outlook) on 10 November 2017.

On 22 May 2018, S&P announced a new methodology for rating the ten entities who comprise their Public-Sector Funding Agency (PSFA) group. LGFA is a member of that group and our rating as at 30 June 2018 remained at AA+ under the old methodology but LGFA was placed on

Under Criteria Observation (or UCO) pending the outcome of the new methodology.¹

Both the S&P and Fitch ratings reports are available on our website (www.lgfa.co.nz/for-investors/ratings).

Both the S&P and Fitch ratings are the same as, and are capped by, New Zealand Government's credit ratings. Fitch has defined LGFA as a credit linked Public Sector Entity and our credit rating is explicitly linked to the New Zealand Government's credit rating.

2.6 Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4 of the SOI.

For the 12-month period to 30 June 2018, LGFA's net operating gain exceeded forecast as net interest revenue was greater than forecast and expenses below forecast.

In \$ million	30 June 2018 Actual	30 June 2018 SOI Forecast
Net interest revenue	18.97	18.22
Issuance and operating expenses excluding Approved Issuer Levy (AIL)	5.19	5.45
Approved Issuer Levy (AIL)	1.98	1.89
Net Operating Gain	11.80	10.88

¹ After the 30 June 2018 balance date, S&P reaffirmed our AA+ credit rating under the new methodology and removed LGFA from UCO on 13 July 2018.

2.7 Meet or exceed the Performance Targets outlined in section 5 of the SOI.

LGFA achieved one of its four performance targets in the 12-month period to 30 June 2018

Performance targets

2017-18 performance targets	Target	Result for 12-month period to 30 June 2018	Outcome
Average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period	<= 0.10%	0.105%	✗ ¹
Annualised annual issuance and operating expenses (excluding AIL)	<= \$5.45 million	\$5.18 million	✓
Lending to Participating Local Authorities	>= \$8.128 billion	\$7.976 billion	✗ Auckland Council did not borrow through LGFA during the 2017-18 year and councils looked to delay pre-funding of the March 2019 loans until the new 2018-19 financial year.
Savings on borrowing costs for council borrowers relative to other sources of financing and compared to previous years	Improvement since prior year end relative to borrowing by councils directly. Council borrowing spreads as at June 2017: 2019s 12 bps, 2021s 20 bps and 2025s 17 bps	Council borrowing spreads as at June 2018: 2019s 11 bps, 2021s 19 bps and 2025s 10 bps	✗ Due to lack of single name issuance by councils. This reduced supply has tightened comparable spreads for Auckland Council and Dunedin City Treasury bonds

1. The outcome is dependent upon the term of borrowing by councils as LGFA on-lending margin reflects a term structure premium for longer borrowing.

2.8 Comply with its Treasury Policy, as approved by the Board.

LGFA was compliant at all times with the Treasury Policy for the 12-month period ending 30 June 2018.

Financial statements

Taukī pūtea

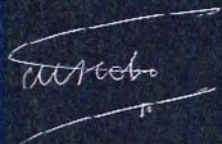
In the opinion of the directors of the New Zealand Local Government Funding Agency Limited, the financial statements and notes on pages 45 to 68:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 30 June 2018, and
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

- The directors believe that proper accounting records have been kept which enables, with reasonable accuracy, the determination of the financial position of the Company and facilitates the compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board of Directors



Craig Stobo, Director
28 August 2018



Linda Robertson, Director
28 August 2018

Statement of comprehensive income

For the year ended 30 June 2018 in \$000s

	Note	Year ended 2018	Year ended 2017
Interest income			
Cash and cash equivalents		627	598
Loans to local government		228,381	219,852
Marketable securities		3,116	2,518
Deposits		5,475	3,782
Derivatives		105,229	93,950
Fair value hedge ineffectiveness	2c	-	-
Total interest income		342,828	320,700
Interest expense			
Bills		8,401	6,029
Bonds		311,944	293,749
Borrower notes		3,278	3,159
Bond repurchase transactions		240	249
Total interest expense		323,863	303,186
Net interest income		18,965	17,514
Operating expenses			
Issuance and on-lending expenses	3	4,182	3,640
Operating expenses	4	2,981	2,828
Total expenses		7,163	6,468
Net operating profit		11,802	11,046
Total comprehensive income for the year		11,802	11,046

Statement of changes in equity

For the year ended 30 June 2018 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 30 June 2016		25,000	19,224	44,224
Total comprehensive income for the year			11,046	11,046
Transactions with owners				
Dividend paid on 14 October 2016			(1,392)	(1,392)
Equity as at 30 June 2017		25,000	28,878	53,878
Total comprehensive income for the year			11,802	11,802
Transactions with owners				
Dividend paid on 20 September 2017			(1,390)	(1,390)
Equity as at 30 June 2018	12	25,000	39,290	64,290

Statement of financial position

As at 30 June 2018 in \$000s

	Note	2018	2017
Assets			
Financial assets			
Cash and bank balances		50,281	49,919
Receivable unsettled bond repurchases		-	13,723
Loans to local government	5	7,975,728	7,783,932
Marketable securities		231,420	127,641
Deposits		201,114	149,949
Derivatives in gain	2d	375,371	364,953
Non-financial assets			
Prepayments		561	544
Other assets	14	609	760
Total assets		8,835,084	8,491,421
Equity			
Share capital		25,000	25,000
Retained earnings		39,290	28,878
Total equity		64,290	53,878
Liabilities			
Financial liabilities			
Trade and other payables		444	453
Accrued expenses		348	554
Bills	6	473,421	348,179
Bonds	7	8,101,004	7,865,401
Borrower notes	8	135,108	131,614
Bond repurchases		6,183	25,682
Derivatives in loss	2d	54,286	65,660
Total liabilities		8,770,794	8,437,543
Total equity and liabilities		8,835,084	8,491,421

Statement of cash flows

For the year ended 30 June 2018 in \$000s

	Note	Year Ended 2018	Year Ended 2017
Cash flow from operating activities			
Cash applied to loans to local government	11	(191,878)	(1,385,002)
Interest paid on bonds issued		(356,416)	(341,100)
Interest paid on bills issued		(8,400)	(6,029)
Interest paid on bond repurchases		(239)	(247)
Interest paid on borrower notes		(2,648)	-
Interest received from loans to local government		228,463	222,121
Interest received from cash and cash equivalents		627	597
Interest received from marketable securities		3,453	2,688
Interest received from deposits		5,310	2,661
Net interest on derivatives		149,898	137,262
Payments to suppliers and employees		(7,066)	(6,051)
Net cash flow from operating activities	10	(178,896)	(1,373,100)
Cashflow from investing activities			
Change in marketable securities		(104,115)	11,661
Change in deposits		(51,000)	(59,000)
Net cashflow from investing activities		(155,115)	(47,339)
Cashflow from financing activities			
Cash proceeds from bonds issued	11	221,120	1,267,666
Cash proceeds from bills issued		125,241	124,263
Cash proceeds from bond repurchases		(5,778)	11,957
Cash proceeds from borrower notes	11	2,863	20,840
Dividends paid		(1,390)	(1,392)
Cash applied to derivatives		(7,683)	9,940
Net cashflow from financing activities		334,373	1,433,274
Net (decrease) / increase in cash		362	12,835
Cash, cash equivalents and bank overdraft at beginning of year		49,919	37,084
Cash, cash equivalents and bank overdraft at end of year		50,281	49,919

1 Statement of accounting policies

a. Reporting entity

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

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

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

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

The financial statements are as at and for the year ended 30 June 2018.

These financial statements were authorised for issue by the Directors on 28 August 2018.

b. Statement of compliance

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

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

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

c. Basis of preparation

Measurement base

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

The financial statements are prepared on an accrual basis.

Functional and presentation currency

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

Foreign currency conversions

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

Changes in accounting policies

There have been no changes in accounting policies.

Early adoption standards and interpretations

NZ IFRS 9: Financial Instruments. The first two phases of this new standard were approved by the Accounting Standards Review Board in November 2009 and November 2010. These phases address the issues of classification and measurement of financial assets and financial liabilities.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. Those which may be relevant to LGFA are as follows:

NZ IFRS 9: Financial Instruments (2014). Effective for LGFA for the financial year commencing 1 July 2018. This standard aligns hedge accounting more closely with the risk management activities of the entity and introduces a new expected credit loss model for calculating impairment. The current estimated impact of transitioning to NZ IFRS 9 at 1 July 2018 on the financial statements is a reduction in net assets not exceeding \$100,000, primarily due to the introduction of impairment allowances.

d. Financial instruments

Financial assets

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

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

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

At each balance date an assessment is made whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Financial liabilities

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

Derivatives

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

Fair value hedge

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

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

e. Other assets

Property, plant and equipment (PPE)

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

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

Intangible Assets

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

f. Other liabilities

Employee entitlements

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

g. Revenue and expenses

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

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

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

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

Income tax

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

h. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

i. Segment reporting

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

j. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large

cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2b for fair value determination for financial instruments.

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

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

2 Analysis of financial assets and financial liabilities

a. Categories of financial instruments

Derivative financial instruments are the only instrument recognised in the statement of financial position at fair value.

Derivative financial instruments are valued under level 2 of the following hierarchy.

- *Level 1* – Quoted market prices: Fair value based on quoted prices in active markets for identical assets or liabilities.
- *Level 2* – Valuation techniques using observable market inputs: Fair value based on a valuation technique using other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- *Level 3* – Valuation techniques using significant non-observable market inputs: Fair value based on a valuation technique using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of derivative financial instruments is determined using a discounted cash flow analysis. Interest rates represent the most significant assumption used in valuing derivative financial instruments. The interest rates used to discount estimated cash flows are based on the New Zealand dollar swap curves at the reporting date.

Financial instruments recognised in the statement of financial position at amortised cost

Fair values of financial instruments not recognised in the statement of financial position at fair value are determined for note disclosure as follows:

Cash and bank, trade and other receivables, trade and other payables

The carrying value of cash and bank, trade and other receivables, trade and other payables approximate their fair value as they are short-term instruments.

Marketable securities and bonds

The fair value of bonds and marketable securities are determined using the quoted price for the instrument (Fair value hierarchy level 1).

Deposits

The fair value for deposits is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on current market interest rates (Fair value hierarchy level 2).

Loans to local government

The fair value of loans to local government authorities is determined using a discounted cash flow analysis. The interest rates used to discount

the estimated cash flows are based on LGFA bond yields at the reporting date plus an appropriate credit spread to reflect the counterparty's credit risk (Fair value hierarchy level 2).

Borrower notes

The fair value of borrower notes is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based

on LGFA bond yields at the reporting date (Fair value hierarchy level 2).

Fair value of financial assets and financial liabilities

The fair value of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

As at 30 June 2018 in \$000s	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets measured at fair value in accordance with NZ IFRS 9	Fair value
Financial assets				
Cash and bank balances	-	50,281	-	50,281
Trade and other receivables	-	-	-	-
Loans to local government	-	7,975,728	-	8,224,666
Marketable securities	-	231,420	-	225,570
Deposits	-	201,114	-	202,061
Derivatives	-	-	375,371	375,371
	-	8,458,543	375,371	9,077,949
Financial liabilities				
Trade and other payables	444	-	-	444
Bills	473,421	-	-	473,467
Bonds	8,101,004	-	-	8,172,546
Borrower notes	135,108	-	-	134,956
Bond repurchases	6,183	-	-	6,183
Derivatives	-	-	54,286	54,286
	8,716,160	-	54,286	8,841,882

As at 30 June 2017 in \$000s	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets measured at fair value in accordance with NZ IFRS 9	Fair value
Financial assets				
Cash and bank balances	-	49,919	-	49,919
Trade and other receivables	-	-	-	-
Receivable unsettled bond repurchases	-	13,723	-	13,726
Loans to local government	-	7,783,932	-	8,031,625
Marketable securities	-	127,641	-	127,818
Deposits	-	149,949	-	150,559
Derivatives	-	-	364,953	364,953
	-	8,125,164	364,953	8,738,600
Financial liabilities				
Trade and other payables	453	-	-	453
Bills	348,179	-	-	348,296
Bonds	7,865,708	-	-	7,958,723
Borrower notes	131,614	-	-	131,109
Bond repurchases	25,682	-	-	25,682
Derivatives	-	-	65,660	65,660
	8,371,636	-	65,660	8,529,923

b. Financial risk management

The Board of Directors has overall responsibility for carrying out the business of LGFA in accordance with risk management policies, including those relating to investing, lending, borrowing and treasury activities. The use of financial instruments exposes LGFA to financial risks, the most significant being market risk, credit risk, and liquidity risk. The exposure and management of these risks is outlined below.

Market risk

Market risk is the risk that changes in market prices will affect LGFA's income or value of financial instruments. The most significant market risk which LGFA is exposed to is interest rate risk. LGFA has no significant exposure to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that future cash flows or the fair value of financial instruments will decrease because of a change in market interest rates. LGFA is exposed to interest rate risk through its interest-bearing financial assets and liabilities.

Interest rate risk is managed using Value at Risk (VaR) and Partial Differential Hedge (PDH) limits to mitigate the potential change in value of the balance sheet due to changes in interest rates. PDH risk measures the sensitivity of a portfolio to a one basis point change in underlying interest rates, whereas VaR measures the expected loss for a given period with a given confidence.

The table below indicates the earliest period in which interest-bearing financial instruments reprice.

As at 30 June 2018 in \$000s	Face value	Less than 6 Months	6 months – 1 Year	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and bank balances	50,281	50,281	-	-	-	-
Loans to local government	7,927,441	6,709,699	300,500	12,500	568,000	336,742
Marketable securities	226,593	152,196	26,897	27,500	20,000	-
Deposits	199,000	130,000	69,000	-	-	-
Financial liabilities						
Bills	(475,000)	(475,000)	-	-	-	-
Bonds	(7,719,000)	-	(1,240,000)	(980,000)	(3,119,000)	(2,380,000)
Borrower notes	(123,062)	(103,690)	(4,696)	(200)	(9,088)	(5,388)
Bond repurchases						
Derivatives	-	(6,454,200)	936,200	938,750	2,516,250	2,063,000
Total	86,253	9,286	87,901	(1,450)	(23,838)	14,354

As at 30 June 2017 in \$000s	Face value	Less than 6 Months	6 months – 1 Year	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and bank balances	49,919	49,919	-	-	-	-
Loans to local government	13,723	13,723	-	-	-	-
Receivable unsettled bond repurchases	7,735,564	6,670,326	6,538	290,500	426,200	342,000
Marketable securities	126,302	103,747	7,555	15,000	-	-
Deposits	148,000	138,000	10,000	-	-	-
Financial liabilities						
Bills	(350,000)	(325,000)	(25,000)	-	-	-
Bonds	(7,505,000)	(1,015,000)	-	(1,200,000)	(2,105,000)	(3,185,000)
Borrower notes	(120,198)	(103,179)	(80)	(4,648)	(6,819)	(5,472)
Bond repurchases	(25,682)	(25,682)	-	-	-	-
Derivatives	-	(5,418,200)	-	909,200	1,666,250	2,842,750
Total	72,628	88,654	(987)	10,052	(19,369)	(5,722)

Interest rate sensitivity

Changes in interest rates impact the fair value of fixed rate assets and liabilities, cash flows on floating rate assets and liabilities, and the fair value and cash flows of interest rate swaps. A change of 100 basis

points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown in the following table. This analysis assumes that all other variables remain constant.

For the year ended 30 June in \$000s	2018		2017	
	100 bps increase \$000s	100 bps decrease \$000s	100 bps increase \$000s	100 bps decrease \$000s
Fair value sensitivity analysis				
Fixed rate assets	-	-	-	-
Fixed rate liabilities	276,613	(281,357)	272,084	(277,500)
Derivative financial instruments	(276,613)	281,357	(272,084)	277,500
	-	-	-	-
Cash flow sensitivity analysis				
Variable rate assets	64,806	(64,806)	62,982	(62,982)
Variable rate liabilities	(1,037)	1,037	(1,008)	1,008
Derivative financial instruments	(66,432)	66,432	(63,867)	63,867
	(2,663)	2,663	(1,893)	1,893

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. LGFA is exposed to credit risk through its lending and investing activities.

Credit risk associated with lending activities is managed by requiring local authorities that borrow from LGFA to meet specific credit lending criteria and to provide security against the borrowing. The LGFA's credit risk framework restricts credit exposures to specific counterparties.

Credit risk associated with investing activities, excluding on-lending, is managed by only investing with New Zealand Government Agencies or counterparties that meet a minimum credit rating of A (Standard & Poor's equivalent). The LGFA's credit risk framework limits concentrations of credit risk for any single counterparty.

Exposure to credit risk

LGFA monitors the concentration of credit risk by the type of counterparty. The carrying value and

maximum exposure to credit risk at the reporting date, before taking account of collateral or other credit enhancements, for significant counterparty types are shown in the table below.

As at 30 June 2018 in \$000s	NZ government agencies	NZ local authorities	NZ registered banks	Other counter- parties	Total carrying value
Financial assets					
Cash and bank balances	49,773	-	508	-	50,281
Trade and other receivables	-	-	-	-	-
Loans to local government	-	7,975,728	-	-	7,975,728
Marketable securities	60,988	43,807	109,544	17,081	231,420
Deposits	-	-	201,114	-	201,114
Derivatives	321,085	-	-	-	321,085
	431,846	8,019,535	311,166	17,081	8,779,628

As at 30 June 2017 in \$000s	NZ government agencies	NZ local authorities	NZ registered banks	Other counter- parties	Total carrying value
Financial assets					
Cash and bank balances	49,385	-	534	-	49,919
Trade and other receivables	-	-	-	-	-
Receivable unsettled bond repurchases	-	-	13,723	-	-
Loans to local government	-	7,783,932	-	-	7,783,932
Marketable securities	31,180	16,937	34,845	44,679	127,641
Deposits	-	-	149,949	-	149,949
Derivatives	364,953	-	-	-	364,953
	445,518	7,800,869	199,051	44,679	8,476,394

Collateral and credit enhancements

LGFA holds collateral against borrowings from local authorities in the form of debenture securities and guarantees.

Credit quality of financial assets

All financial assets are neither past due or impaired. The carrying value of the financial assets is expected to be recoverable.

Liquidity risk

Liquidity risk is the risk that LGFA will encounter difficulty in meeting the obligations of its financial liabilities. LGFA manages liquidity risk by holding cash and a portfolio of liquid assets to meet obligations when they fall due. LGFA is required by policy to maintain sufficient liquidity (comprising a committed liquidity facility and holdings of cash and liquid investments) to meet all operating and funding commitments over a rolling 12-month period.

The New Zealand Debt Management Office (NZDMO) provides a committed liquidity facility that LGFA can draw upon to meet any exceptional and temporary liquidity shortfall. As at 30 June 2018, the undrawn committed liquidity facility was \$600 million (2017: \$500 million).

Contractual cash flows of financial instruments

The contractual cash flows associated with financial assets and liabilities are shown in the table below.

As at 30 June 2018 in \$000s	On demand	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total contractual cash flows	Total carrying value
Financial assets							
Cash and bank balances	50,281	-	-	-	-	50,281	50,281
Trade and other receivables	-	-	-	-	-	-	-
Loans to local government	-	236,487	1,460,213	4,447,506	2,859,147	9,003,353	7,975,728
Marketable securities	-	114,836	59,305	61,268	-	235,409	231,420
Deposits	-	50,880	152,905	-	-	203,786	201,114
Financial liabilities							
Trade and other payables	(444)	-	-	-	-	(444)	(444)
Bills	-	(375,000)	(100,000)	-	-	(475,000)	(473,421)
Bonds	-	(31,000)	(1,558,213)	(4,981,825)	(2,747,625)	(9,318,663)	(7,878,765)
Bond repurchases	-	(6,184)	-	-	-	(6,184)	(6,184)
Borrower notes	-	-	(23,639)	(74,147)	(52,889)	(150,675)	(135,108)
Derivatives	-	(15,961)	152,202	333,394	106,640	576,275	321,085
	49,837	(25,942)	142,774	(213,803)	165,273	118,138	285,707

As at 30 June 2017 in \$000s	On demand	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total contractual cash flows	Total carrying value
Financial assets							
Cash and bank balances	49,919	-	-	-	-	49,919	49,919
Trade and other receivables							
Receivable unsettled bond repurchases		13,723	-	-	-	13,723	13,723
Loans to local government	-	211,716	1,135,725	4,077,315	3,388,036	8,812,791	7,783,932
Marketable securities	-	58,808	54,569	15,750	-	129,126	127,641
Deposits	-	34,762	116,848	-	-	151,611	149,949
Financial liabilities							
Trade and other payables	(453)	-	-	-	-	(453)	(453)
Bills	-	(200,000)	(150,000)	-	-	(350,000)	(348,179)
Bonds	-	(30,000)	(1,322,225)	(4,225,800)	(3,612,475)	(9,190,500)	(7,865,708)
Bond repurchases		(25,684)	-	-	-	(25,684)	(25,684)
Borrower notes	-	-	(17,192)	(66,814)	(62,910)	(146,916)	(131,614)
Derivatives	-	(14,673)	149,931	368,393	151,532	655,184	299,600
	49,466	48,652	(32,343)	168,844	(135,817)	98,802	53,126

c. Hedge accounting

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

The gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships is shown in the table below.

As at 30 June in \$000s	2018 Gain/(loss)	2017 Gain/(loss)
Hedging instruments – interest rate swaps	58,487	(174,572)
Hedged items attributable to the hedged risk – fixed rate bonds	(58,487)	174,572
Hedged items attributable to the hedged risk – fixed rate bonds	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds) are mapped to the same fair value account. For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

d. Offsetting

NZ IAS 32: Financial Instruments Presentation allows financial assets and liabilities to be offset only when there is a current legally enforceable right to set off the amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously. LGFA does not offset any amounts. The following table shows amounts subject to an enforceable master netting arrangement or similar agreement that are not offset in the statement of financial position:

As at 30 June 2018 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	375,371	54,286
Amounts offset	-	-
Carrying amounts	375,371	54,286
Amounts that don't qualify for offsetting	-	-
Financial assets and liabilities	(54,286)	(54,286)
Collateral	-	-
Net Amount	321,085	-

As at 30 June 2017 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	364,953	65,660
Amounts offset	-	-
Carrying amounts	364,953	65,660
Amounts that don't qualify for offsetting	-	-
Financial assets and liabilities	(65,660)	(65,660)
Collateral	-	-
Net Amount	299,293	-

3 Issuance and on-lending expenses

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

For the year ended 30 June in \$000s	2018	2017
NZDMO facility fee	706	442
NZX	333	412
Rating agency fees	577	547
Legal fees for issuance	233	169
Regulatory, registry, other fees	106	37
Trustee fees	100	100
Approved issuer levy ¹	1,975	1,795
Information Services	154	138
	4,182	3,640

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

4 Operating expenses

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

For the year ended 30 June in \$000s	2018	2017
Consultants ¹	188	51
Directors fees	377	348
Insurance	60	60
Legal fees	88	37
Other expenses	743	875
Auditors' remuneration		
Statutory audit	87	81
Advisory services	-	4
Personnel	1,418	1,372
Recruitment	20	-
	2,981	2,828

1. Consultants includes \$119 for Treasury Systems Consultant (2017: \$132). Previously, this cost was reported within Other expenses (with associated treasury systems costs).

5 Loans to local government

As at 30 June in \$000s	2018		2017	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	5,015	25,603	10,018	25,707
Auckland Council	-	2,101,357	-	2,429,887
Buller District Council	-	20,014	-	20,001
Canterbury Regional Council	-	30,103	-	25,083
Central Hawkes Bay District Council	-	2,027	-	-
Christchurch City Council	85,273	1,573,566	96,280	1,485,304
Far North District Council	-	40,130	-	30,121
Gisborne District Council	-	37,275	-	27,085
Gore District Council	6,014	11,064	6,023	11,034
Greater Wellington Regional Council	-	306,302	-	280,702
Grey District Council	-	20,446	-	20,551
Hamilton City Council	-	366,483	-	351,028
Hastings District Council	1,957	75,280	-	60,211
Hauraki District Council	-	38,156	-	41,139
Horizons Regional Council	-	20,035	-	10,013
Horowhenua District Council	6,008	72,868	12,013	63,923
Hurunui District Council	-	23,098	-	23,085
Hutt City Council	4,996	152,802	-	97,727
Kaipara District Council	4,925	40,174	8,925	43,172
Kapiti Coast District Council	-	205,754	-	210,623
Manawatu District Council	-	61,180	-	58,094
Marlborough District Council	17,297	63,237	19,851	63,207
Masterton District Council	-	52,234	2,006	52,209
Matamata -Piako District Council	-	27,599	-	29,581
Nelson City Council	-	60,239	-	55,201
New Plymouth District Council	-	74,324	-	61,167
Northland Regional Council	-	8,634	-	-
Opotiki District Council	-	5,163	-	5,180
Otorohanga District Council	-	6,120	-	9,178
Palmerston North City Council	10,028	82,317	10,025	77,255
Porirua City Council	-	61,754	-	28,608
Queenstown Lakes District Council	10,096	75,954	7,070	86,177
Rotorua District Council	-	150,266	1,001	114,976
Selwyn District Council	-	15,021	-	35,050

5 Loans to local government (cont)

As at 30 June in \$000s	2018		2017	
	Short-term loans	Loans	Short-term loans	Loans
South Taranaki District Council	-	62,278	-	62,267
South Wairarapa District Council	-	17,629	4,034	13,586
Stratford District Council	-	4,513	-	-
Tararua District Council	2,011	15,064	1,004	10,033
Tasman District Council	10,007	109,006	-	90,273
Taupo District Council	-	125,430	-	125,417
Tauranga City Council	-	362,308	-	347,207
Thames-Coromandel District Council	-	45,175	-	35,061
Timaru District Council	12,524	67,331	10,047	67,347
Upper Hutt City Council	4,976	31,638	2,997	31,628
Waikato District Council	-	80,382	-	80,265
Waimakariri District Council	20,024	105,818	10,010	85,797
Waipa District Council	-	13,016	-	13,015
Waitomo District Council	10,066	25,086	5,022	25,027
Wellington City Council	-	395,384	-	294,047
Western Bay Of Plenty District Council	-	105,426	-	105,386
Westland District Council	2,998	14,361	-	-
Whakatane District Council	6,011	48,220	6,021	34,129
Whanganui District Council	5,005	73,367	-	66,327
Whangarei District Council	9,971	132,516	9,972	142,522
	235,202	7,740,526	222,318	7,561,614

6 Bills on issue

As at 30 June 2018 in \$000s

Maturity date	Face value	Unamortised premium	Accrued interest	Total
11 July 2018	50,000	-	(27)	49,973
27 July 2018	25,000	-	(36)	24,964
2 August 2018	125,000	-	(210)	124,790
6 August 2018	25,000	-	(47)	24,953
15 August 2018	50,000	-	(121)	49,879
23 August 2018	25,000	-	(72)	24,928
12 September 2018	50,000	-	(199)	49,801
26 September 2018	25,000	-	(121)	24,879
10 October 2018	25,000	-	(146)	24,854
31 October 2018	25,000	-	(177)	24,823
14 November 2018	25,000	-	(192)	24,808
12 December 2018	25,000	-	(232)	24,768
	475,000	-	(1,579)	473,421

As at 30 June 2017 in \$000s

Maturity date	Face value	Unamortised premium	Accrued interest	Total
12-Jul-17	50,000	(30)	-	49,970
4-Aug-17	25,000	(46)	-	24,954
16-Aug-17	50,000	(129)	-	49,871
13-Sep-17	50,000	(204)	-	49,796
26-Sep-17	25,000	(126)	-	24,874
11-Oct-17	25,000	(143)	-	24,857
26-Oct-17	25,000	(172)	-	24,828
15-Nov-17	25,000	(194)	-	24,806
27-Nov-17	25,000	(223)	-	24,777
13-Dec-17	25,000	(232)	-	24,768
26-Jan-18	25,000	(322)	-	24,678
	350,000	(1,821)	-	348,179

7 Bonds on issue

Bonds on issue do not include \$400 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 9: Treasury stock and bond repurchase transactions.

As at 30 June 2018 in \$000s

Maturity date		Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
15 March 2019	5% coupon	1,240,000	8,990	18,196		
15 April 2020	3% coupon	980,000	(5,904)	6,185		
15 May 2021	6% coupon	1,420,000	57,960	10,882		
14 April 2022	2.75% coupon	270,000	(223)	1,582		
15 April 2023	5.5% coupon	1,429,000	67,183	16,535		
15 April 2025	2.75% coupon	969,000	(44,090)	5,606		
15 April 2027	4.5% coupon	1,056,000	35,890	9,997		
14 April 2033	3.5% coupon	355,000	(31,672)	2,648		
		7,719,000	88,134	71,631	222,239	8,101,004

As at 30 June 2017 in \$000s

Maturity date		Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
15 December 2017	6% coupon	1,015,000	7,762	2,662		
15 March 2019	5% coupon	1,200,000	19,488	17,609		
15 April 2020	3% coupon	755,000	(12,471)	4,765		
15 May 2021	6% coupon	1,350,000	68,236	10,345		
15 April 2023	5.5% coupon	1,350,000	69,813	15,621		
15 April 2025	2.75% coupon	660,000	(34,201)	3,818		
15 April 2027	4.5% coupon	960,000	33,450	9,089		
14 April 2033	3.5% coupon	215,000	(20,650)	1,604		
Total		7,505,000	131,427	65,513	163,460	7,865,401

8 Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to 1.6% of the aggregate borrowings by that local authority.

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

9 Treasury stock and bond repurchase transactions

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position.

As at 30 June 2018, treasury stock had been issued in the following maturities (in \$000s):

	2018	2017
15 March 2019	50,000	50,000
15 April 2020	50,000	50,000
15 May 2021	50,000	50,000
15 April 2022	50,000	-
15 April 2023	50,000	50,000
15 April 2025	50,000	50,000
15 April 2027	50,000	50,000
14 April 2033	50,000	50,000
Total	400,000	350,000

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

Each month, LGFA notifies the market the amount of outstanding repurchase transactions and LGFA bonds held as treasury stock.

As at 30 June 2018, bond repurchase transactions comprised:

Maturity date		30 June 2018 Repurchase transactions	30 June 2017 Repurchase transactions
15 March 2019	5% coupon	1,035	-
15 April 2020	3% coupon	4,076	-
15 May 2021	6% coupon	-	-
14 April 2022	2.75% coupon	-	-
15 April 2023	5.5% coupon	-	-
15 April 2025	2.75% coupon	-	9,981
15 April 2027	4.5% coupon	1,072	15,701
14 April 2033	3.5% coupon	-	-
		6,183	25,682

10 Reconciliation of net profit / (loss) to net cash flow from operating activities

For the year ended 30 June in \$000s		2018	2017
Net profit/(loss) for the period		11,802	11,046
Cash applied to loans to local government	11	(191,878)	(1,385,002)
Non-cash adjustments			
Amortisation and depreciation		1,083	438
Working capital movements			
Net change in trade debtors and receivables		(9)	271
Net change in prepayments		(17)	(9)
Net change in accruals		(28)	(39)
Net Cash From operating activities		(179,047)	(1,373,295)

11 LGFA December 2017 bond maturity

The nominal value of the 15 December 2017 6% coupon bond maturity was \$1,015 million. Loans to councils with nominal values totalling \$879 million, and associated nominal borrower notes totalling \$14 million, also matured on 15 December 2017.

12 Share Capital

As at 30 June 2018, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

Shareholder Information

Registered holders of equity securities as at 30 June	2018		2017	
New Zealand Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames-Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	100%	45,000,000	100%

Capital management

LGFA's capital is equity, which comprises share capital and retained earnings. The objective of managing LGFA's equity is to ensure LGFA achieves its goals and objectives for which it has been established, whilst remaining a going concern.

Dividend

LGFA paid a dividend of \$1,390,000 on 20 September 2017, being \$0.0556 per paid up share (2017: \$1,392,500 on 14 October 2016, being \$0.0557 per paid up share).

13 Operating Leases

As at 30 June in \$000s	2018	2017 ¹
Less than one year	122	-
Between one and five years	263	-
Total non-cancellable operating leases	385	-

1. Not disclosed in 2017 as lease obligations were suspended following 2016 Kaikoura earthquake.

14 Other Assets

As at 30 June in \$000s	2018	2017
Property, plant and equipment	-	-
Intangible assets ²	609	760
Total other assets	609	760

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

15 Capital commitments

As at 30 June 2018, there are no capital commitments.

16 Contingencies

There are no contingent liabilities at balance date.

17 Related parties

Identity of related parties

The Company is related to the local authorities set out in the Shareholder Information in Note 12.

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

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

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating councils. The lending to individual councils is disclosed in Note 5, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating councils. Refer Note 8.

NZDMO provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Transactions with key management personnel: Salaries \$849,969 (2017: \$802,434)

Fees paid to directors are disclosed in operating expenses in Note 4.

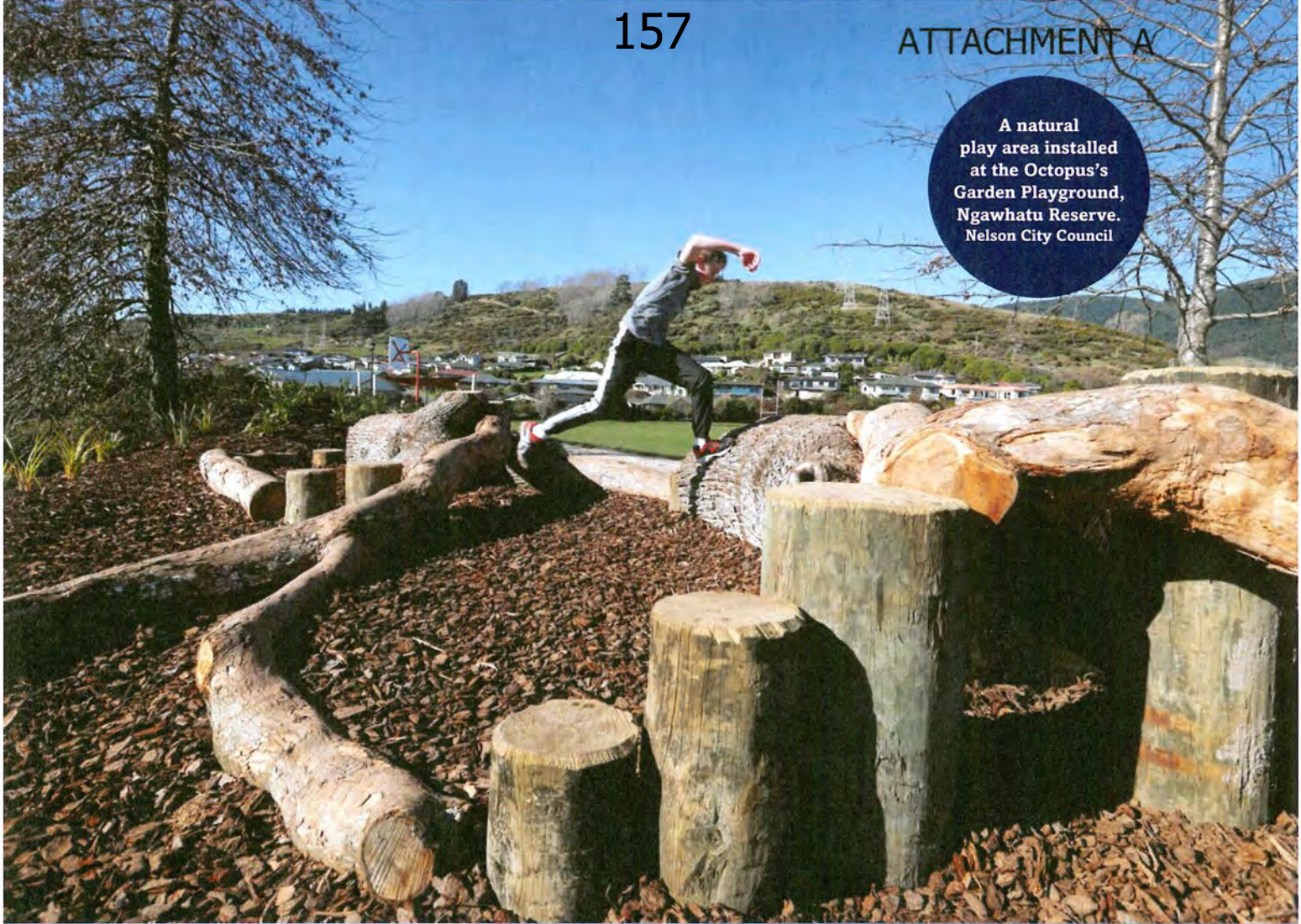
18 Subsequent events

Subsequent to balance date, LGFA has issued \$285 million in bonds through two tenders.

Subsequent to balance date, on 28 August 2018, the Directors of LGFA declared a dividend of \$1,285,000 (\$0.0514) per paid up share.

Subsequent to balance date, on 13 July 2018, Standard and Poors' affirmed the local currency issuer rating of LGFA at 'AA+/A-1+' and removed LGFA from Under Criteria Observation.

A natural play area installed at the Octopus's Garden Playground, Ngawhatu Reserve. Nelson City Council



Site inspection at the Neale Park Sewer Pump Station Upgrade. Nelson City Council





**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED**

The Auditor-General is the auditor of New Zealand Local Government Funding Agency Limited (the company). The Auditor-General has appointed me, Brent Manning, using the staff and resources of KPMG, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 45 to 68, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 32 to 43.

In our opinion:

- the financial statements of the company on pages 45 to 68:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2018; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards (IFRS); and
- the performance information of the company on pages 32 to 43 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2018.

Our audit was completed on 28 August 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the



financial statements as a whole was set at \$61 million determined with reference to a benchmark of company Total Assets. We chose the benchmark because, in our view, this is a key measure of the company's performance. In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of a reasonably knowledgeable person ('qualitative' materiality).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter	How the matter was addressed in our audit
----------------------	---

Existence and impairment of loans

Refer to Note 5 to the Financial Statements.

The loans LGFA has provided to local government make up over 90% of total assets. The loans are recognised at amortised cost and the nature of the counterparties is such that we do not consider these loans to be at high risk of significant misstatement. However, based on their materiality, and the judgement involved in assessing the credit worthiness of counterparties they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our audit procedures included:

- understanding the processes in place to assess borrowers and to record loan transactions. This included evaluating the control environment in place at LGFA.
- agreeing the 30 June 2018 loan balances to external confirmations received from NZ Clear.
- assessing the borrowers' compliance with financial covenants.

We did not identify any material differences in relation to the existence or impairment of loans.

Application of hedge accounting

Refer to Note 2 of the Financial Statements.

LGFA enters into derivatives (interest rate swaps) to manage interest rate risk related to issuing fixed rate bonds. Fair value hedge accounting is applied where specific requirements are met around documentation of the hedge relationship and the relationship is demonstrated as being an effective hedge. Hedge accounting is complex, particularly in the area of whether the requirements (both initial and ongoing) for its application are met. Should the requirements for hedge accounting not be met, LGFA could experience significant volatility in the Statement of Comprehensive Income from changes in the fair value of the derivatives.

Due to the size of the derivative positions and the complexity of hedge accounting we consider this to be a key audit matter.

Our audit procedures included:

- agreeing the terms of the derivatives to the confirmation provided by the derivative counterparty.
- using our treasury valuation specialists we independently recalculated the fair value of all of the derivatives recorded by LGFA.
- ensuring the hedge documentation supporting the application of hedge accounting was in accordance with relevant accounting standards.
- determining that management's hedge effectiveness calculations were correctly performed using appropriate source information.

We did not identify any material differences in relation to the application of hedge accounting.



Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of shareholders, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability



to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 4 to 31, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.

A handwritten signature in black ink, appearing to read 'Brent Manning', written over a light blue background.

Brent Manning
KPMG
On behalf of the Auditor-General
Wellington, New Zealand

Other disclosures

Whākitanga

Waivers from NZX Limited (NZX)

LGFA's fixed rate bonds are quoted on the NZX Debt Market (LGFA Bonds). NZX has granted LGFA a number of waivers from the NZX Listing Rules.

Waiver from Rule 3.2.1

NZX has granted LGFA a waiver from NZX Listing Rule 3.2.1(a) to the extent that this requires the trust deed under which the LGFA Bonds are issued (Trust Deed) to provide that the appointment of a new trustee is to be approved by an extraordinary resolution of the holders of the Securities to which the Trust Deed relates. Effective from 10 May 2016, LGFA ceased to rely on this waiver as the Trust Deed was amended to comply with NZX Listing Rule 3.2.1(a).

Waiver from Rule 5.2.3

NZX has granted LGFA a waiver from NZX Listing Rule 5.2.3 to the extent that this requires the LGFA Bonds to be held by at least 100 members of the public holding at least 25% of the number of securities of that class issued.

The waiver from NZX Listing Rule 5.2.3 was provided on the conditions that:

- LGFA clearly and prominently disclose the waiver, its conditions and its implications in its annual reports and in each profile or Offering Document for the LGFA Bonds;
- LGFA will disclose market liquidity as a risk in each offering document (excluding any offering document referred to in paragraph (f) of the definition of "Offering Document" under NZX Listing Rule 1.6.1) for the LGFA Bonds; and

- the nature of LGFA's business and operations do not materially change from its business and operations as at the date of the waiver decision.

The effect of the waiver is that the LGFA Bonds may not be widely held and there may be reduced market liquidity in the LGFA Bonds.

Waiver from Rule 6.3.2

NZX has granted LGFA a waiver from NZX Listing Rule 6.3.2 so that the deemed date of receipt of notices for a holder of LGFA Bonds who has supplied LGFA with an address outside of New Zealand, will be five working days after that notice is posted to that physical address.

Donations

No donations were made by LGFA during the year ended 30 June 2018.

Net Tangible Assets

Net tangible assets per \$1,000 of listed bonds as at 30 June 2018 is \$7.92 (2017: \$6.86).

Earnings per security

Earnings per security as at 30 June 2018 is \$1.45 (2017: \$1.41).

Amount per security of final dividends

Not applicable

Spread of Quoted Security holders

Spread of bondholders (LGF020, LGF030, LGF040, LGF050, LGF060, LGF070, LGF080 and LGF090) as at 30 June 2018.

Holding range	Holder count	Holding quantity	Holding quantity %
10,000 to 49,999	397	\$10,194,000	0.13
50,000 to 99,999	149	\$10,519,000	0.13
100,000 to 499,999	200	\$43,272,000	0.53
500,000 to 999,999	35	\$24,897,000	0.31
1,000,000 and above	70	\$8,030,118,000	98.90
Total	851	\$8,119,000,000	100.00

Directory

Rārangi tauwaea



Postal address

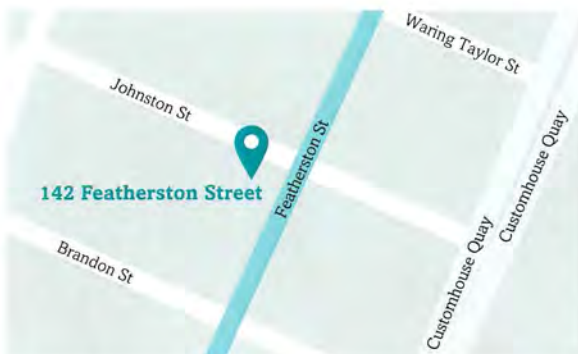
PO Box 5704
Lambton Quay
Wellington 6145

Office hours

Monday through Friday,
09.00-17.30 hrs

Except Public Holidays

Street address



WELLINGTON

Level 8
City Chambers
142 Featherston Street
Wellington 6011



Phone

+64 4 974 6530



Personnel e-mail addresses

firstname.lastname@lgfa.co.nz

Website

www.lgfa.co.nz

General enquiries

lgfa@lgfa.co.nz



AUCKLAND

Level 5
Walker Wayland Centre
53 Fort Street
Auckland 1010

LGFA 

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

www.lgfa.co.nz

Western Bay of Plenty District Council
Private Bag 12803
Tauranga 3143

Attn: Kumaren Perumal

DIVIDEND STATEMENT

Record date: 30 August 2018
Payment date: 7 September 2018
Bank account to be credited: 01-0434-0180600-00
IRD Number: 052-544-300

FINAL DIVIDEND OF 5.14 CENTS PER SHARE

Class of Security	Holding	Payment Rate	Dividend Amount
ORDINARY PAID UP SHARES	1,865,979	5.14c	95,911.32

No imputation credit is attached or withholding tax deducted.

Kind regards,



Mark Butcher
Chief Executive

Chief Executive Information Pack Report for – Aug 2018

Purpose

To provide Council with updates on the Chief Executive's meetings with Community Board Chairs and topics discussed. To provide information on the Chief Executive's meetings as attended on behalf of Council including those attended with His Worship the Mayor

The following topics were discussed at the Community Board Chairpersons meetings with the Chief Executive officer held over the past 6 weeks:

Chairperson Allan Sole – Waihi Beach Community Board

- Compliance Monitoring and Plans for Bylaw Monitoring 2018/19 Summer
- Maranui Estate Holding Pond
- Maintenance of Waihi Beach Entrance points
- CCTV Installation
- Speed Limits and Parking Bylaw
- Beach Access
- Broadlands Block Planting Plan
- Athenree Homestead Insurance

Chairperson Jenny Hobbs – Katikati

- Forthcoming Opening of New Katikati Library
- Memorial Hall Sound System
- Pakeke Lions – Outdoor Gym Proposal
- Katikati Taiao Event
- Katikati Bird Walk Update
- Parking Signage
- Kotahi Lane Entrance/Exit Options
- Suffrage Day
- Talisman Wetland Improvements

Chairperson Murray Grainger – Omokoroa Community Board

- Proposed Interim Library and Service Centre
- Omokoroa Point School Planting Project
- Request for Footpath – Anderley Avenue
- Western Avenue Concept Plan and Proposed Planting
- Omokoroa Road Update
- Omokoroa Road future tree scape/avenue planting

Chairperson Shane Beech – Maketu Community Board

- CCTV Replacement at Maketu
- Use of Community Centre
- Upgrade to Intersection
- Graffiti Art for Maketu Toilet Block and Water Tank
- Kaituna Diversion Works – Impact on Roadways
- Kaituna Boat Ramp Closure
- St Thomas Anglican Church 150 Celebrations
- Gum Tree Removal
- Surf Club Car Park Improvements
- Maketu Cycleway Route
- New Drinking Fountains

Chairperson Peter Miller – Te Puke

- Tactile Paving
- Parking Lines in Jellicoe Street
- Beatty Avenue Rubbish concerns
- Te Puke Emergency Response Plan
- Freedom Camping – issues in Commerce Lane
- Placement of new CCTV system in Commerce Lane
- Community Board Consultation Meeting

1. Additional Booked Engagements and Meetings attended by CEO

31 July	Sustainability with Unispace
31 July	Meeting with Duarne Lankshear
08 Aug	Meeting with Jeff Cook and Cllr Margaret Murray Bengel
10 Aug	LGNZ Three Waters Review Reference Group Meeting
17 Aug	Scott Hamilton – Quayside Meeting
20 Aug	KPMG CEO Outlook Round Table Dinner
24 Aug	Coordinating Executive Group (CEG) Meeting
27 -31 Aug	CEO on leave
05 Sept	CEAG Meeting re SLG
05 Sept	NZKGI Meeting (CEOs)

2. Additional Booked Engagements and Meetings CEO attended with HWTM

31 July	Mayor and CEO Meeting
31 July	TECT Annual AGM
02 Aug	Instep Young Leaders Workshop
03 Aug	Annual Bay of Connections and Regional Growth Programme (RGS)
08 Aug	Council CE/Mayors and Regional Chair Meeting (SmartGrowth)
09 Aug	Preopening Visit Patūki Manawa
13 Aug	Regional Growth Leadership Group (Whakatane)
14 Aug	Barkes Corner Confidential Presentation to Councillors
21 Aug	Official opening of the Patūki Manawa
23 Aug	CEO Performance appraisal to Council
29 Aug	Transport Matters Meeting (Mayors/Chair/CEOs & John Hutchings)
04 Sept	FDS Meeting (Internal)
06 Sept	CEO Confidential Workshop to discuss Barkes Corner with Council
06 Sept	Western Bay Inc meeting (Mayors/Chair and CEOs)
07 Sept	SmartGrowth Leadership Group Closed Workshop
07 Sept	SmartGrowth Leadership Group Meeting



Miriam Taris
Chief Executive Officer