

Finance & Corporate Committee Public Agenda

16 April 2024

Council Chambers
Waipā District Council
101 Bank Street
Te Awamutu



Chairperson
AW Brown

Members
Her Worship the Mayor SC O'Regan, LE Brown,
PTJ Coles, RDB Gordon, ML Gower, MG Montgomerie, DM Morgan, MJ Pettit, EM Stolwyk, CS St
Pierre, BS Thomas,

16 April 2024 01:00 PM

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APOLOGIES



DISCLOSURE OF MEMBERS' INTERESTS

Members are reminded to declare and stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they may have.



LATE ITEMS

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.



CONFIRMATION OF ORDER OF MEETING

Recommendation

That the Finance and Corporate Committee confirms the order of the meeting.

COMMITTEE AGENDA



To: The Chairperson and Members of the Finance and Corporate Committee

From: Governance

Subject: **CONFIRMATION OF MINUTES**

Meeting Date: 16 April 2024

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The local authority, its committees, subcommittees and any local and community boards must keep minutes of their proceedings. These minutes must be kept in hard or electronic copy, authorised by a Chairperson's manual or electronic signature once confirmed by resolution at a subsequent meeting. Once authorised the minutes are the prima facie evidence of the proceedings they relate to.

The only topic that may be discussed at a subsequent meeting, with respect to the minutes, is their correctness.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the open minutes of the Finance and Corporate Committee meeting held on 27 March 2024, having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

3 ATTACHMENT - ĀPITITANGA

Finance and Corporate Open Minutes – 27 March 2024.



Committee: Finance and Corporate
Time: 1.00pm
Date: Wednesday 27 March 2024
Venue: Council Chambers, 101 Bank Street, Te Awamutu

PRESENT

Chairperson

AW Brown

Members

Her Worship the Mayor SC O'Regan, LE Brown, PTJ Coles, RDB Gordon (via Zoom), ML Gower, MG Montgomerie, DM Morgan, MJ Pettit, EM Stolwyk, CS St Pierre, BS Thomas

Opening Karakia- Councillor Morgan

1 APOLOGIES

There were no apologies.

2 DISCLOSURE OF MEMBERS' INTERESTS

None

3 LATE ITEMS

Nil

4 CONFIRMATION OF ORDER OF MEETING

RESOLVED

3/24/10

That the order of the meeting be confirmed.

Councillor Pettit / Councillor Thomas



5 CONFIRMATION OF MINUTES – 20 FEBRUARY 2024

RESOLVED

3/24/11

That the open minutes of the Finance and Corporate Committee meeting held on 20 February 2024, having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

Councillor St Pierre / Councillor Morgan

6 HAMILTON AND WAIKATO TOURISM SIX-MONTH END REPORT 1 JULY – 31 DECEMBER 2023

Hamilton and Waikato Tourism Chief Executive, Nicola Greenwell presented to the Committee.

RESOLVED

3/24/12

That the Finance and Corporate Committee receive the report of Sally Sheedy, Group Manager Customer and Community Services, titled Hamilton and Waikato Tourism Six-Month Report 1 July – 31 December 2023 (document number 11184252).

Councillor Stolwyk / Councillor St Pierre

7 EIGHT MONTH REPORT TO 29 FEBRUARY 2024

Financial Accountant, Nada Milne provided the Committee with a summary of the report and answered questions.

RESOLVED

3/24/13

That the Finance and Corporate Committee

- a) *Receive the report of Nada Milne, Financial Accountant titled 'Eight Month report to 29 February 2024' (ECM number 11195075); and*
- b) *Approve the following 2023/24 funding requests and budget changes:*
 - *An increase of ONE MILLION DOLLARS (\$1,000,000) for the budget for Parks and Reserves budget for C2 Growth Cell Neighbourhood Park, this is externally funded by the developer.*

COMMITTEE MINUTES



- *An increase of FIVE HUNDRED AND THIRTY THOUSAND DOLLARS (\$530,000) for the Parks and Reserves budget for Kotare Park Playground. This is also externally funded.*

Councillor Thomas / Councillor Montgomerie

8 HEALTH AND SAFETY REPORT FOR THE PERIOD NOVEMBER 2023 TO FEBRUARY 2024 INCLUSIVE

Manager HR Operations, Clarke Collins provided the Committee with an update on the four-month Health and Safety reporting period from November 2023 to February 2024.

Mr Clarke noted an error in the report date which was documented as 14 March 2023 and should have been 27 March 2024.

RESOLVED

3/24/14

That the Finance and Corporate Committee receive the report of Clark Collins, Manager HR Operations, and Bev Taylor and Terry Phillips, Health and Safety Business Partners, titled Health & Safety Report for the period November 2023 to February 2024 inclusive (ECM number 11195182).

Councillor St Pierre / Councillor L Brown

9 TREASURY MANAGEMENT INTERNAL AUDIT

Manager Finance, Jolanda Hechter provided highlights from the report.

RESOLVED

3/24/15

That the Finance and Corporate Committee receive the report of Jolanda Hechter, Manager Finance titled 'Treasury Management Internal Audit [ECM number 11192569], including the KPMG report included as Appendix 1 [ECM number 11179539].

Councillor Thomas / Councillor Coles

10 PUBLIC DUMP STATION TE AWAMUTU

Property Projects Specialist, Andrew Don sought approval from the Committee to enter into a Licence with KiwiRail for a nine-year term for 653m² of land located in Station Road, Te Awamutu, at a rental of \$2,180pa plus GST, on which it is proposed

COMMITTEE MINUTES



a dump station for caravans and motorhomes be constructed and to contribute up to \$15,000 plus GST, of Council funds towards the development, through the enablement of a water supply to the proposed dump station.

RESOLVED

3/24/16

That the Finance and Corporate Committee

- a) *Receives the report of Andrew Don – Property Projects Specialist titled Public Dump Station Te Awamutu (11193345)*
- b) *Approves the proposal to enter into a nine-year Licence Agreement as a Licensee with KiwiRail Holdings Limited for 653m² of land in Station Road, Te Awamutu, as detailed on the appended lease plan, at a rental commencing at Two Thousand, One Hundred & Eighty Dollars (\$2,180) per annum plus GST*
- c) *Approves the proposal to contribute up to Fifteen Thousand Dollars (\$15,000) plus GST toward developing the proposed dump station on the licenced land, through enablement of a potable water supply, with these costs to be met via general operating cash surplus.*
- d) *Delegate authority to the Group Manager Business Support on behalf of Council, to enter, and execute any document and/or agreement relating to this Licence and to execute any other documents necessary to give effect to the resolution.*

Councillor L Brown / Councillor Morgan

11 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED

3/24/17

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

The general subject of the 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:

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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
12. Confirmation of Public Excluded Minutes – 5 December 2023 13. Confirmation of Public Excluded Minutes – 20 February 2024 14. Reserves Act 1977 – Renewal of Perpetual Lease, Pirongia 15. New Deed of Lease, Pirongia 16. Disposal Residential Land Kihikihi 17. Lessor Interest Disposal 18. Disposal of Surplus Land Cambridge 19. Contract Extension 20. Rates Debt Recovery	<i>Good reason to withhold exists under section 7 Local Government Official Information and Meetings Act 1987</i>	<i>Section 48(1)(a)</i>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may be, which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, are as follows:

Item No.	Section	Interest
12,13,14,15,16,17,18,19	7(2)(i)	<i>To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i>
13	7(2)(b)(ii)	<i>To protect information which if public would unreasonably prejudice the commercial position of the person who supplied or who is subject of the information.</i>



14,20	7(2)(a)	<i>To protect the privacy of natural persons, including that of deceased natural persons</i>
13	7(2)(c)	<i>To protect information which is subject to an obligation of confidence where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, where it is in the public interest that such information should continue to be supplied; or would be likely otherwise to damage the public interest</i>

Councillor Thomas / Councillor Coles

The meeting went into Public Exclusion at 1.51pm
There being no further business the meeting closed at 3.10pm

CONFIRMED AS A TRUE AND CORRECT RECORD

CHAIRPERSON:

DATE:

COMMITTEE REPORT



To: The Chairperson and Members of the Finance and Corporate Committee

From: Manager Finance

Subject: **Council Controlled Organisations – Draft 2024/25 Statements of Intent and Six-Monthly Reports to 31 December 2023**

Meeting Date: 16 April 2024

1 PURPOSE - TAKE

The purpose of this report is to present the draft Statements of Intent 2024/25 and the half-year results to 31 December 2023 of Waikato Regional Airport Limited and Group; Waikato Local Authority Shared Services Limited (Co-Lab); and the New Zealand Local Government Funding Agency Limited to the Committee, in order that comment can be made on the Statements of Intent in line with legislative process.

Civic Financial Services Limited, although not a Council Controlled Organisation, has also shared the Statement of Intent for their 2024 financial year and that is also provided for information and comment.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

Council is a shareholder in three Council Controlled Organisations (CCOs), namely Waikato Regional Airport Limited (WRAL), Waikato Local Authority Shared Services Limited (trading as Co-Lab), and the New Zealand Local Government Funding Agency Limited (LGFA).

All three of these CCOs have provided Council with their six-monthly reports to 31 December 2023 and draft 2024/25 Statements of Intent (SOI) in accordance with the requirements of the Local Government Act 2002 (LGA). These documents are attached and contained in Appendices 1 to 6 of this report.

The Local Government Act requires a CCO board to deliver to its shareholders a draft SOI on or before 1 March each year for comment, with this comment to be provided by the shareholders within two months. The Board must consider any comments and then provide a completed SOI to the shareholders on or before 30 June each year. The Board must also provide a six-monthly report on its operations

within two months after the end of the first half of each financial year (therefore by 28 or 29 February as relevant). The six-monthly report must contain the information that the SOI for that year has indicated will be provided in these reports.

Council officers have reviewed the documents that have been received and generally support the draft SOI's for Council's CCO's. Appendices 8 to 10 contain proposed draft letters with comments to the Boards on the draft SOI's as recommended by Council officers. The Committee is asked to approve these letters along with any changes or additional comments to be determined by the meeting.

In addition, Council has a shareholding in Civic Financial Services Limited (Civic). Civic is not a CCO and there is no requirement for a draft SOI / Council comment / final SOI process. Civic, however, still produces an SOI document and with their different financial year to the other CCOs has provided Council with its already finalised SOI for the year ending 31 December 2024 for consideration at this meeting. A draft letter has also been prepared to acknowledge the SOI. In regard to Civic, Committee members should be mindful of the conflict of interest that our Deputy Chief Executive Ken Morris has as a Director of that company. Mr Morris will exit the meeting while the Civic matter is discussed if that is determined necessary by the nature of any discussion or matters that a Committee member may want to raise. The proposed letter to Civic will also be signed by the Chief Executive to avert any perceived conflict of interest.

We anticipate that representatives of each of the CCO's will be joining us at the Committee meeting and if that is the case each will be given around 15 to 20 minutes to speak to the documents and their activities.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee:

- a) *Receive the report of Jolanda Hechter, Manager Finance, titled 'Council Controlled Organisations – Draft 2024/25 Statements of Intent and Six - Monthly Reports to 31 December 2023', (document number 11196708);*
- b) *Receive the Six-Month Report to Shareholders for the period to 31 December 2023 and Draft Statement of Intent 2024/25 of Waikato Regional Airport Limited and Group (being document numbers 11197306 and 11197330 respectively, and attached as Appendices 1 and 2 to this report);*
- c) *Approve, subject to any changes or additional comments, the draft letter (document number 11199214) attached as Appendix 8, being Council's proposed comments on the Draft Statement of Intent 2024/25 of Waikato Regional Airport Limited and Group (document number 11197330), to be provided to the Waikato Regional Airport Limited Board;*

- d) *Receive the Six-Month Report to Shareholders for the period to 31 December 2023 and Draft Statement of Intent 2024/25 of Co-Lab Limited (being document numbers 11197336 and 11198878 respectively, and attached as Appendices 3 and 4 to this report);*
- e) *Approve, subject to any changes or additional comments, the draft letter (document number 11199238) attached as Appendix 9, being Council’s proposed comments on the Draft Statement of Intent 2024/25 of Co-Lab Limited (document number 11198878), to be provided to Co-Lab Limited Board;*
- f) *Receive the Six-Month Report to Shareholders for the period to 31 December 2023 and Draft Statement of Intent 2024/25 of the New Zealand Local Government Funding Agency Limited (being document numbers 11199013 and 11199113 respectively, and attached as Appendices 5 and 6 to this report);*
- g) *Approve, subject to any changes or additional comments, the draft letter (document number 11199297) attached as Appendix 10, being Council’s proposed comments on the Draft Statement of Intent 2024/25 of the New Zealand Local Government Funding Agency Limited (document number 11199113), to be provided to the New Zealand Local Government Funding Agency Limited Board;*
- h) *Receive the already finalised Statement of Intent for the year ended December 2024 of Civic Financial Services Limited (document number 11199156, attached as Appendix 7 to this report); and*
- i) *Approve, subject to any changes or additional comments, the draft letter (document number 11199304) attached as Appendix 11, being Council’s proposed comments on the Statement of Intent of Civic Financial Services Limited (document number 11199156), for the year ended December 2024, to be provided to the Civic Financial Services Limited Board.*

4 BACKGROUND – KŌRERO WHAIMĀRAMA

Waikato Regional Airport Limited (WRAL) – Refer Appendices 1 and 2

(a) Six-month financial overview

This report covers the six months 1 July 2023 to 31 December 2023 as required by section 66 of the Local Government Act 2002.

Group financial results

The half-year result for the Group (inclusive of Titanium Park Limited, Hamilton & Waikato Tourism Limited and Waikato Regional Airport Hotel Limited) is an operating surplus after tax of \$2.6m, a reduction from the prior year. The group has experienced challenges driven by the economic environment, but still finds

itself tracking to budget for the year-to-date and full year. While behind on its earnings (EBITDA) compared to the same period last year, full year growth when measured against the preceding year will still be achieved.

The Group's borrowings have increased from the level they were at in December 2022, in order to fund development and investment in other assets.

Operating Revenue for the group has increased 10% from the prior year (2023 \$10.0m, 2022 \$9.0m). Total expenses are lower than in 2022, with the cost of land sales dropping significantly. Operating expenses (excluding cost of land sales) have increased by 17% year-on-year.

Waipa received a net dividend of \$78,100 from the Airport in November 2023 relating to the results for the 2022/23 financial year. WRAL has not indicated any quantum for a further dividend, which is a matter we raise in our draft letter commenting on the draft SOI.

Operations

Passenger numbers were down 3% on last year with travel resuming to a normal level. Aircraft movements increased by 7%.

Waikato Regional Airport Hotel

The JetPark Hotel property has not seen the recovery in customers it had expected citing the same overall economic challenges, however has still achieved growth on the same period last year.

Hamilton & Waikato Tourism Limited

Hamilton & Waikato Tourism (HWT) continue to support the local tourism industry with activities returning to their more normal flow as the region is now welcoming large numbers of visitors from international markets after a challenging three-year period of varying border and travel restrictions. The final workstreams funded by the \$1.7 million of central government grants received over the last three years were also completed in the six-month period. The company has indicated that looking ahead, the organisation faces significant challenges as its funding councils complete their next round of 10-year long term planning processes which will likely impact the future delivery model of HWT.

Titanium Park Limited

Work has continued by Titanium Park Limited (TPL) to advance the Northern Precinct Private Plan Change. While the plan change was granted by Waipa District Council in June 2023, TPL is now working to resolve appellants' concerns over the ecological impacts of the proposed development and parties have amicably agreed a preferred solution with the intention to have fully resolved over the remainder of the financial year. The 100ha of re-zoned land will ensure the Airport precinct cements its presence to be a significant regional

industrial/commercial hub, with a supply of land expected to serve market demand south of the Hamilton City over the next two decades.

Performance measures

The following table sets out the 2023/24 performance targets for the WRAL Group. The forecast to 30 June 2024 indicates the airport will meet the majority of its performance targets set out in its 2023/24 Statement of Intent.

Performance against Statement of Intent

**For the six month period ended 31 December 2023
(unaudited)**

	SOI Full Year 30/6/24	Actual 6 months 31/12/23	Forecast Full Year 30/6/24
Financial Targets			
EBITDA excluding Land Sales	\$6,000	\$3,099	\$5,972
EBITDA including Land Sales	\$7,500	\$5,961	\$8,758
Net Profit before Tax	\$1,000	\$3,164	\$2,600
Net Operating Cash Flow excl Land Sales	\$6,000		
Total Debt (not exceeding)	\$35,000	\$22,030	\$24,200
Percentage of non-landing charges revenue	60%	67%	64%
Land Sales	\$3,000	\$3,623	\$3,623
Interest coverage	3.0x	4.9x	3.9x

The group has several non-financial performance targets covering the range of activities the group undertakes across its aeronautical activities, property, climate change response and caring for its people and community. At 31 December 2023, the Group was on track to meet substantially all of its targets except for certain targets in relation to an aeronautical development that has been deferred with agreement from the future tenants.

(b) 2024/25 Draft SOI

At the time of preparing the Draft SOI the group's strategic intent remains fairly consistent from last year with its key objectives being:

- Operate an efficient and compliant airport;
- Enhance the traveller experience;
- Maintain a viable aeronautical business;
- Maximise revenue diversification through non-aeronautical business opportunities;
- Develop and optimise the land holdings of the Group to generate a long-term income from a diversified property portfolio;
- Operate the airport hotel to return to (or exceed) its investment business case growth targets and customer satisfaction targets following the disruptions of its growth strategy from the pandemic;
- Subject to the finalisation of funding under the Council LTP process, assist with the development and marketing of the Hamilton and

Waikato region as a visitor destination to domestic and international visitors;

- Te Tiriti and Te Ao Maaori
- People; and
- Sustainability.

The financial and non-financial targets are shown in the table below:

KEY PERFORMANCE TARGETS

The following annual performance targets are proposed for the Waikato Regional Airport Limited Group in relation to its core purpose and key objectives.

	2025	2026	2027
EBITDA excl Land Sales	\$6.0m	\$7.0m	\$8.0m
EBITDA incl Land Sales	\$9.0m	\$20.0m	\$20.0m
NPBT no less than	\$2.6m	\$13.0m	\$14.0m
Net Operating Cash Flow	\$4.0m	\$5.0m	\$6.0m
Total Debt excl Design Buildings (max)	\$39m	\$50m	\$50m
Percentage of non-landing charge revenue	60%	60%	60%
Land Sales	\$4m	\$20m	\$20m
Interest Coverage	3.0x	3.0x	3.0x

NON-FINANCIAL PERFORMANCE TARGETS

The following non-financial key performance targets are proposed for the Waikato Regional Airport Limited Group in relation to its core purpose and key objectives for the year ending 30 June 2025.

Health, safety and wellbeing.

- Zero Work Safe notifiable accidents/injuries
- Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.

Aeronautical compliance.

- To maintain the Airport Certification Standards as required by the Civil Aviation Authority.
- Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).

Maintain a viable aeronautical business.

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Position and protect the airport as an efficient, cost effective international port.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Property.

- Complete detailed design for Stage One of the Northern Precinct Development.
- Complete ecological management plan and commence development of ecological habitat compensation site

Climate Change Response.

- Reduce Group electricity purchases by at least 20% on 2024 levels (measured in kWh used) due to the solar farm development.
- Advance application for Level 4+ accreditation to the Airport Council International's Airport Carbon Accreditation Programme.
- Reduce landfill waste through reduced usage of non-recyclable single-use materials and improved sustainable material usage in construction.



Dividend policy

The Directors have indicated they will review the performance and outlook of the group annually before declaring any dividend. Our draft letter suggests that the annual review of the dividend level could be brought forward to the draft SOI timeframe.

Commercial value of the Shareholders Investment

No commercial valuation of shares has been completed. The consolidated balance sheet of WRAL as at 30 June 2023 shows shareholder equity of \$234m based on recent independent valuations of the Group's property, plant and equipment and investment properties.

Officers' response to draft SOI

As well as a call to quantify an expected dividend in the Statement of Intent as noted above, Council Officers also suggest that Council seeks a firmer commitment from the Board to advance what they have described as 'credible engagement' with international airlines on the re-introduction of regular scheduled Trans-Tasman flights. The references to this in the draft SOI are relatively vague and officers believe there should be a greater commitment to make this a focus.

Co-Lab – Refer Appendices 3 and 4**(a) Six-month report**

This Report covers the six months 1 July 2023 to 31 December 2023 as required by section 66 of the Local Government Act 2002.

Service performance

Co-Lab works with councils to:

- Make councils more effective and efficient; and
- Improve the experience communities have when engaging with councils.

It achieves these outcomes by:

- Acting as an ideas laboratory for developing opportunities that create value to councils;
- Providing shared services to councils; and
- Entering joint procurement arrangements for the benefit of councils.

Their half-yearly report includes projects and shared services that have substantial activity to report on over the first half of the financial year.

Performance measures

The following performance measures were included in the 2023/24 Statement of Intent covering the financial years ended 30 June 2023-2025. An update on performance against target, as at 31 December 2023, is listed below:

Priority	Performance measure	Target	Outcome (progress toward target)
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings/increased revenue to councils of at least \$300k	<p>During the first six months of the financial year, Co-Lab advanced various opportunities that will ultimately add value.</p> <p>These are:</p> <ul style="list-style-type: none"> • Right People Right Place • RATA Spaces & Places • Project Management shared service • Restructure of the WRTM service • Parking enforcement shared service <p>Co-Lab's new benefits framework highlights that some of our opportunities will deliver value that is not specifically aligned with 'projected savings/increased revenue'.</p> <p>The Right People, Right Place project has the potential to deliver significant savings to councils by improving staff retention. However, because the report is at a strategic level, and because no decisions have been made on how the initiative will continue, the benefits have not been quantified in any detail.</p> <p>Project Management Shared Service and the Parking enforcement Shared Service both have the potential to deliver savings. These will be estimated as each opportunity is developed.</p>
	Business cases are supported by councils (evidenced by take up of the opportunity)	75% of councils	<p>Average (across 2 initiatives) is 60%</p> <p>The RATA Spaces & Places opportunity was supported by 5 (45%) councils (out of a possible 11)</p> <p>Building Consent Cadetship opportunity was supported by 6 (75%) councils (out of a possible 8). The Cadetship was not established because it was decided that it needed 100% participation.</p>
Develop opportunities and deliver projects within agreed budgets and timelines	Opportunities / projects are developed / delivered within agreed timelines	80%	<p>60% (3/5) for the 6 months to 31/12/2023</p> <p>Within timeline:</p> <ol style="list-style-type: none"> 1. Future Proof Data Analytics 2. Right People, Right Place 3. Project Ohu Round 1 <p>Not completed as per plan were:</p> <ol style="list-style-type: none"> 1. AMCE (Now RATA Spaces & Places) Opportunity Assessment (slow council response) 2. Project Wakanda Round 1 (delayed to allocate effort to another project)
	Opportunities / projects are developed / delivered, within approved budget	90%	<p>83% (6/7) for the 6 months to 31/12/2023</p> <p>Within Budget:</p> <ol style="list-style-type: none"> 1. AMCE (Now RATA Spaces & Places) 2. WRTM restructure 3. Right People, Right Place 4. Project Wakanda Round 1 5. Project Ohu Round 1 <p>The Future Proof Data Analysis project was the exception. This was completed 8% over budget.</p>
	Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval		Our latest forecast shows that Company Management & Support will be undertaken under budget by \$38k for the full 2024 financial year.

Ensure projects realise their expected benefits	Measurable benefits are actively monitored and reported against	Six-monthly	Management presented one "Project Benefit Assessment" to the Audit & Risk Committee (ARC). The assessment covered Waikato OneView.
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months 90% of projected quantifiable benefits are realised	No "Project Benefit Assessments" for \$200k Projects were undertaken in the 6 months to 31/12/23.
Ensure existing services are meeting the needs of councils	The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): <ul style="list-style-type: none"> • RATA – roading & waters • Waikato Building Cluster • Regional Infrastructure Technical Specifications • Energy & Carbon Management • Professional Services Panel • Health & Safety pre-qualification 	80% of councils	Not currently measurable: As in the prior year we will be undertaking a survey of council staff in the first half of 2024 to ensure each service offering is continuing to meet the needs of councils.
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice	Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum	No ideas were received through our website in the 6 months to 31/12/23. Ideas continue to arrive from other sources. Notably, 'Parking Enforcement Shared Service' and the 'EV charging' opportunity came to us from council staff and are already being escalated. Project Wakanda is a board directive to search for ideas by looking for shared-service success stories (internationally and in other sectors).

Financial performance

The financial results for the six months to 31 December 2023 are favourable to budget. This is largely due to the LiDAR project progressing slower than anticipated meaning less expenditure arose during the period, and because of a change to the sequencing of invoicing. For the full year the company forecast to be behind budget due to utilising RATA's surplus cash reserves. This approach was signalled to councils in December.

Net loss for the period ended 31 December 2023 was \$319,650 against a year to date ("YTD") budgeted deficit of \$431,241. The statement of cash flows show a net decrease in cash and cash equivalents for the 6 months ended 31 December 2023.

(b) 2024/25 Draft SOI

Co-Lab Management has created a 3-year strategy with the aim to ensure the company focuses on the right tasks, allowing its council shareholders to assist their communities. This strategy aims to see the company:

- Improve the way that it communicates the value it provides to shareholders, and increase that value;
- Focus on growing shared services, which may include providing services to councils who are not shareholders, but never at the expense of value to shareholders; and
- Employ great people with diversity of thought so shareholders receive high-quality services.

With this Statement of Intent, the company is signalling its intention to adopt the three-year strategy and accompanying performance measures.

Co-Lab is also signalling a "one off" reduction in member charges for the 2024/25 financial year. The lower member fee income and subsequent projected operating deficit will be funded by using cash surpluses. The intention is for member fees to return to normal levels in the financial years following.

Vision and Outcomes – Co-Lab’s Performance Framework Statement of Intent at a glance - our 3-year strategy



Performance Measures:

Strategic goal	3-year Objective	Annual KPI
Shareholding councils understand we provide them value	<ul style="list-style-type: none"> We know the value we provide shareholders has improved by 15%, by 30 June 2027* (baseline y/e 30 June 23). By 30 June 2027, 80% of shareholders agree they get value from Co-Lab. All shareholders take up at least one additional shared service. <p><i>*Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i></p>	<ul style="list-style-type: none"> Year-on-year increase in the value we provide to councils. 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey). Year-on-year increase in the utilisation of services we provide to councils.
Deliver value by growing the scale of our shared service function	<ul style="list-style-type: none"> Expand the utilisation of Co-Lab's shared services by a minimum of 24 customers, by June 2027 (baseline y/e 30 June 23) 	<ul style="list-style-type: none"> Year-on-year increase in the utilisation of services we provide to councils. Year on Year increase in the number of services available to councils.
Diverse, talented and motivated people work for us	<ul style="list-style-type: none"> Staff engagement increases by 5% by 30 June 2027. Staff turnover is less than 15%. Our vacancies are filled by suitable candidates within 3 months. <p><i>All baselined y/e 30 June 23)</i></p>	<ul style="list-style-type: none"> Year-on-year increase in staff engagement. Staff turnover is less than 15%. Vacancies are filled by suitable candidates within 3 months.

Current utilisation of services

The Draft Statement of Intent (Appendix 4) contains an illustration of the services offered by Co-Lab and the current participation by shareholder councils on each of these offerings.

Officers' response to draft SOI

Co-Lab has proposed an average increase to Waipa's investment cost of 2% from 2023/24 to 2024/25 as part of its draft SOI. It should be noted that costs associated with the company management and support, working parties and joint procurement have decreased, as signalled in the draft SOI (utilising cash reserves to reduce these costs).

With the changes in legislation and the uncertainty around "Local Water done well" it is thought that Co-Lab Water Services will remain with Co-Lab throughout the forecast period. Fees associated with these services have increased year on year.

Below is a summary of Waipa estimated costs for the 2022/23 and 2023/24 financial years as well as a view of the 2024/25 investment. It should be noted that there is a pattern of actual costs being less than anticipated, and that Waipa has sufficient budget in the 2024/25 Annual Plan to absorb the costs indicated.

	2022/23	2023/24	2024/25
Fee schedule – Co-Lab	1,235,500	1,168,500	1,191,617
Year on year movement	-5%	-5%	2%

Officers are largely supportive of the priority projects and areas of focus proposed by the company, but it should be noted that Waipā does not participate in all the services Co-Lab has on offer. Officers will continue to work closely with Co-Lab to understand and influence the projects on offer.

Officers also believe that Co-Lab has critically reviewed their performance measures attempting to demonstrate the value-add to Waikato local government and to ensure the company can report back on their performance against the set measures.

New Zealand Local Government Funding Agency Limited (LGFA) – Refer Appendices 5 and 6

(a) Six-Monthly report

Summary of performance

Key points to note for the six-month period to December 2023:

- Increased lending to Council and CCO borrowers

At 31 December 2023, LGFA had a market value of loans outstanding of \$18.8 billion which followed record lending of \$2.63 billion over the six-month period. Two new CCOs were added as members over the six months, bringing the number of members to 72 councils and 5 CCOs.

- A focus on sustainability

The Climate Action Loan (CAL) product was launched for council and CCO members in December 2022 to incentivise borrowers through a lower loan margin if they have an approved greenhouse gas (GHG) emission reduction plan in place and are meeting their reduction targets. At December, CALs total \$1.2 billion across four councils.

The Green, Social and Sustainable (GSS) loans provide a discounted borrowing margin to councils and CCOs for eligible projects. Over the six-month period a further project was approved as eligible for GSS lending, bringing the number of eligible projects to six across six councils.

The first Annual Impact Review report was published for the NZX listed Sustainable Financing Bond. LGFA is having ongoing dialogue with councils relating to GHG emission reporting and reduction and are currently preparing for its first report under Climate Related Disclosure requirements for the 2024 Annual Report.

- Financial position tracking to forecast

Net Operating Profit for the six-month period was \$5.2 million, which is slightly below the SOI 2023/24 forecast due to higher costs from increased issuance, and the establishment and issuance under foreign currency programmes. However, the company expects to meet the full year SOI forecast by June 2024. LGFA has assets of \$21.77 billion and Shareholder Equity of \$109.4 million as at 31 December 2023.

- Working with stakeholders

The LGFA has been assisting Central and Local Government with the implementation of the water reform programme and with councils and CCO members on promoting sustainability.

A further highlight was LGFA being voted by market participants for an unprecedented five awards at the KangaNews Awards including New Zealand Debt Issuer of the Year award for the second consecutive year.

Performance targets

Ten performance targets are specified in the 2023/24 SOI. As at 31 December 2023, LGFA were meeting 16 out of the 17 performance targets.

Performance – governance, capability and business practice

Performance targets	2023-2024 target	Our performance to 31 December 2023
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.	✓ No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	✓ Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings. Fitch Ratings affirmed our foreign and domestic currency ratings at AA+ with a Stable Outlook on 19 October 2023. S&P Global Ratings affirmed our domestic currency credit rating at AAA and our foreign currency rating at AA+ in March 2023.
LGFA's total operating income for the period to 31 December 2023.	> \$20.6 million.	✓ \$10.6 million for six months to 31 December 2023. Expect to exceed SOI by year end.
LGFA's total operating expenses for the period to 31 December 2023.	< \$10.0 million.	✗ \$5.4 million for six months to 31 December 2023. Year-end operating expenses will exceed SOI due to higher Approved Issuer Levy than budgeted, as well as additional costs from (1) higher levels of issuance and onlending than budgeted; (2) legal and associated costs for inaugural foreign currency issuance, and (3) preparation for potential role in 'Local Water Done Well' and the proposed Ratepayer assistance programme.

Optimising financing services for local government

Performance targets	2023-2024 target	Our performance to 31 December 2023
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	✓ Met – 89% as at 31 December 2023
Total lending to Participating Borrowers.	> \$17,870 million	✓ Met – \$18,789 million as at 31 December 2023
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	✓ 100% satisfaction score in August 2023 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	✓ Met
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	✓ Met

Environmental and social responsibility

Performance targets	2023-2024 target	Our performance to 31 December 2023
Comply with the Health and Safety at Work Act 2015.	No breaches	✓ No breaches.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	✓ Toitū Net Carbon-zero recertification approved August 2023.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	✓ On track to meet target
Increase our GSS lending book.	Two new GSS loans undertaken. Three new borrowers enter into CALs	✓ On track to meet target
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	✓ 2023 Annual Report prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).
Meet all mandatory climate reporting standards.	100%	✓ On track to meet target

Effective management of loans

Performance targets	2023-2024 target	Our performance to 31 December 2023
Review each Participating Borrower's financial position.	100%	✓ On target to meet by 30 June 2024.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%	✓ On target to meet by 30 June 2024.

(b) 2024/25 Draft SOI

This draft SOI, including financial forecasts, assumes that there are no implications for LGFA from the Local Waters Done Well Programme. Once further information is received as enabling legislation is introduced in June and December 2024, the changes will be included in the statement of intent if there have been material changes to the company's forecast assumptions.

The following points regarding the Draft 2023/24 SOI are also worth noting:

- Profitability is forecast to remain strong with projections for Net Operating Gain of \$15.1 million, \$13.1 million and \$10.1 million for the next three years. The company has cautioned against placing too much emphasis on year two and year three forecasts given that \$7.1 billion of LGFA bonds and \$7.5 billion of council and COO loans are maturing over the three-year SOI forecast period. This is because assumptions regarding the amount and the timing of refinancing and interest rates have a material impact on financial projections.
- The forecast of council loans (short and long term) outstanding was increased as at June 2025 to \$22.08 billion and to \$24.45 billion as at June 2026. This increase reflects a higher starting position as at 30 June 2024 and councils undertaking further capex and continued high utilisation of short-term borrowings from LGFA.
- Net interest income is expected to gradually reduce over the forecast period as the balance sheet grows from increased council lending but is offset by a larger holding of liquid assets and slightly lower forecast interest rates.
- Compared to the previous SOI, issuance and operating expenses, excluding Approved Issuer Levy are forecast to be approximately \$700k higher in the 2024/25 and \$600k in 2025/26 financial years. This is due to forecast higher IT, HR and legal costs associated with increased foreign currency issuance, water reforms and increased staffing.
- The proposed SOI performance targets are similar to the previous SOI. The focus remains on sustainability, assisting councils with greenhouse gas (GHG) emission reporting, monitoring the credit quality of the sector, and assisting with the implementation of the Local Water Done Well Programme.

Financial forecasts

The LGFA's financial forecasts for the three years to 30 June 2027 are:

Comprehensive income \$m	Jun 25	Jun 26	Jun 27
Net Interest income	28.3	28.3	27.0
Other operating income	1.5	1.5	1.5
Total operating income	29.8	29.8	28.5
Approved Issuer Levy	4.2	5.8	7.2
Issuance & onlending costs	4.1	4.2	4.3
Operating overhead	6.3	6.6	6.9
Issuance and operating expenses	14.6	16.6	18.4
P&L	15.1	13.1	10.1
Financial position (nominals) \$m	Jun 25	Jun 26	Jun 27
Liquid assets portfolio	2,379	2,788	2,769
Loans to local government	22,086	24,456	26,053
Total Assets	24,465	27,244	28,823
Bonds on issue (ex Treasury stock)	22,332	25,017	26,486
Bills on issue	1,350	1,350	1,350
Borrower notes	508	573	623
Total Liabilities	24,190	26,940	28,459
Capital	25	25	25
Total Liabilities	19,308	20,509	21,577
Capital	25	25	25
Retained earnings	106	118	126
Dividend	(2)	(2)	(2)
Shareholder equity	130	141	149
Ratios	Jun 25	Jun 26	Jun 27
Liquid assets/funding liabilities	10.4%	10.9%	10.2%
Liquid assets / total assets	9.7%	10.2%	9.6%
Net interest margin	0.13%	0.12%	0.10%
Cost to income ratio	49.2%	55.9%	64.5%
Return on average assets	0.06%	0.05%	0.04%
Shareholder equity/total assets	0.5%	0.5%	0.5%
Shareholder equity + BN/total assets	2.6%	2.6%	2.7%
Asset growth	12.8%	11.4%	5.8%
Loan growth	11.3%	10.7%	6.5%
Return on equity	13.0%	10.1%	7.2%
Capital ratio	13.0%	13.1%	13.4%

Performance targets

The LGFA has the following performance targets:

Governance, capability and business practice

Performance targets	2024-2025 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
Succession plans be put in place for the Board and staff and be reviewed annually.	Plan established and shared.
LGFA's total operating income for the year to 30 June 2025.	>\$29.8 million.
LGFA's total operating expenses for the year to 30 June 2025.	<\$15.6 million.

Optimising financing services for local government

Performance targets	2024-2025 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Total lending to Participating Borrowers.	> \$22,000 million.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

Environmental and social responsibility

Performance targets	2024-2025 target
Comply with the Health and Safety at Work Act 2015	No breaches.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Three new borrowers enter into CALs.
Ensure Annual Report is prepared in compliance with applicable GRI Standards	100%
Meet all mandatory climate reporting standards	100%

Effective management of loans

Performance targets	2024-2025 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

Officers' response to draft SOI

The LGFA has been a very successful organisation and has provided huge value to the sector. The only comment suggested by Council officers in regard to their SOI is that they be more definitive in what they can assist with in regard to advocating for more appropriate infrastructure funding and financing mechanisms and settings in the challenging environment that the local government sector, and in particular growth Councils like Waipa find themselves in, particularly after repeal of the waters reform legislation.

Civic Financial Services Limited – Refer Appendix 7

(a) SOI for the financial year ended 31 December 2024

CIVIC financial services has shared their finalised Statement of Intent for the financial year ended 31 December 2024.

Their mission is to be a trusted and preferred financial service provider to the local government sector:

- Dedicated to their shareholders.
- Committed to their members.

- A sound successful business.

The financial projections of Civic are discussed below:

- Their primary source of income for 2024 will come from providing superannuation administration for the local government sector through the SuperEasy KiwiSaver Superannuation Scheme and the Local Government Superannuation Scheme. They also receive fees from providing administration, accounting and other services to the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool.
- Another source of income in 2024 will be returns on investments.
- Civic has resolved to not pay any dividends to the shareholders. These funds will be applied to effect a reduction to the administration fees for the two superannuation schemes.
- Because of this, they have reduced the schemes' base investment management fee from 1 April 2024 from a rate of 0.35% per annum to 0.33% per annum.

Financial projections for 2024 to 2026 are:

	2024 \$000's	2025 \$000's	2026 \$000's
Administration Income	2,162	2,173	2,230
Investment Income	525	530	597
Total Revenue	2,687	2,703	2,827
Expenses	2,563	2,600	2,572
Surplus before tax	124	103	255
Surplus after tax	89	74	183

The company will provide their audited annual report for 2023 to their shareholders by 30 April 2024. Their unaudited interim financial statements were presented to this committee in October 2023.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matters in this report have a low level of significance.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
Option 1: Do nothing	<ul style="list-style-type: none"> No known advantages 	<ul style="list-style-type: none"> Non-compliance with legislation.
Option 2: Provide comment in feedback letters to CCOs	<ul style="list-style-type: none"> This will allow the entities to finalise their SOI's while taking Council's comments into consideration, and comply with legislative requirements. 	<ul style="list-style-type: none"> No known disadvantages

The recommended option is Option 2. The reason for this is set out in the table above.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the staff recommendations comply with Council's legal and policy requirements.

Financial Considerations – Whaiwhakaaro ā-Pūtea

There are no costs associated with completing this activity.

Risks - Tūraru

There are no known significant risks associated with the decisions required for this matter.

8 NEXT ACTIONS

Action	Responsibility	By When
Sign and distribute final letters to each entity	Deputy CE	19 April 2024

9 APPENDICES - ĀPITITANGA

No:	Appendix Title
1	WRAL – Six Month Report to Shareholders for the period to 31 December 2023 (ECM number 11197306)
2	WRAL – Draft Statement of Intent 2024/25 (ECM number 11197330)
3	Co-Lab – Half yearly report to 31 December 2023 (ECM number 11197336)
4	Co-Lab – Draft Statement of Intent 2024/25 (ECM number 11198878)
5	LGFA – Six Month Report to Shareholders for the period to 31 December 2023 (ECM number 11199013)
6	LGFA – Draft Statement of Intent 2024/25 (ECM number 11199113)

No:	Appendix Title
7	Civic Financial Services Limited – Statement of Intent for the year ended December 2024 (ECM number 11199156)
8	Draft letter to WRAL – Comments on Draft Statement of Intent 2024/25 (ECM number 11199214)
9	Draft letter to Co-Lab – Comments on Draft Statement of Intent 2024/25 (ECM number 11199238)
10	Draft letter to LGFA – Comments on Draft Statement of Intent 2024/25 (ECM number 11199297)
11	Draft letter to Civic Financial Services – Comments on Statement of Intent for the year ended December 2024 (ECM number 11199304)



Jolanda Hechter
MANAGER FINANCE



Approved by Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

WRAL – Six Month report to Shareholders for the period to 31 December 2023
(ECM number 11197306)

INTERIM REPORT

WAIKATO REGIONAL AIRPORT LIMITED

For the six months ended 31 December 2023



CHIEF EXECUTIVE'S REPORT



Key results at a glance

- 3%

Passenger volume: 195,000
Decrease of 6,000

+ 7%

Aircraft movements: 16,800
Increase of 1,200

+ 10%

Operating revenue: \$10.0m
Growth of \$0.9m

- 8%

EBITDA excluding land sales: \$3.1m
Decrease of \$0.2m

Net surplus after tax: \$2.6m

Total shareholder funds: \$236.0m

* Changes are measured compared to the six months ended 31 December 2022

COMMENTARY

Much of the narrative around the WRAL Group's successes during the last three years has been due to the diversification strategy that has sustained the Group through the most challenging times in the Airport's history.

While this is the first financial year since 2019 to have benefited from no restrictions to COVID-related travel, across the Group we are experiencing the challenges of the economic headwinds.

- The airport has experienced largely steady passenger numbers year-on-year, despite an expectation for growth, with discretionary travel reductions for both business and leisure purposes evident. A second factor has been the challenges national airline, Air New Zealand, has faced with crewing constraints on its domestic fleet further

exacerbated by a global maintenance issue with Airbus engines creating conflicting demands on turboprop fleet between main centres and regions.

- The JetPark Hotel property has also not seen the recovery in customers it had expected citing the same overall economic challenges, however has still achieved growth on the same period last year.

Despite these challenges, the Group finds itself still tracking to budget for the year-to-date and full year. While behind its earnings (EBITDA) compared to the same period last year, full year year-on-year growth will still be achieved.

7% growth in aeronautical movements tells one part of a very positive story for the re-emergence of our general aviation sector. The other lies within our property investment strategy. As has been previously reported, the Group had acquired the improvements of some significant aeronautical properties in the previous year and we have been able to support the growth aspirations of our existing tenants by enabling them to move on airport to larger facilities, whilst also welcoming regular new operators to the airport.

The last six months has also seen the first credible engagement with international airlines in a decade. The Airport has been responding to genuine inquiries regarding the possibility of scheduled Trans-Tasman services. Key drivers behind these inquiries have been two-fold; firstly our strategic location in close proximity to Auckland as an alternate; and secondly as a destination in our own right with growth in the regional catchment, paired with the introduction of smaller Embraer E190 and Airbus A220 aircraft to Australian fleets, making us once again a potentially viable Trans-Tasman port.

While the property market has not been conducive to land activity, the apparent slow-down evident from our financials was not unexpected and in keeping with the staging strategy of our Titanium Park development. The 2024 financial year was always expected to live in the shadow of 2023, which saw settlement of pre-sold sections from the Central Precinct 5th Stage. Titanium Park is now substantially sold out with just three hectares of the total 30 hectares developed on the eastern side of the airport available for sale or lease.

Work has continued by Titanium Park Limited (TPL) to advance the Northern Precinct Private Plan Change. While the plan change was granted by Waipa District Council in June 2023, TPL is now working to resolve appellants' concerns over the ecological impacts of the

proposed development and parties have amicably agreed a preferred solution with the intention to have fully resolved over the remainder of the financial year. The 100ha of rezoned land will ensure the Airport precinct cements its presence to be a significant regional industrial/commercial hub, with a supply of land expected to serve market demand south of the Hamilton City over the next two decades.

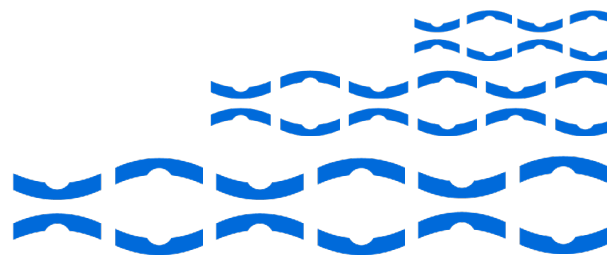
Hamilton & Waikato Tourism (HWT) continue to support the local tourism industry with activities returning to their more normal flow as the region is now welcoming large numbers of visitors from international markets after a challenging three year period of varying border and travel restrictions. The final workstreams funded by the \$1.7 million of central government grants received over the last three years were also completed in the six month period. Looking ahead, the organisation faces some significant challenges as its funding councils complete their next round of 10-year long term planning processes which will impact the future delivery model of HWT.

Shortly before completion of the six-month period, the Group was able to switch on its 0.5Mega Watt solar farm. WRAL is the first airport in New Zealand to have commissioned its

own facility. Gifted the name Tama-nui-te-ra (Son of the Sun) by local iwi partners Ngaati Haua, early indications are the generation facility is delivering as expected with over half of the power requirements of the airport terminal generated on site from 100% renewable energy through the summer months to date, adding to the financial benefits. The solar farm commissioning coincided with the Airport being awarded the prestigious Level 4 certification under the global airport body ACI's Airport Carbon Accreditation scheme, one of only four airports in New Zealand and 81 worldwide to achieve this level.

The management team has been very focused on wellbeing initiatives that genuinely provide support to our people and continue to ensure that WRAL is an employer of choice, retaining our people who continue to deliver in excess of the ambitious program of work that underpins our 10-year strategy.

Mark Morgan
Group Chief Executive



FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income & Expense

For the six month period ended 31 December 2023
(unaudited)

	2023	2022
	\$ '000	\$ '000
Revenue		
Operating revenue	10,007	9,047
Land sales	3,623	14,723
Other gains/(losses)	-	9,591
	13,630	33,361
Expenses		
Operating expenses	(4,224)	(3,184)
Cost of land sales	(761)	(4,228)
Employee benefits expense	(2,684)	(2,537)
Depreciation & amortisation	(2,009)	(2,033)
Finance costs	(613)	(295)
Other losses	(173)	(147)
	(10,466)	(12,483)
Net surplus/(deficit) before tax	3,164	20,878
Tax expense	(587)	(3,169)
Net surplus/(deficit) after tax	2,577	17,709
Other comprehensive revenue & expense		
Revaluation of property, plant & equipment	-	-
Deferred tax	-	-
Total other comprehensive revenue & expense	-	-
Total comprehensive revenue & expense	2,577	17,709

These interim financial statements have been prepared in accordance with Tier 2 PBE Accounting Standards.

FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

For the six month period ended 31 December 2023
(unaudited)

	Share Capital \$ '000	Retained Earnings \$ '000	Revaluation Reserves \$ '000	Total \$ '000
Opening Balance - 1 July 2022	14,860	96,637	99,228	210,725
Net profit/(loss) after tax	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	17,709	-	17,709
Dividends paid to shareholder	-	(500)	-	(500)
Closing Balance - 31 December 2022	14,860	113,846	99,228	227,934
Opening Balance - 1 July 2023	14,860	114,596	104,476	233,932
Net profit/(loss) after tax	-	2,577	-	2,577
Other comprehensive income	-	-	-	-
Total comprehensive income	-	2,577	-	2,577
Dividends paid to shareholder	-	(500)	-	(500)
Closing Balance - 31 December 2023	14,860	116,673	104,476	236,009

FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As at 31 December 2023
(unaudited)

	2023	2022
	\$ '000	\$ '000
Current Assets		
Cash and cash equivalents	626	798
Trade and other receivables	1,194	2,463
Inventories	575	500
Development property	13,690	9,012
	16,085	12,773
Non Current Assets		
Property, plant, and equipment	162,227	159,848
Investment property	92,620	84,470
Intangible & other non-current assets	906	788
	255,753	245,136
Total Assets	271,838	257,909
Current Liabilities		
Trade and other payables	1,490	5,925
Income received in advance	900	1,738
Employee entitlements	578	549
	2,968	8,212
Non Current Liabilities		
Provisions for Infrastructure Development	4,932	1,700
Deferred tax liability	5,719	7,063
Borrowings	22,030	13,000
	32,861	21,763
Total Liabilities	35,829	29,975
Net Assets	236,009	227,934
Equity		
Share capital	14,860	14,860
Retained earnings	116,673	113,846
Revaluation reserves	104,476	99,228
Total Equity	236,009	227,934

FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

For the six month period ended 31 December 2023
(unaudited)

	2023	2022
	\$ '000	\$ '000
Operating activities		
Receipts from operations	9,121	10,457
Receipts from land sales	3,831	14,723
Payments to suppliers and employees	(6,283)	(6,571)
Payments for construction of development property	(1,811)	(2,318)
Payment of interest	(636)	(321)
Payment of income taxes	(2,380)	(444)
Net cash from/(used in) operations	1,842	15,526
Investing activities		
Receipts from sale of property, plant and equipment	-	4
Purchases of property, plant & equipment	(2,880)	(10,456)
Purchases of investment properties	(302)	-
Purchases of intangible assets	(16)	(193)
Net cash from/(used in) investment activities	(3,198)	(10,645)
Financing activities		
Receipts from/(repayments of) borrowings	1,810	(3,995)
Payments of dividends	(500)	(500)
Net cash from/(used in) financing activities	1,310	(4,495)
Net change in cash for the period	(46)	386
Add opening cash and cash equivalents balance	672	412
Closing cash and cash equivalents	626	798

PERFORMANCE REPORTING

Performance against Statement of Intent

For the six month period ended 31 December 2023
(unaudited)

	SOI	Actual	Forecast
	Full Year 30/6/24	6 months 31/12/23	Full Year 30/6/24
Financial Targets			
EBITDA excluding Land Sales	\$6,000	\$3,099	\$5,972
EBITDA including Land Sales	\$7,500	\$5,961	\$8,758
Net Profit before Tax	\$1,000	\$3,164	\$2,600
Net Operating Cash Flow excl Land Sales	\$6,000		
Total Debt (not exceeding)	\$35,000	\$22,030	\$24,200
Percentage of non-landing charges revenue	60%	67%	64%
Land Sales	\$3,000	\$3,623	\$3,623
Interest coverage	3.0x	4.9x	3.9x

The group has several non-financial performance targets covering the range of activities the group undertakes across its aeronautical activities, property, climate change response and caring for its people and community. At 31 December 2023, the Group was on track to meet substantially all of its targets except for certain targets in relation to an aeronautical development that has been deferred with agreement from the future tenants.



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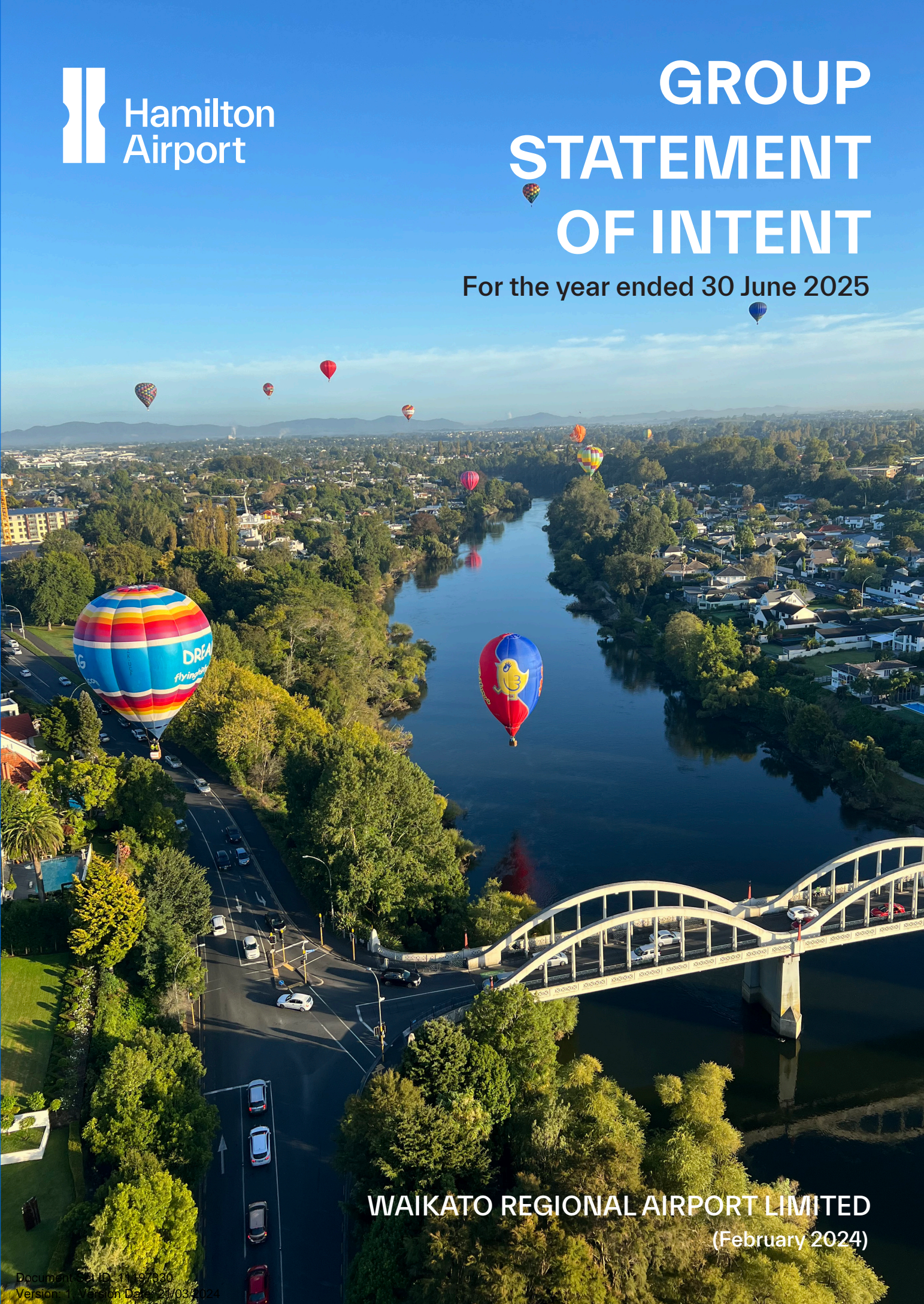
APPENDIX 2

WRAL – Draft Statement of Intent 2024/25 (ECM number 11197330)



GROUP STATEMENT OF INTENT

For the year ended 30 June 2025



WAIKATO REGIONAL AIRPORT LIMITED
(February 2024)

INTRODUCTION

This statement is presented by the Directors in accordance with s.64(1) of the Local Government Act 2002 and sets out the Board's intentions for the Company and Group for the year ending 30 June 2025 and succeeding two financial years.

STRATEGIC INTENT

The Group has identified its core purposes under its current ten-year strategic plan to be:

CORE PURPOSES

1. An enabler of air services to the region.
2. A supporter and developer of aviation through investment in, and provision of, airport infrastructure and support services for both general aviation and commercial airline activities.
3. The operator of a first class, safe, sustainable and compliant airport that connects the Mighty Waikato to New Zealand.
4. To strategically position the Group to enhance capital value and be financially self-sustaining through an income diversification strategy.



ABOUT THE WRAL GROUP

The Group comprises the following entities:



- **Waikato Regional Airport Limited (trading as Hamilton Airport)** - is the Group's parent company, and the owner and operator of Hamilton Airport.
- **Titanium Park Limited** - has a goal to develop and optimise land holdings to generate long-term income streams from a diversified property portfolio.
- **Waikato Regional Airport Hotel Limited** - has an intent to provide non-aeronautical earnings to the Group through the operation of a Qualmark 4 Star hotel and conference centre facility at Hamilton Airport.
- **Hamilton & Waikato Tourism Limited** - the Regional Tourism Organisation markets the Hamilton and Waikato region as a visitor and business events destination, and to assist in growing the visitor economy through tourism development and destination management.

KEY OBJECTIVES OF THE WRAL GROUP

The Group's key objectives and activities that will be undertaken to deliver on these include the following:

Operate an efficient and compliant airport.

Operate a first class, safe and compliant regional airport by providing for essential projects, together with any compliance expenditure warranted.

Enhance the traveller experience.

Maximise traveller satisfaction and airport experience through continued investment in passenger facilities and technologies that also assist to drive sustainable outcomes.

Maintain a viable aeronautical business.

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Position and protect the airport as an efficient, cost effective international port.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Maximise revenue diversification through non-aeronautical business opportunities.

- Promote and secure tenants for the flight training academy facilities to secure new aeronautical operators and enhance a vibrant general aviation community.
- Support Pypar Vision to deliver trials of the fog dispersal technology to improve airline efficiency and customer experience, whilst also enhancing value of WRAL's investment in this venture.

People

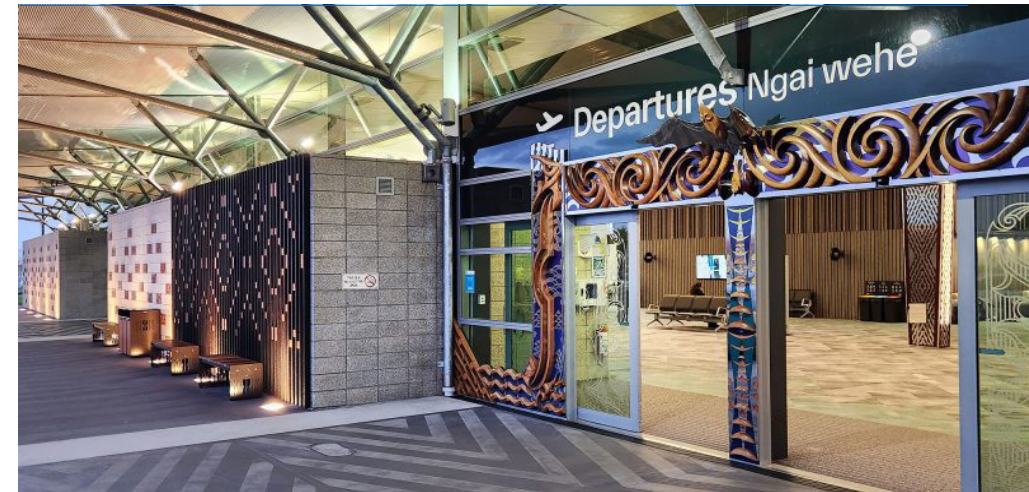
- Invest in an organisation-wide strategy that takes a holistic view of employee wellbeing, recognising wellbeing as a measure of our organisation's success.
- Provide training and development to personnel to ensure individually and collectively, our personnel remain leaders of best practice in their respective fields.
- Retain a high performing team to build resilience, capability and responsiveness to growth and change opportunities.

Sustainability

- Maintain the Jet Park Hotel's Qualmark Silver Enviro rating.
- Continue to align initiatives in the HLZERO sustainability framework, WRAL's commitment to net zero carbon emissions by 2050, to the global Airport Carbon Accreditation program and advance Level 4+ application.

Develop and optimise the land holdings of the Group to generate a long-term income from a diversified property portfolio.

- Titanium Park Limited will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and co-ordinated approach.



- Support the development of land within the bounds of a sound, strategic approach to long-term planning as defined in the 2022 updated aeronautical master plan.
- Upon a successful mediated outcome of the Plan Change via the Environment Court, complete detailed design for Stage One of the Northern Precinct Development
- Complete ecological management plan and commence development of ecological habitat compensation site.

Operate the airport hotel to return to (or exceed) its investment business case growth targets and customer satisfaction targets following the disruptions to its growth strategy from the pandemic.

- Improvement of hotel brand awareness through continued marketing activity.

Subject to the finalisation of funding under the Council LTP process, assist in the development and marketing of the Hamilton and Waikato region as a visitor destination to domestic and international visitors.

- Implement activities within the Destination Management Plan to assist with the restart and reimagining of the tourism sector in a regenerative/sustainable manner.
- Maintain and strengthen support for regional tourism through partnerships with local government, the tourism industry and the wider regional community.

Te Tiriti and Te Ao Maaori

- Create a cultural legacy that authentically embraces and values Maaori tikanga (customs) and te reo (the language) meaningfully in our organisation, and that respects the kaitiakitanga (guardianship) of mana whenua and principles of te tiriti o Waitangi.



KEY PERFORMANCE TARGETS

The following annual performance targets are proposed for the Waikato Regional Airport Limited Group in relation to its core purpose and key objectives.

	2025	2026	2027
EBITDA excl Land Sales	\$6.0m	\$7.0m	\$8.0m
EBITDA incl Land Sales	\$9.0m	\$20.0m	\$20.0m
NPBT no less than	\$2.6m	\$13.0m	\$14.0m
Net Operating Cash Flow	\$4.0m	\$5.0m	\$6.0m
Total Debt excl Design Buildings (max)	\$39m	\$50m	\$50m
Percentage of non-landing charge revenue	60%	60%	60%
Land Sales	\$4m	\$20m	\$20m
Interest Coverage	3.0x	3.0x	3.0x

NON-FINANCIAL PERFORMANCE TARGETS

The following non-financial key performance targets are proposed for the Waikato Regional Airport Limited Group in relation to its core purpose and key objectives for the year ending 30 June 2025.

Health, safety and wellbeing.

- Zero Work Safe notifiable accidents/injuries
- Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.

Aeronautical compliance.

- To maintain the Airport Certification Standards as required by the Civil Aviation Authority.
- Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).

Maintain a viable aeronautical business.

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Position and protect the airport as an efficient, cost effective international port.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Property.

- Complete detailed design for Stage One of the Northern Precinct Development.
- Complete ecological management plan and commence development of ecological habitat compensation site

Climate Change Response.

- Reduce Group electricity purchases by at least 20% on 2024 levels (measured in kWh used) due to the solar farm development.
- Advance application for Level 4+ accreditation to the Airport Council International's Airport Carbon Accreditation Programme.
- Reduce landfill waste through reduced usage of non-recyclable single-use materials and improved sustainable material usage in construction.



NON-FINANCIAL PERFORMANCE TARGETS

Governance and management of the Group.

At all times the Group will behave in a professional and ethical manner in all its business dealings with its customers and stakeholders and strive to be an employer of choice in fostering a high performing organisation.

The Group is committed to its obligations under the Local Government Act 2002 to its employees, shareholders, the community including climate change response and Te Tiriti o Waitangi.

The Board and Management will ensure that all requirements of the Health & Safety at Work Act 2015 are maintained, including through the engagement of an independent consultant and audit processes to ensure the organisation and its subsidiary companies are maintaining compliant and best practice processes.

Shareholder value.

While no commercial valuation of shares has been completed, the consolidated balance sheet of WRAL as at 30 June 2023 shows shareholder equity of \$234 million based on current independent valuations of the Group's property, plant and equipment and investment properties.

The Directors will review the performance and outlook for the group annually in accordance with the Group's dividend policy before declaring any dividends.

Future investment proposals.

If the Group wishes to subscribe for, purchase, or otherwise acquire shares in any other company or any other organisation, it can do so only after first obtaining approval from the majority of shareholders at either a General Meeting or at a Special Meeting convened for that purpose.

There are no additional major transactions presently contemplated for which shareholders have not already been consulted over. Major transactions in the WRAL Group are those that would result in 10% of the company's assets (by book value) being acquired or disposed by the Group annually before declaring any dividends.





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APPENDIX 3

Co-Lab – Half yearly report to 31 December 2023 (ECM number 11197336)



Half-yearly report (un-audited)

1 July 2023 to 31 December 2023

**Supporting councils to maximise the value
they provide to their communities by
helping them identify and realise shared
opportunities**

Contents

Statement of service performance	3
Performance framework	9
Assessment of performance against targets	10
Co-Lab's financial position	13
Financial forecasts	16
Governance	16
Nature & scope of activities	17

Collaboration & Partnership

We are better together | *He hunga toa takitini*

We collaborate and partner by:

- Building kotahitanga and respect
- Delivering together
- Focussing on community benefits
- Valuing diversity

Integrity

We do the right thing | *He hunga whai i te tika*

We act with integrity by:

- Being accountable and honest
- Trusting and listening
- Having courage
- Behaving in good faith

Innovation

We transform ideas into results

He hunga whai i te tika

We innovate by:

- Thinking boldly
- Being solution focused
- Challenging perceptions
- Embracing change

Statement of service performance

Co-Lab¹ works with councils to:

- Make councils more effective and efficient; and
- Improve the experience communities have when engaging with councils.

It achieves these outcomes by:

- Acting as an ideas laboratory for developing opportunities that create value to councils;
- Providing shared services to councils; and
- Entering joint procurement arrangements for the benefit of councils.

This report includes projects and shared services that have substantial activity to report on over the first half of the financial year.

Opportunity development highlights

As directed by The Board, Opportunity Development projects were anchored in industry and field research which meant less reliance on council peoples' time. In some cases, the projects will become a pilot so lessons from building and testing a solution can be realised faster. Pilot projects being planned include a project management shared service and a car parking management shared service.

We completed the business case and delivered the inaugural RATA Spaces & Places Community Asset Forum and are pleased to be moving RATA Spaces and Places forward with five interested councils.

Right People, Right Place (RPRP)

The RPRP project considers what councils can do (collectively and individually) to address their pressing need to meet current and future workforce requirements.

We undertook an extensive research project which included an international literature review, qualitative interviews, and workshops with councils' subject matter experts. This work helped to diagnose the problem and the primary causes of this problem. A key finding was that the close geographical proximity of councils will be an advantage for many collaborative initiatives that will help redress the current situation.



The research assisted us in identifying a range of initiatives that will help bolster the local government workforce. Some of these initiatives will result in incremental change while others are more strategic or transformational. The initiatives were categorised and prioritised and will be presented to chief executives for consideration early in 2024 as to what Co-Lab can progress.

¹ Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd

Waikato Regional Transport Model (WRTM) restructure & governance

To ensure the ongoing success of the WRTM programme, we worked with council stakeholders and Waka Kotahi to implement a new governance and management arrangement. There were three foundational activities progressed during the period;

- updated partnership agreements;
- establishment of a new WRTM Governance Committee; and
- recruitment of a full time WRTM Programme Manager.



During the period, the new management and governance structure has been implemented and we commenced the build phase of the Hamilton Transport Model (HTM). The WRTM Strategic Model (WRTM-S) will be the parent model to the HTM.

We also focused on the delivery of the WRTM-S. The new model scenarios for future years were released, including medium and high growth scenarios for 2025, 2035, 2045 and 2055, providing quality information and data to assist councils in making informed decisions.

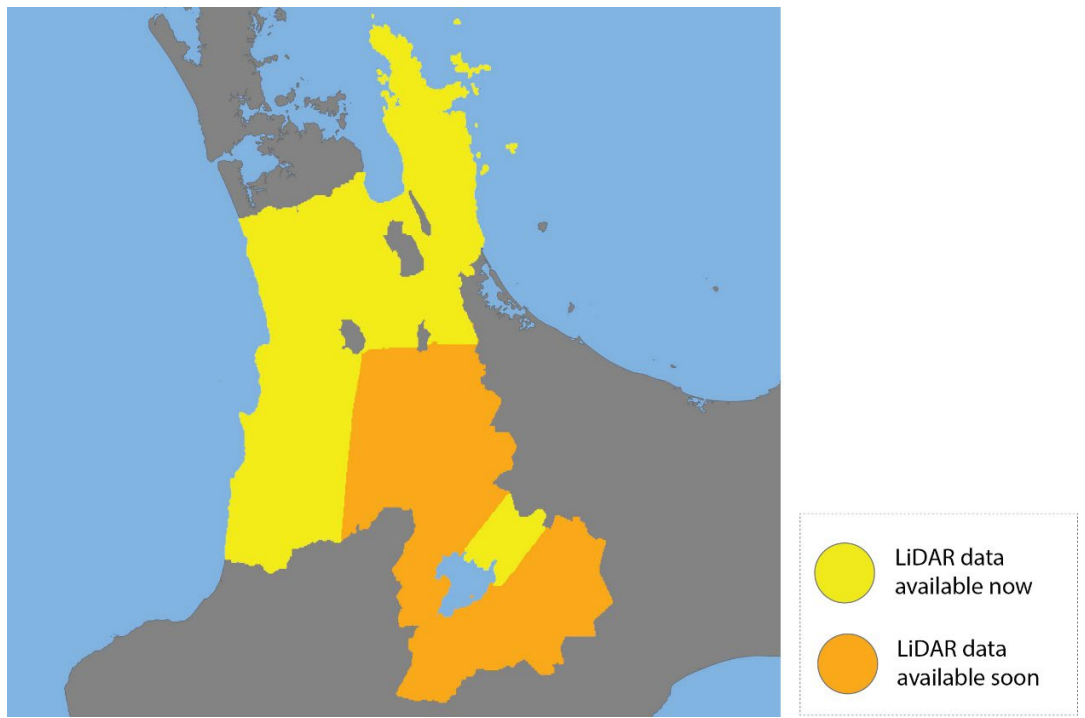
LiDAR

A LiDAR (Light detection and Ranging) survey collects precise laser measurement of the earth surface in our region to enable more accurate modelling of natural hazards and climate change, design better infrastructure, support better land use planning, and improve environmental outcomes for the regional community.

Co-Lab, on behalf of 10 councils and 5 other (non-council) funders, entered into an agreement with Ocean Infinity in 2020 to supply the first ever region-wide LiDAR data set. The project was supported by \$1.4 million from the Provincial Growth fund and is nearing completion.

Although there have been challenges for the supplier to meet the data specifications, the quality control team at LINZ and Waikato Regional Council have worked hard to ensure that these standards were met. During the period, over 60% of the data met our specifications and therefore was accepted. This data is publicly available and has rapidly provided tangible benefits including being used in the planning of the new State Highway 25A bridge built under urgency following cyclone Lola in early 2023.

The remainder of the data is going through quality control and will be publicly available in the first six months of 2024.



Service Delivery highlights

Co-Lab Water Services

During the period, we raised the region’s profile and knowledge sharing at industry events. The Trade Waste team presented at the Trade and Industrial Waters Conference in August where they gave an update on the service provided across the Waikato region, the benefits of collaboration and Anna Coman, Trade Waste Team Leader, shared key technical knowledge about how to set up the Trade Waste function under water reforms.



Michelle Templeton, Smart Water Coordinator, was the Hamilton host for the “Insights from the Smart Water Metering Journey” held in Auckland, Wellington, Christchurch, and online as part of the Water Efficiency and Conservation Network. Michelle is a committee member.

During the period, the Smart Water team focused on schools and community engagement. School visits in terms three and four occurred across Hamilton, Waipā and Waitomo. For the first time since the pandemic, the team attended six community events in November and December also across Hamilton, Waipā and Waitomo, interacting with approximately 700 people and approximately 50 people taking a public pledge to do one thing to save water over the summer.

A successful showerhead exchange programme was completed in Hamilton and Waipā, which saw 31 and 20 (respectively) old showerheads exchanged for new ones. Based on a household of four people, this sees annual water savings in Hamilton and Waipā of 64,240 litres and 68,620 litres respectively.

RATA

During the period we progressed 56 Asset Management related projects and services on behalf of 10 councils. With uncertainty around water reform and resource shortages, the focus for the first half of this financial year was on the delivery of core roading related services.



We completed the re-negotiation and 12-month extension of the three data collection contracts (for traffic counting, road condition assessment, and high-speed data collection across 9820km of Waikato council roads). We also completed improved delivery and performance tracking of the traffic counting suppliers' contracts (delivering approximately 1200 counts per year).

We finished the first year of the nine Structures Asset Management Services (SAMS) contracts, delivering specialist structural inspections of over 3500 structures (1500 bridges), and asset management advice to Waikato councils. Each council provided positive performance assessments of the suppliers, with each achieving an "exceeding requirement" rating as part of the Annual performance review process.

We saw excellent results for the Waikato Councils' National Road Asset Data Quality Scores, which in part was due to Cameron Senior and Debbie Flynn's technical skill, diligence, and drive for continuous improvement. Waikato councils filled the top 3 spots across all 67 Councils in NZ, and all Waikato councils ranked in the top 17 across NZ.

"the GM ... found it valuable to inform him of the options and background to some of their important roading network investment decisions. He was delighted about the "added bonus" of the cost savings they shared in as part of taking a Waikato councils-wide approach to delivery of this project" – dTiMs report

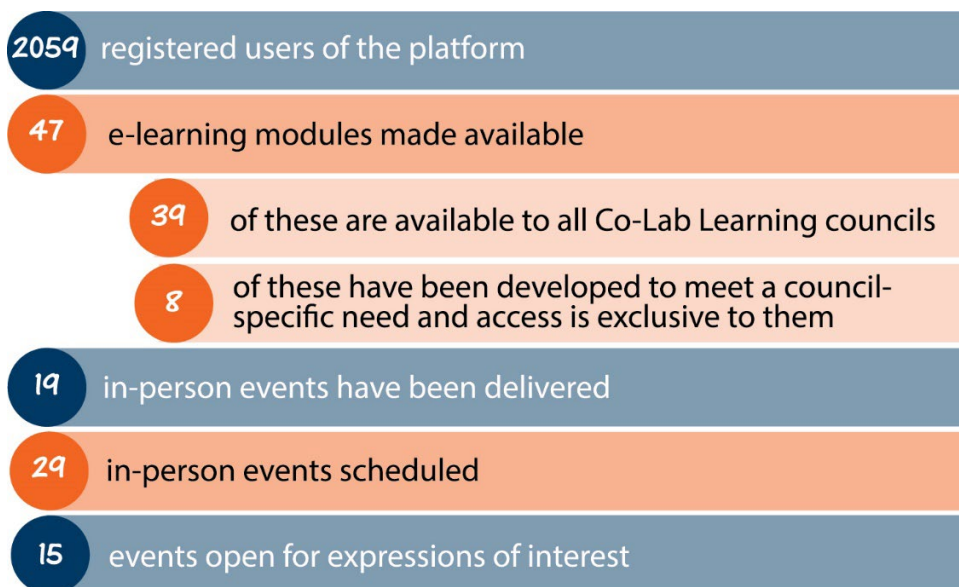
The work of Cameron Senior and his team over the years has really lifted Council's capability, and they are now comfortable they have credible, accurate roading asset data they can use to make better asset investment decisions. They really do appreciate having Cameron's presence in their office. We think that the (roading) RATA asset management partnership is a great example of the benefits to the Waikato councils, and other asset classes should adopt.

Recruitment is in progress for the RATA team to get the team back to full capacity. The current level of resourcing has limited the pace at which the team has progressed some new initiatives. This has meant we've been asked to identify and prioritise the "must do", "should do" and "could wait" projects, until we're able to deliver the full programme.

Co-Lab Learning

The new learning & development service is gaining momentum as seven out of ten councils launched it to their council people.

In numbers



However, overall uptake of the service remains low with just 16% of registered users having completed one or more eLearning modules. Only five councils have utilised the service to arrange and administer the 19 in-person courses. Of these courses, seven were instigated by other Co-Lab services (WBCG, RATA, Procurement) who worked with Co-Lab Learning to arrange them.

There was some interest expressed in jointly procuring a Learning Management System. A paper to assess the level of support has been presented to councils.

Work is nearing completion on the development of a shared competency framework for line managers/team leaders, alongside the development of a Management Essentials programme of learning. Waikato Regional Council is working closely with us on this.

A report was released to councils about Co-Lab Learning's progress against its strategic plan. Feedback about the report was positive.

Relationships with MBIE, Taituarā and LGNZ have progressed well. MBIE will return to the Waikato region in March and September 2024 to deliver two-weeks (in total) of procurement training.

Regional Infrastructure Technical Specification (RITS)

The Regional Infrastructure Technical Specification v2 has taken some time to review and compile input from councils, however it will be ready for consultation early in 2024. It delivers better quality drawings, editable forms, and improved search functionality.



Company support highlights

During the period, the Senior Leadership Team (SLT) focused on finalising the organisation's first three-year strategy. The wider team was involved in creating a Benefits of Collaboration framework to better articulate and measure the value of collaboration. These were socialised with the Co-Lab Board and Council Executive Leadership Teams and will be included in the FY2024/25 Statement of Intent.

During the period, several new people were appointed. The existing full-time procurement support role was split into two part-time roles; one to support councils who don't have in-house procurement expertise and the other to support us with the joint procurement arrangements we enter for the benefit of councils and to administer the Professional Services Panel (PSP). We welcomed Jayne Signal and Zoe Perkins, respectively. We welcomed Mary Hobby to maintain and improve the quality of RAMM databases, and finally we established a new part-time communications role which is a shared resource with Waitomo District Council and welcomed Jessica Judge.

Our visits to council ELTs were very useful to inform our strategic direction and engagement with councils. We also continued engagement to on-board our newest shareholder, Western Bay of Plenty District Council.

We've taken on administrative support for the Waikato Mayoral Forum and the Joint Mayors and Chairs Forum and continued administrative support for our working parties.

Internal highlights included a focus on professional development with some colleagues completing a Te Ao Māori course, and 40% of Co-Lab people completing one or more Co-Lab Learning modules.

Performance framework



Assessment of performance against targets

An update on performance against the targets set in our Statement of Intent, as at 31 December 2023, is shown in the table below.

Priority	Performance measure	Target	Outcome (progress toward target)
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings/increased revenue to councils of at least \$300k	<p>During the first six months of the financial year, Co-Lab advanced various opportunities that will ultimately add value.</p> <p>These are:</p> <ul style="list-style-type: none"> • Right People Right Place • RATA Spaces & Places • Project Management shared service • Restructure of the WRTM service • Parking enforcement shared service <p>Co-Lab's new benefits framework highlights that some of our opportunities will deliver value that is not specifically aligned with 'projected savings/increased revenue'.</p> <p>The Right People, Right Place project has the potential to deliver significant savings to councils by improving staff retention. However, because the report is at a strategic level, and because no decisions have been made on how the initiative will continue, the benefits have not been quantified in any detail.</p> <p>Project Management Shared Service and the Parking enforcement Shared Service both have the potential to deliver savings. These will be estimated as each opportunity is developed.</p>
	Businesses cases are supported by councils (evidenced by take up of the opportunity)	75% of councils	<p>Average (across 2 initiatives) is 60%</p> <p>The RATA Spaces & Places opportunity was supported by 5 (45%) councils (out of a possible 11)</p> <p>Building Consent Cadetship opportunity was supported by 6 (75%) councils (out of a possible 8). The Cadetship was not established because it was decided that it needed 100% participation.</p>

Develop opportunities and deliver projects within agreed budgets and timelines	Opportunities / projects are developed / delivered within agreed timelines	80%	<p>60% (3/5) for the 6 months to 31/12/2023</p> <p>Within timeline:</p> <ol style="list-style-type: none"> 1. Future Proof Data Analytics 2. Right People, Right Place 3. Project Ohu Round 1 <p>Not completed as per plan were:</p> <ol style="list-style-type: none"> 1. AMCE (Now RATA Spaces & Places) Opportunity Assessment (slow council response) 2. Project Wakanda Round 1 (delayed to allocate effort to another project)
	Opportunities / projects are developed / delivered, within approved budget	90%	<p>83% (6/7) for the 6 months to 31/12/2023</p> <p>Within Budget:</p> <ol style="list-style-type: none"> 1. AMCE (Now RATA Spaces & Places) 2. WRTM restructure 3. Right People, Right Place 4. Project Wakanda Round 1 5. Project Ohu Round 1 <p>The Future Proof Data Analysis project was the exception. This was completed 8% over budget.</p>
	Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval		Our latest forecast shows that Company Management & Support will be undertaken under budget by \$38k for the full 2024 financial year.

Ensure projects realise their expected benefits	Measurable benefits are actively monitored and reported against	Six-monthly	Management presented one "Project Benefit Assessment" to the Audit & Risk Committee (ARC). The assessment covered Waikato OneView.
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months 90% of projected quantifiable benefits are realised	No "Project Benefit Assessments" for \$200k Projects were undertaken in the 6 months to 31/12/23.

<p>Ensure existing services are meeting the needs of councils</p>	<p>The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</p> <ul style="list-style-type: none"> • RATA – roading & waters • Waikato Building Cluster • Regional Infrastructure Technical Specifications • Energy & Carbon Management • Professional Services Panel • Health & Safety pre-qualification 	<p>80% of councils</p>	<p>Not currently measurable: As in the prior year we will be undertaking a survey of council staff in the first half of 2024 to ensure each service offering is continuing to meet the needs of councils.</p>
<p>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice</p>	<p>Across these groups, ideas for future consideration and/or initiatives are identified each year</p>	<p>Four per annum</p>	<p>No ideas were received through our website in the 6 months to 31/12/23.</p> <p>Ideas continue to arrive from other sources. Notably, ‘Parking Enforcement Shared Service’ and the ‘EV charging’ opportunity came to us from council staff and are already being escalated.</p> <p>Project Wakanda is a board directive to search for ideas by looking for shared-service success stories (internationally and in other sectors).</p>

Co-Lab's financial position

Summary

The financial results for the six months to 31 December 2023 are favourable to budget. This is largely due to the LiDAR project progressing slower than anticipated meaning less expenditure arose during the period, and because of a change to the sequencing of invoicing. For the full year we are currently forecast to be behind budget due to utilising RATA's surplus cash reserves (that is, we are actively managing down our cash reserves as signalled to councils in December).

The cash position as at 31 December 2023 is made up as follows:

	Cash balance @ 1/07/2023	Cash surplus / (deficit)	Cash balance @ 31/12/2023
Company Management & Support	444,498	87,108	531,606
RITS	69,543	15,031	84,574
Working Parties Projects	275,332	(92,572)	182,760
Information Technology	23,822	0	23,822
Energy Management	50,503	41,749	92,251
Shared Valuation Data Service (SVDS)	439,128	24,767	463,896
Road Asset Technical Accord (RATA) & Waters Collaboration	466,021	(258,370)	207,651
Waikato Regional Transport Model (WRTM)	290,945	(203,670)	87,274
Waikato Building Consent Group (WBCG)	261,825	(2,550)	259,275
Mayoral Forum	(13,155)	(5,206)	(18,361)
Co-Lab Water Services	0	162,806	162,806
Co-Lab Learning	72,675	8,578	81,253
Procurement	(56,914)	(71,101)	(128,016)
Geospatial Services	71,829	10,347	82,175
Communications Shared Resource	(150)	(38,269)	(38,419)
Accounts Receivables	(3,186,195)	809,560	(2,376,635)
Accounts Payables	3,103,408	(637,899)	2,465,509
Total	2,313,115	(149,693)	2,163,422

Note: Cash balances for each workstream vary from the actual cash position as a result of accounts receivable / payable which are not tracked on an activity by activity basis.

We will be reforecasting in March and will reassess the likely year-end cash position for each workstream at that time and take this into account in the company's finalised Statement of Intent issued in June 2024.

Statement of financial performance

Co-Lab

Statement of Financial Performance

For the six months ending 31 December 2023

	Financial year 2024 YTD Actuals	Financial year 2024 YTD Budget	Financial year 2023 YTD Actuals
Revenue			
SVDS Data & Software Sales	167,272	213,880	166,810
Interest	1,191	1,002	121
Other Revenue			
User Charges	4,299,678	5,863,064	4,757,252
Total Other Revenue	4,299,678	5,863,064	4,757,252
Total Revenue	4,468,141	6,077,946	4,924,183
Expenditure			
Depreciation and amortisation expense	16,443	35,412	21,183
Personnel costs	754,360	856,770	717,025
Other expenses	4,016,988	5,617,005	3,054,470
Total Expenditure	4,787,791	6,509,187	3,792,678
Net Profit	(319,650)	(431,241)	1,131,505

Statement of financial position

Co-Lab		
Statement of Financial Position		
As at 31 December 2023		
	Financial year 2024	Financial year 2023
	Actual at	Actual at
	31/12/2023	31/12/2022
Assets		
Current Assets		
Bank		
Transaction Account	482,800	1,909,021
Call Account	29,837	29,123
Rapid Save Account	700,785	0
Term Deposit	950,000	0
Total Bank	2,163,422	1,938,145
Accounts Receivable		
Accounts Receivable	1,098,465	659,483
Accounts Receivable Accruals	1,159,051	1,952,105
GST Receivable	116,761	0
Total Accounts Receivable	2,374,277	2,611,588
Prepayments	0	0
Deferred Tax Asset	2,358	2,358
Total Current Assets	4,540,057	4,552,091
Non-current Assets		
SVDS - Original Cost	0	0
WRTM - Original Cost	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195
IT equipment	110,101	79,240
Accumulated Depreciation	(2,372,700)	(2,333,889)
Office Furniture	66,751	66,169
Total Non-current Assets	102,202	109,570
Total Assets	4,642,259	4,661,661
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	1,077,418	451,819
Accounts Payable Accrual	533,030	25,409
Total Accounts Payable	1,610,448	477,228
RWT on Payments	0	11,413
Credit Card Balance	2,296	3,633
Revenue in Advance	828,695	880,462
Employee Entitlements	24,070	75,298
GST Payable	0	90,887
Total Current Liabilities	2,465,509	1,538,922
Total Liabilities	2,465,509	1,538,922
Net Assets	2,176,750	3,122,739
Equity		
Contributed Capital	2,957,001	2,957,001
Retained Earnings	(780,251)	165,738
Total Equity	2,176,750	3,122,739

Statement of cashflows

Co-Lab

As at 31 December 2023

For the six months ending 31 December 2023

	Financial year 2024 YTD Actuals	Financial year 2023 YTD Actuals
Cashflows from Operating Activities		
Interest Received	1,071	121
Receipts from Other Revenue	4,748,701	3,482,790
Payments to Suppliers and Employees	(4,464,435)	(4,184,530)
Taxes Paid	0	9,900
Goods & Services tax (net)	(416,883)	96,339
Net cash from operating activities	(131,546)	(595,380)
Cashflows from Investing Activities		
Capital enhancements	0	0
Purchase of PPE	(18,147)	(36,112)
Purchase of investments	0	0
Net cash from investing activities	(18,147)	(36,112)
Net increase in cash, cash equivalents and bank accounts	(149,693)	(631,493)
Opening cash and cash equivalents and bank overdrafts	2,313,115	2,569,637
Closing cash, cash equivalents and bank accounts	2,163,422	1,938,145
Summary of Bank Accounts		
BNZ - Transaction Account	482,800	1,909,021
BNZ - Call Account	29,837	29,123
BNZ - Rapid Save Account	700,785	0
BNZ - Term Deposit	950,000	0
Closing Balance of Bank	2,163,422	1,938,145

Policies

The accounting policies on which the preceding financial statements have been prepared are consistent with those used in preparing the Financial Statements for the year ended 30 June 2023, included in the company's Annual Report.

Financial forecasts

Latest financial forecasts are contained in the company's 2024 Statement of Intent issued for shareholder comment in February 2024.

Governance

Co-Lab is owned in equal portion by 12 Local Authorities:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Ōtorohanga District
- Rotorua Lakes
- South Waikato District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipā District
- Waitomo District
- Western Bay of Plenty District

During the period, the Directors of Co-Lab were:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua Lakes, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipā District Councils
Don McLeod	Hauraki, Matamata-Piako, Thames-Coromandel and Western Bay of Plenty District Councils

The independent Chair of Co-Lab receives director fees and reimbursed expenses. Directors representing the councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

Nature & scope of activities

The principal initiatives operating under the Co-Lab umbrella are:

Services

- Co-Lab Water Services
- Co-Lab RATA
- Co-Lab Learning
- Energy & Carbon management
- Co-Lab Procurement Services
- Co-Lab Geospatial Services: Waikato Data Portal and Waikato One View
- Waikato Building Consent Group (WBCG)
- Waikato Regional Transportation Model (WRTM)
- Regional Infrastructure Technical Specification (RITS)

Other

- Waikato Regional Infrastructure Procurement (WRIP)
- Health & safety pre-qualification
- LiDAR (Light Detection and Ranging) technology
- Shared Valuation Data Services (SVDS)
- Waikato Regional Aerial Photography Service (WRAPS)

Information on these activities is included in the company's Statement of Intent.

APPENDIX 4

Co-Lab – Draft Statement of Intent 2024/25 (ECM number 11198878)



2024 DRAFT Statement of intent

For the year ended 30 June 2025

**Council collaboration through Co-Lab
maximises community wellbeing.**

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd trading as Co-Lab (Co-Lab). It outlines the nature and scope of the work it will undertake, the Directors' accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2025 to 30 June 2027.

Message from the Chair



“If you make your business about helping others, you’ll always have plenty of work” – Blogger Chris Guillebeau.

When I read this quote, I felt it summed up the role Co-Lab plays for councils, and equally summed up councils’ role in helping communities. Co-Lab is a non-profit owned by councils. Co-Lab exists to help its shareholding councils maximise community wellbeing. It does this by identifying and realising shared opportunities through collaboration.

It’s clear that there is plenty of work ahead for councils and Co-Lab. The next year will likely be made more complex by legislative reform and rates increases, and other change that will undoubtedly come from a new government.

To ensure we are focused on the right tasks, allowing our council shareholders to assist their communities, for the first time Co-Lab Management has created a 3-year strategy. The strategy will see the company:

- Improve the way that it communicates the value it provides to shareholders, and increase that value;
- Focus on growing shared services, which may include providing services to councils who are not shareholders, but never at the expense of value to shareholders; and
- Employ great people with diversity of thought so shareholders receive high-quality services.

This strategy builds on our Benefits of Collaboration Framework, which clarifies the value and measures of regional collaboration through Co-Lab into three main outcomes: reducing costs, creating value and enabling innovation and collaboration.

In this Statement of Intent, we are signalling our intention to adopt the three-year strategy and new related performance measures, although work towards these goals began as soon as The Board and council ELTs validated it during 2023.

We are committed to playing our part in helping councils reduce costs. We will be reducing council member charges for FY2024/25, from what they otherwise would have been, by ~\$900k across our various workstreams, using cash-on-hand. This manifests itself as a significant operating loss in that year but reflects a one-off adjustment, so the company remains in a sustainable financial position longer term.

On the back of the Government’s repeal of the water reform legislation and the proposed “Local Water Done Well” approach, our financial forecasts now assume that Co-Lab Waters will remain with Co-Lab throughout the forecast period¹.

Yours Sincerely,
Peter Stubbs
Chair

¹ Financial forecasting is based on the information we have at the time of writing this draft. This will be updated if new information comes to light after the draft is published and before the final Sol is published.

Statement of Intent at a glance - our 3-year strategy



Commentary

While Co-Lab has had a performance framework in place for some time, it did not include long-term goals and did not provide a clear line of sight for Co-Lab people to understand how their individual KPIs related to it. And while the previous vision and purpose were adequate, the vision needed to more strongly indicate what Co-Lab is about – collaboration.

In creating the three-year strategy, we considered the operating environment for the next three to five years and what is important to shareholders in the success of their council-controlled organisation (CCO). With this in mind, we still have work to do for our shareholders to perceive value from Co-Lab, and improve that value, for our existing services to be better utilised, and to grow the suite of services on offer. To achieve strategic goals one and two, we need to invest in our people.

The evolution of the company's strategic goals has necessitated a corresponding evolution in the company's performance measures. At the same time, we have reviewed the previous measures. In most cases, while these previous measures may continue to be monitored internally at an operational level, they have been superseded by the new objectives.

Performance measures

To ensure we deliver against our 3-year strategy, we will be using the following annual Key Performance Indicators (KPI).

Strategic goal	3-year Objective	Annual KPI
Shareholding councils understand we provide them value	<ul style="list-style-type: none"> We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 23)</i>. By 30 June 2027, 80% of shareholders agree they get value from Co-Lab. All shareholders take up at least one additional shared service. <p><i>*Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i></p>	<ul style="list-style-type: none"> Year-on-year increase in the value we provide to councils. 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey). Year-on-year increase in the utilisation of services we provide to councils.
Deliver value by growing the scale of our shared service function	<ul style="list-style-type: none"> Expand the utilisation of Co-Lab's shared services by a minimum of 24 customers, by June 2027 <i>(baseline y/e 30 June 23)</i> 	<ul style="list-style-type: none"> Year-on-year increase in the utilisation of services we provide to councils. Year on Year increase in the number of services available to councils.
Diverse, talented and motivated people work for us	<ul style="list-style-type: none"> Staff engagement increases by 5% by 30 June 2027. Staff turnover is less than 15%. Our vacancies are filled by suitable candidates within 3 months. <p><i>All baselined y/e 30 June 23)</i></p>	<ul style="list-style-type: none"> Year-on-year increase in staff engagement. Staff turnover is less than 15%. Vacancies are filled by suitable candidates within 3 months.

Nature & Scope of services

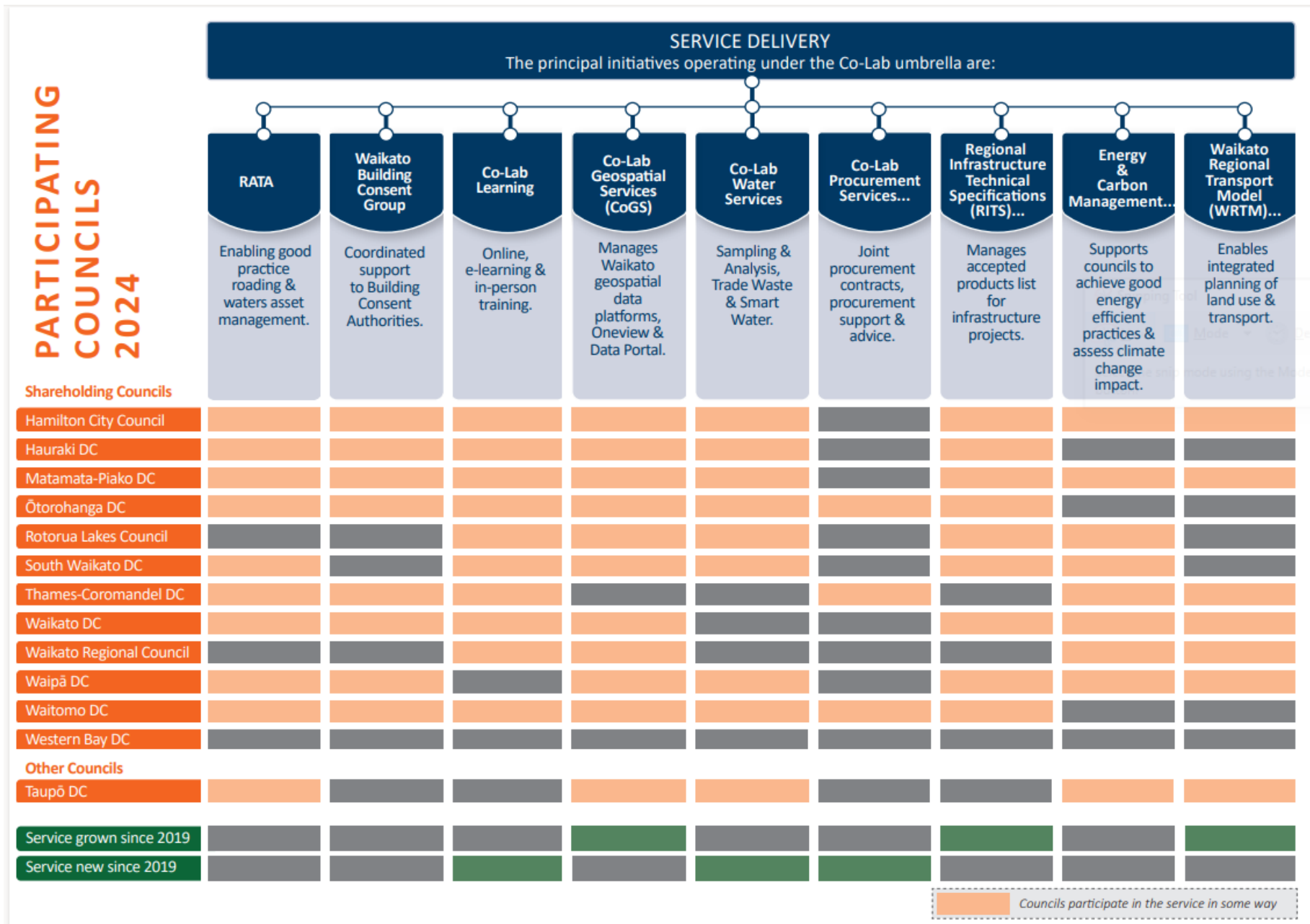
Opportunity Development

Co-Lab also acts as an ideas laboratory by developing opportunities that will reduce costs, create value for councils, or enable innovation and change.

If you'd like more information on the Opportunity Development Projects we are currently investigating, please get in touch.

Shared Services

A list of our shared services follows on page 7. For more information on our services, please visit our website www.colabsolutions.govt.nz



Financials

Overview

Services

Revenue from services decreases in the 2024/25 financial year (FY), as we intend to utilise cash surpluses across the workstreams wherever possible to minimise the cost to councils.

Member charges

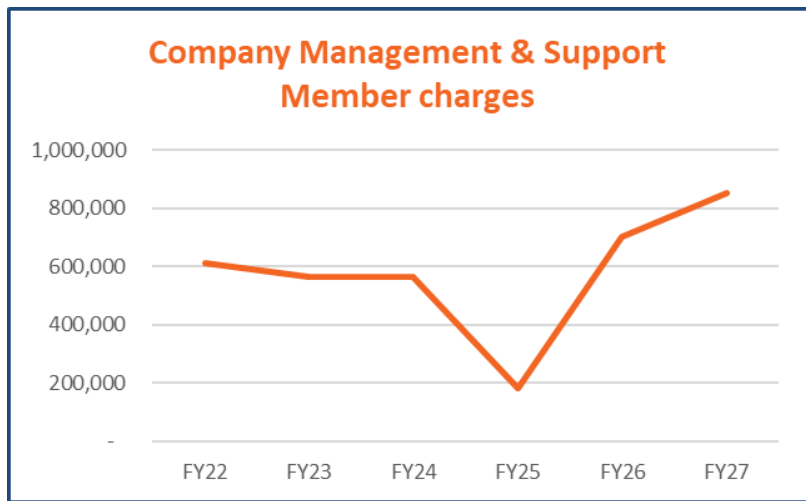
In the past few years, we have held member charges for core operating costs (company management and support) relatively constant. We intend to use current cash surpluses to reduce member charges in FY25 which results in markedly lower member charges to help our shareholding councils.

In this SOI we are also signalling our intention to change the way we ask councils to fund cross-council infrastructure procurement resource. The financial forecasts reflect the resource being included under Company Management & Support, and accordingly funded through member charges, as opposed to what has to date been a user pays model. By doing so this removes what we believe has been a key barrier to councils using the resource.

The change will take effect with an 18-month trial to assess its success or otherwise.

Considering the above, there is a ‘one-off’ reduction in member charges for FY25, with member charges returning to ‘normal levels’ from FY26 (taking into account the change in approach for funding cross-council infrastructure).

We will be considering where there are opportunities to reduce costs without undermining our ability to deliver value to you, and how we might otherwise increase revenue streams. Our goal remains to minimise the increase in member charges.



Cashflow

We intend to draw on cash reserves to fund the operating losses that are forecast in the out-years. While doing so our financial position remains robust.

Statement of Financial Performance

Co-Lab					
Company Summary					
for the forecast financial years ended 30 June 2025-2027					
	Budget 2023/24	Forecast			
	Budget 2023/24	2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Income					
Company Management / Support	1,209,916	970,286	589,962	1,121,340	1,285,407
Working parties projects	724,929	713,349	628,741	576,178	604,987
RITS	27,000	27,000	-	-	11,977
Information Technology	766,177	772,835	-	-	-
Energy Management	137,838	144,824	94,421	151,642	159,224
Shared Valuation Data Service (SVDS)	447,506	368,825	392,892	409,638	425,251
Road Asset Technical Accord (RATA)	1,504,614	2,280,627	2,082,874	2,573,383	2,362,527
Waikato Regional Transport Model (WRTM)	1,751,775	643,615	823,990	1,644,615	512,904
Waikato Building Consent Group	381,350	357,924	157,194	338,600	399,299
Waikato Mayoral Forum	5,000	5,005	10,130	10,637	11,168
Water Collaboration	493,988	-	-	-	-
Co-Lab Water Services	3,474,554	3,684,498	4,260,948	4,473,995	4,697,695
Co-Lab Learning	423,368	440,615	445,907	556,831	564,214
Procurement	325,000	250,286	193,442	203,114	213,270
Geospatial	69,170	70,770	18,000	57,006	91,356
Communications Resource	224,400	65,773	62,484	65,608	68,889
Total Income	11,966,585	10,796,232	9,760,984	12,182,587	11,408,168
Operating Expenditure					
Company Management / Support	1,507,208	1,243,455	1,473,305	1,561,094	1,632,202
Working parties projects	724,929	740,637	628,741	576,178	604,987
RITS	15,600	24,157	24,469	25,693	26,977
Information Technology	666,474	749,815	-	-	-
Energy Management	137,838	140,731	144,421	151,642	159,224
Shared Valuation Data Service (SVDS)	309,151	282,920	302,063	311,574	321,394
Road Asset Technical Accord (RATA)	1,500,183	2,577,990	2,078,443	2,568,819	2,357,735
Waikato Regional Transport Model (WRTM)	1,722,615	643,615	823,990	1,644,615	512,904
Waikato Building Consent Group	381,350	370,161	357,194	378,600	399,299
Waikato Mayoral Forum	5,000	5,000	10,130	10,637	11,168
Water Collaboration	491,474	-	-	-	-
Co-Lab Water Services	3,236,070	3,331,138	4,021,258	4,222,320	4,433,437
Co-Lab Learning	473,159	491,176	519,666	556,831	564,214
Procurement	329,696	324,629	193,442	203,089	213,218
Geospatial	69,170	70,783	82,863	87,006	91,356
Communications Resource	224,400	64,817	64,001	67,189	70,536
Total operating expenditure	11,794,318	11,061,025	10,723,985	12,365,287	11,398,651
Earnings before interest, tax and depreciation/ amortisation (EBITDA)	172,267	(264,793)	(963,002)	(182,701)	9,516
Depreciation / amortisation					
Company Management / Support	41,665	27,419	44,087	46,292	48,606
WBCG	0	3,076	3,072	3,072	3,072
Co-Lab Learning	0	867	864	864	864
Procurement	0	1,791	1,872	1,872	1,872
Communications	0	770	840	840	840
WRTM	29,160	-	-	-	-
Total Depreciation / amortisation	70,825	33,923	50,735	52,940	55,254
Earnings before interest and tax (EBIT)	101,442	- 298,715	(1,013,737)	- 235,640	- 45,738
Net Surplus (Deficit) before tax	101,442	(298,715)	(1,013,737)	(235,640)	(45,738)

We are budgeting losses in all the forecasted years to utilise cash surplus on hand and future surplus from SVDS and Co-Lab Waters.

Statement of Financial Position

Co-Lab					
Financial Position					
for the forecast financial years ended 30 June 2025-2027					
	Budget 2023/24	Forecasted 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
CAPITAL					
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Retained Earnings	(1,467,033)	(460,604)	(759,319)	(1,773,057)	(2,008,697)
Plus Current Year Operating Surplus/(Deficit)	2,466	(298,715)	(1,013,737)	(235,640)	(45,738)
TOTAL CAPITAL FUNDS	1,492,434	2,197,682	1,183,944	948,304	902,566
ASSETS					
CURRENT ASSETS					
Prepayments	134,000	4,128	3,300	3,465	3,638
Accounts Receivable	580,998	598,329	488,049	609,129	570,408
Bank	2,164,346	2,397,159	1,843,139	1,594,807	1,576,145
GST Receivable / (Payable)	5,097	(28,145)	(30,643)	65,030	67,989
TOTAL CURRENT ASSETS	2,884,442	2,971,471	2,303,845	2,272,432	2,218,180
NON-CURRENT ASSETS					
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195	1,195
Accumulated Depreciation	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)
IT Equipment & Office Furniture	150,132	185,000	197,500	197,500	197,500
Accumulated Depreciation - IT equipment & Office Furniture	(41,546)	(33,923)	(92,281)	(139,440)	(188,804)
TOTAL NON-CURRENT ASSETS	108,587	151,077	105,219	58,060	8,696
TOTAL ASSETS	2,993,028	3,122,549	2,409,063	2,330,491	2,226,876
LESS CURRENT LIABILITIES					
Accounts Payable	1,415,383	785,965	1,073,624	1,218,874	1,148,200
Accounts Payable Accrual	32,173	33,782	37,244	39,106	41,062
Employee Benefits	53,038	105,120	114,251	124,207	135,049
TOTAL CURRENT LIABILITIES	1,500,594	924,866	1,225,119	1,382,187	1,324,310
NET ASSETS	1,492,434	2,197,682	1,183,944	948,304	902,566

Statement of Cashflows

Co-Lab					
Statement of Cashflows					
for the forecast financial years ended 30 June 2025-2027					
	Budget 2023/24	Forecasted 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Cashflows from Operating Activities					
Interest Received / (Paid)	80,625	60,594	70,282	70,272	70,261
Receipts from Other Revenue	11,868,628	11,850,047	9,798,424	11,991,025	11,376,407
Payments to Suppliers	(11,879,652)	(11,470,117)	(10,422,705)	(12,208,174)	(11,456,481)
Taxes Paid	0	0	0	0	0
Goods & Services tax (net)	30,937	(271,978)	2,498	(95,674)	(2,959)
Net cash from operating activities	100,538	168,546	(551,501)	(242,551)	(12,772)
Cashflows from Investing Activities					
Capital enhancements	0	0	0	0	0
Purchase of PPE	(30,334)	(84,502)	(4,877)	(5,780)	(5,891)
Purchase of investments	0	0	2,358	0	0
Net cash from investing activities	(30,334)	(84,502)	(2,519)	(5,780)	(5,891)
Net increase in cash, cash equivalents and bank accounts	70,205	84,044	(554,020)	(248,332)	(18,662)
Opening cash and cash equivalents and bank overdrafts	2,164,346	2,313,115	2,397,159	1,843,139	1,594,807
Closing cash, cash equivalents and bank accounts	2,234,551	2,397,159	1,843,139	1,594,807	1,576,145
Summary of Bank Accounts					
BNZ - Call a/c	2,234,551	2,397,159	1,843,139	1,594,807	1,576,145
Closing Balance of Bank	2,234,551	2,397,159	1,843,139	1,594,807	1,576,145

Appendix I: Governance

Co-Lab² is owned in equal portion by the 12 Waikato Local Authorities³:

- Hamilton City
- Waipa District
- Waikato Regional
- South Waikato District
- Waitomo District
- Thames-Coromandel District
- Matamata-Piako District
- Hauraki District
- Rotorua Lakes District
- Western Bay of Plenty District
- Waikato District
- Ōtorohanga District

Co-Lab's⁴ vision is that council collaboration through Co-Lab maximises community wellbeing. The company's purpose is to achieve this vision by helping councils identify and realise shared opportunities.

It achieves these outcomes by:

- Acting as an ideas laboratory for developing opportunities that create value to councils;
- Providing shared services to councils; and
- Entering joint procurement arrangements for the benefit of councils.

Co-Lab conducts itself in accordance with its constitution, its annual Statement of Intent, the provisions of the LGA and Co-Lab policies.

The Board is made up five council representative directors and an independent Chair. There is also a standing Audit & Risk Committee.

The current Directors of Co-Lab are:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Vacant	Hauraki, Matamata-Piako, Thames-Coromandel District and Western Bay of Plenty District Council

⁴ Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd

Peter Stubbs' appointment as Independent Chair has been renewed for a further three years from 1 July 2022.

The independent Chair of Co-Lab receives director fees and reimbursed expenses. Directors representing the councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

Appendix II: Policy Statements

Statement of accounting policies

Reporting entity

Waikato Local Authority Shared Services Limited ("the Company") is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The company is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of the shareholding councils' right to appoint the Board of Directors.

The primary objectives of the Company are to:

- Develop opportunities that benefit the Waikato region's local authorities; and
- Act as a vehicle to deliver value-added services to those local authorities.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

Summary of significant accounting policies

Basis of preparation

Financial statements are prepared on the going concern basis, and the accounting policies are applied consistently throughout the period.

Statement of Compliance

Financial statements are prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Financial statements are prepared in accordance with and comply with Tier 2 PBE Standards reduced disclosure regime (RDR). WLASS is eligible to report under the RDR as it:

- is not publicly accountable; and
- has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year, other than the inclusion of policy:

- on operating leases, related to the lease of commercial premises;
- employees; and
- property, plant and equipment.

Measurement base

The financial statements are prepared on a historical cost basis.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

Goods and services tax

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

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) 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 an operating cash flow in the cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

In preparing the financial statements the Company makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas requiring estimate or assumptions made that are considered to carry a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Intangible assets

Useful lives and residual values

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company and expected disposal proceeds from the future sale of the future sale of the asset.

An incorrect estimate of the useful life of residual value will impact the amortisation expense recognised in the income statement and carrying amount of the asset in the balance sheet. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

Impairment of intangible assets

Intangible assets measure at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus deficit.

Revenue

Revenue

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services, excluding GST, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

Other Revenue

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction.

Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

Operating expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Personnel costs

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Receivables

Short-term receivables are recorded at the amount due, less any provision for amounts not considered collectable.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

Intangible assets Other financial assets

Investments in bank deposits are measured at fair value plus transaction costs.

At each balance date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the income statement.

Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value.

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

Employee benefits liabilities

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These includes salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extend it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Reconciliation of equity

Equity is the shareholders interest in WLASS and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.

APPENDIX 5

LGFA – Six Month report to Shareholders for the period to 31 December 2023
(ECM number 11199013)

**Benefiting communities through
delivering efficient financing
for local government.**

**Ka whiwhi painga ngā hapori mā te
whakarato pūtea tōtika ki ngā kaunihera.**

HALF YEAR REPORT
31 December 2023



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Rārangi tauwaea

LGFA acknowledge the assistance of the Department of Internal Affairs translation service for our Te Reo translations.



Cover photo: Kopurererua River realignment project. Tauranga City Council
Contents photo: Water flows down the spillway and beneath the Nick Patterson bridge. Waimea Dam. Tasman District Council

Message from the Chair and Chief Executive

He karere mai i te Toihau me te Tumuaki

For the six-months ended 31 December 2023

The six months to December 2023 presented a challenging period for bond issuance as markets remained volatile and an increased supply of high-grade bonds impacted sentiment. Over this period, council and council-controlled organisations (CCO) borrowing and LGFA bond issuance increased to record levels and, despite the difficult conditions, LGFA continued to deliver value to members and our investor base.

Highlights over the period included our successful debut issuance in the Australian Dollar (A\$) bond market and LGFA receiving an unprecedented five awards in the annual KangaNews Awards, including New Zealand Issuer of the year for the second consecutive year.

Lending to the sector

LGFA was established in 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 Crown remain as shareholders and our membership has grown to 77 council and 5 CCO's.

Over the six months, Infrastructure Holdings Limited and Whanganui District Council Holdings Limited joined as CCO members. We currently have 72 guarantors with West Coast Regional Council moving from non-guarantor to guarantor status during the past six months. Lending to members over the six month period was a record \$2.63 billion of long-term loans to 56 members, with an average tenor of 5.2 years which was shorter than prior periods. Short-dated lending for terms less than 12 months continues to be supported by councils, with \$617 million outstanding to 36 members at December 2023.

Our estimated market share of total council borrowing of 8% was above our forecast and the long-term average. As at the end of December, outstanding loans totalled \$18.79 billion, as well as \$747 million of standby facilities.

Financial and Operational Performance

LGFA's total interest income for the six months of \$578.1 million was an 85% increase over the 2022 comparable period (\$312.9 million), while net operating

profit of \$5.2 million was a 370% increase (\$1.1 million). Although net operating profit was significantly higher than the comparable 2022 period, it was in line with historical outturns. The low comparable 2022 period outcome was negatively influenced by the rapid rise in interest rates, mismatches between the Bank Bill Reference Rate and the Official Cash Rate, combined with a planned increased holding of liquid assets.

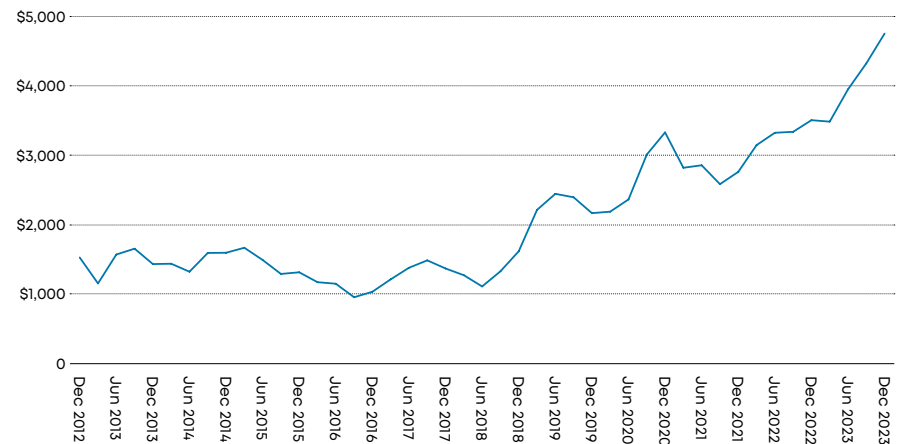
Total operating income was above budget by \$152k, however expenses were \$428k above the SOI budget, with net operating profit \$277k below budget. Our higher expenses were due to increased legal and NZX costs arising from the record levels of member borrowing and associated bond issuance, as well as establishment costs for our Euro Commercial Paper programme, SA bond issuance and higher Approved Issuer Levy (AIL) payments.

The financial strength of LGFA was affirmed by Fitch Ratings who maintained our domestic currency credit rating at AA+ in October 2023. Our AAA rating from S&P Global Ratings was affirmed in March 2023 and remains the same as the New Zealand Government.

Our borrowing activity

LGFA issued \$1.63 billion of NZD bonds over the past six months, with outstandings bonds totalling \$18.92 billion (including \$1.10 billion of treasury stock) across 11 maturities ranging between 2024 to 2037. The average term of our NZD bond issuance during the six months at 5.7 years was significantly longer than the prior year period.

LGFA Annual Council and CCO Borrowing (NZ\$ millions)



LGFA established an Australian Medium Term Note programme in 2017 to diversify our funding sources but had no reason to utilise the programme until 2023. Given our increased borrowing requirement we successfully debuted issue a A\$1 billion 5-year bond in August 2023 and followed up with an A\$650 million 7-year bond in November 2023.

LGFA has the largest amount of New Zealand dollar (NZD) bonds on issue after the New Zealand

Government and our individual bond tranches are amongst the largest and most liquid NZD debt instruments available for investors. Secondary market activity in our bonds continues to rise, assisting investors' access to our bonds throughout the year.

Increased high grade bond supply from ourselves and the NZ Government has pushed LGFA spreads wider to swap, but we have outperformed on a spread to NZGBs. The performance of LGFA bonds over the past six

months has been mixed with the spread between LGFA bonds and New Zealand Government Bonds (NZGBs) narrower by between 3 bps (2033s) and 12 bps (2027s) but wider on a spread to swap between 3 bps (2035s) to 13 bps (2026s). Outright yields on LGFA bonds declined between 28 bps (2037s) and 55 bps (2027s) over the six-month period, but it was a volatile period with the 2037 yield trading a 146-bps range between 6.58% and 5.12% and closed on 31 December 2023 at the low of 5.12%.

KangaNews award winner

We are pleased to advise that LGFA scooped an unprecedented five awards at the 2023 KangaNews Awards with the awards being determined by market participant votes. We received awards for the New Zealand Issuer of the Year (for the second consecutive year), NZD Rates Bond Deal, NZ Sustainability Deal, NZ Offshore Deal, and NZ Innovative Deal. We want to acknowledge the support from our stakeholders and those who voted for us.

Our role in assisting Local and Central Government

The local government sector continues to face a period of change and uncertainty having to deal with climate-related events, rising cost pressures and managing their three waters assets during the reform process.

LGFA is assisting both Central Government and our council members under the previous government's Affordable Waters Programme and the new government's Local Water Done Well Programme.

LGFA continues to assist as required, the Ratepayer Assistance Scheme project managed by a group of councils with advice from Cameron Partners. If successful, the scheme could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.

New products and initiatives

We launched Green, Social and Sustainable (GSS) lending in October 2021 and Climate Action Loans

(CALs) for council and CCOs in December 2022. Both lending products offer discounted loan margins to councils and CCOs.

As at December 2023, we have undertaken \$377.2 million of GSS Loans to six members and CALs of \$1.20 billion to four members.

LGFA established a world first Sustainable Financing Bond (SFB) Framework in March 2023 and issued our first SFB under the Framework in April 2023. We subsequently issued a further \$500 million of the May 2030 SFB in October 2023. The SFBs are notionally backed by our GSS loans and CALs to councils and CCOs.

Increasing focus on sustainability

Sustainability plays an important part within the local government sector and at LGFA. We have undertaken several initiatives over the past year, including maintenance of CarbonZero certification from Toitū Envirocare, actively marketing our GSS loan product and establishing CALs and the launch of the SFB. We published our first Annual Impact Review Report and have been preparing for our first report under Climate Related Disclosure requirements for the 2024 Annual Report.

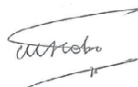
Acknowledgments

Our work cannot be implemented without the support of our staff, fellow directors, Shareholders Council, New Zealand Debt Management and Central Government, all whose efforts should be acknowledged.

Anthony Quirk who has been a director since 2017, retired from the Board in November 2023, and we would like to take this opportunity to thank Anthony for his invaluable contribution to LGFA over the past six years. Kumaren Perumal from Bay of Plenty Regional Council also stepped down as Chair of the Shareholders Council and we wish to acknowledge his contribution over the past two years.

Anita Furnis our inaugural Future Director also stepped down in December 2023 after an 18-month term and we appreciated her involvement and engagement that in ensures the success of the Future Director programme. We welcome David Rae to the board as an Independent Director, Kathryn Sharplin as the new Chair of the Shareholders Council and Sarah Matthews as the new Future Director.

We believe LGFA's future remains positive and look forward to working with all stakeholders in the next six months.



Craig Stobo
Chair



Mark Butcher
Chief Executive

How we add value to the local government sector

By working together with LGFA, member councils and Council-controlled organisations (CCO's) can access cheaper, easier, and more reliable funding.

At the same time, LGFA helps underpin confidence in the local government sector, helps councils and CCOs with their sustainability goals, boosts capital markets in New Zealand, and acts as a centre of expertise that the local government sector can draw on.

Cheaper loans. By borrowing collectively through LGFA, our members get cheaper funding than if they all borrowed individually. There are also major savings in upfront transaction costs.

Easier access to markets. LGFA deals with the complexities of accessing debt capital markets, which simplifies and streamlines the process of raising loans for our members. At the same time, we provide a wide range of financing options, including short-term loans and standby facilities, long-term loans up to 13 years, with either fixed or floating interest rates, and sustainable lending products.

Reliable financing. LGFA has a wider range of financing sources than most councils could access on their own. These include domestic retail and institutional investors, banks, and offshore investors. This makes financing more resilient and reliable, especially in times of stressed markets. LGFA has also provided a vital role by maintaining liquidity to members during difficult market conditions. LGFA has issued under our Australian dollar bond programme and has established a Euro Commercial Paper (ECP) programme to access foreign currency debt capital markets in order to diversify our financing sources.

Underpinning confidence. LGFA monitor and provide oversight for the local government sector, ensuring a higher degree of confidence in council finances. Our financial covenants help ensure prudent financial management by councils. We help maintain the support of investors and the confidence of the credit rating agencies by maintaining a credit rating that is equal to the New Zealand Government. It is important to maintain parity with the New Zealand Government credit rating to protect our operating model and manage borrowing costs.

Encouraging sustainability. LGFA provide Climate Action Loans and Green Social and Sustainable Loans to councils and CCOs to help them make progress on their sustainability goals. On the financing side, we issue Sustainable Financing Bonds to help broaden the 'sustainable bond' market in New Zealand. We are currently working with sustainability experts and councils to measure and report on our financed emissions for all our council borrowers in our upcoming 2024 Annual Report.

Enhancing capital markets. LGFA are the largest issuer of NZ Dollar bonds after the New Zealand Government. Our bonds add to market liquidity and provide more options for investors, including retail investors, to support the local government sector. Our bonds act as a stable benchmark that is used for pricing other corporate bonds in the New Zealand market.

A centre of expertise. The LGFA team acts like a centralised Treasury for councils, providing a significant amount of experience and expertise in capital markets and debt raising.



New Zealand Issuer of the Year for 2023

Thank you to our investors, intermediaries and market participants for their support.

Performance against objectives

Ko ngā whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2023-26 (SOI)

2023-24 Objectives and performance targets

LGFA objectives and performance targets for 2023-24 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the LGFA Board and management in determining our strategy:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the two quarters' ended December 2023 are available on the LGFA website.

Governance, capability and business practice

LGFA is committed to demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Objectives	Our performance to 31 December 2023
Demonstrate best practice corporate governance.	LGFA report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The 2023 Annual Report is the most recent report with commentary on our compliance with the NZX Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial performance targets for the six months ended 31 December 2023 is summarised below under our performance targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	LGFA is committed to being a good employer and we report our employment practices annually in our Annual Report. The 2023 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, including compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2023-2024 target	Our performance to 31 December 2023
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.	✓ No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	✓ Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings. Fitch Ratings affirmed our foreign and domestic currency ratings at AA+ with a Stable Outlook on 19 October 2023. S&P Global Ratings affirmed our domestic currency credit rating at AAA and our foreign currency rating at AA+ in March 2023.
LGFA's total operating income for the period to 31 December 2023.	> \$20.6 million.	✓ \$10.6 million for six months to 31 December 2023. Expect to exceed SOI by year end.
LGFA's total operating expenses for the period to 31 December 2023.	< \$10.0 million.	✗ \$5.4 million for six months to 31 December 2023. Year-end operating expenses will exceed SOI due to higher Approved Issuer Levy than budgeted, as well as additional costs from (1) higher levels of issuance and onlending than budgeted; (2) legal and associated costs for inaugural foreign currency issuance, and (3) preparation for potential role in 'Local Water Done Well' and the proposed Ratepayer assistance programme.

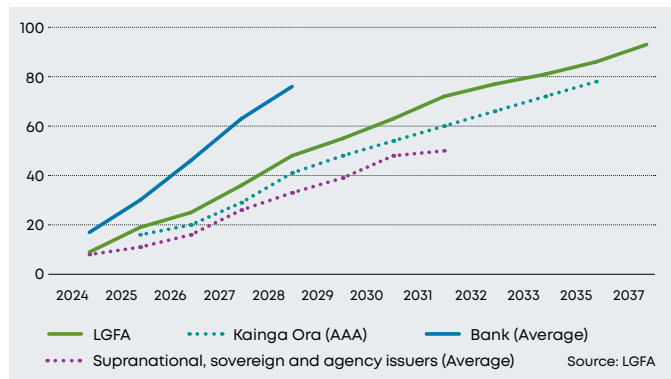
Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Objectives	How we measure our performance
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Provide interest cost savings relative to alternative sources of financing.

Comparison to other high-grade issuers - secondary market spread to swap (bps)
 LGFA's borrowing margins compare favourably to other high-grade issuers in the New Zealand capital markets.



Supranational, sovereign and agency issuers

- Kainga Ora (AAA)
- Asian Development Bank (AAA)
- IADB (AAA)
- International Finance Corp (AAA)
- KBN (AAA)
- Rentenbank (AAA)
- World Bank (AAA)
- Nordic Investment Bank (AAA)

Banks

- ANZ (AA-)
- ASB (AA-)
- BNZ (AA-)
- Westpac Bank (AA-)

Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.

LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans and standby facilities.

- Over the six months ended December 2023, our members borrowed \$2.656 billion in 222 long term loans across maturity dates ranging between 2024 and 2033.
- As at December 2023 there was \$617 million short-term loans outstanding to 36 members.
- As at December 2023, standby facilities totalled \$747 million across 16 members.

Deliver operational best practice and efficiency for lending services.

Over the six months ended December 2023, LGFA operations staff successfully:

- settled 1,150 new trades with a gross value of \$14.3 billion,
- processed 7,454 cash flows with a gross value of \$21.9 billion, and
- rate set 5,733 existing trades.

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

There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the six months ended December 2023, we issued NZ\$1.63 billion and A\$1.65 billion of primary bonds and secondary market turnover totalled \$6.25 billion.

Performance targets	2023-2024 target	Our performance to 31 December 2023
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Share of aggregate long-term debt funding to the Local Government sector.	> 80%	✓ Met – 89% as at 31 December 2023
Total lending to Participating Borrowers.	> \$17,870 million	✓ Met – \$18,789 million as at 31 December 2023
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	✓ 100% satisfaction score in August 2023 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	✓ Met
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	✓ Met



Te Kurawai o Pūhanga, the reservoir behind the Waimea Community Dam, at full capacity. Tasman District Council

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand’s shift to a low-carbon economy. LGFA will prioritise social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Objectives	Our performance to 31 December 2023
Assist the local government sector in achieving their sustainability and climate change objectives.	<p>Over the six months to 31 December 2023, we approved a new Green, Social and Sustainability Loan (GSS loan) to Tauranga City Council.</p> <p>At 31 December 2023, we have approved six GSS loans with a combined approved value of \$572 million, of which \$377 million has been advanced.</p> <p>On 1 December 2022, we launched Climate Action Loans (CALs) which a discounted loan margin for members who have implemented a Greenhouse Gas Emission Reduction Plan and meet their emission reduction targets.</p> <p>Over the six months to 31 December 2023, we approved a CAL loan status to Kapiti Coast District Council.</p> <p>At 31 December 2023, we have approved four councils with a CAL loan status: Total loans issued to CAL approved councils total \$1,221 million.</p>
Improve sustainability outcomes within LGFA.	<p>In 2021, LGFA directors committed to reducing our per employee emissions by 30% by 2030, compared with a 2018/19 base year.</p> <p>We are on track to meet our reduction target for the 2023-24 year.</p>

Performance targets	2023-2024 target	Our performance to 31 December 2023
Comply with the Health and Safety at Work Act 2015.	No breaches	✓ No breaches.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	✓ Toitū Net Carbon-zero recertification approved August 2023.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	✓ On track to meet target
Increase our GSS lending book.	Two new GSS loans undertaken. Three new borrowers enter into CALs	✓ On track to meet target
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	✓ 2023 Annual Report prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).
Meet all mandatory climate reporting standards.	100%	✓ On track to meet target

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower’s financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	Our performance to 31 December 2023
Proactively monitor and review each Participating Borrower’s financial position, including its financial headroom under LGFA policies.	<p>Over the six months, we reviewed council agendas and management reports on an ongoing basis for all members on the LGFA borrower watch-list.</p> <p>We have received compliance certificates for LGFA covenants from 78 (75 councils and 3 Council-controlled organisations) of our members with debt outstanding at June 2023 and no council has requested that they be measured on a group basis.</p>
Analyse finances at the Council group level where appropriate and report to shareholders.	
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	<p>We met with 33 borrowers over the six months and are on target to meet with all members by 30 June 2024.</p>

Performance targets	2023-2024 target	Our performance to 31 December 2023
Review each Participating Borrower’s financial position.	100%	✓ On target to meet by 30 June 2024.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%	✓ On target to meet by 30 June 2024.

Industry leadership and engagement

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

Objectives	Our performance to 31 December 2023
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	LGFA continues to assist as required, the Ratepayer Assistance Scheme project managed by a group of councils with advice from Cameron Partners. If successful, the scheme could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.
Assist the local government sector with significant matters such as the Affordable Water Reforms.	Throughout the early part of the six-month period, we have had meetings with Treasury and the National Transition Unit team at DIA and their advisers regarding Affordable Waters Reform and the establishment of a collective funding vehicle, similar to LGFA structure, for the Water Services Entities. Following the change in Government, we have met with the Minister of Local Government and Treasury and DIA staff, offering to help with the implementation of the 'Local Water Done Well' programme
Maintain productive relationships with central government representatives.	We met regularly with OAG, Department of Internal Affairs and Treasury over the six month period.
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	We continue to roll out the GSS and CALs to councils and CCOs and approved a new GSS loan project and on boarded a new council for CALs. The LGFA Head of Sustainability continues to meet with his counterparts at various councils.



Financial statements

Nga taukī pūtea

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Statement of comprehensive income

For the six months ended 31 December 2023 in \$000s

	Note	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Interest income		578,134	312,883
Interest expense		568,323	307,904
Net interest income	4	9,811	4,979
Other operating income	5	753	671
Total operating income		10,564	5,651
Operating expenses	6	5,355	4,542
Net operating profit		5,209	1,108
Total comprehensive income		5,209	1,108

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

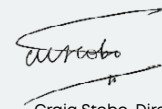
Due to rounding, numbers presented in the financial statements and associated notes may not add up precisely to the reported totals.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements for issue on 28 February 2024.

Statement of changes in equity

For the six months ended 31 December 2023 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 July 2022		25,000	79,560	104,560
Net operating profit			2,505	2,505
Total comprehensive income for the year			2,505	2,505
Transactions with owners			-	-
Dividend paid on 2 September 2022			(1,218)	(1,218)
Equity as at 1 July 2023		25,000	80,847	105,847
Net operating profit			5,209	5,209
Total comprehensive income for the year			5,209	5,209
Transactions with owners			-	-
Dividend paid on 1 September 2023			(1,713)	(1,713)
Unaudited closing balance as at 31 December 2023		25,000	84,343	109,343



Craig Stobo, Director
Board Chair



Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of financial position

As at 31 December 2023 in \$000s

	Note	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Assets			
Financial assets			
Receivables		1,086	492
Cash and bank balances		359,688	226,222
Cash pledged as collateral		85,389	93,175
Marketable securities		1,613,984	1,127,879
Deposits		822,148	348,492
Derivatives in gain		101,535	63,845
Loans	8	18,788,758	16,313,562
Non-financial assets			
Prepayments		1,228	919
Other assets	9	26	58
Total assets		21,773,843	18,174,644
Equity			
Share capital	16	25,000	25,000
Retained earnings		79,135	80,847
Total comprehensive income for the period		5,209	-
Total equity		109,343	105,847
Liabilities			
Financial liabilities			
Payables and provisions	10	29,850	6,132
Bills	11	856,894	782,630
Bond repurchases	12	129,987	130,043
Derivatives in loss		1,291,310	1,628,316
Bonds	13	18,924,712	15,160,432
Borrower notes	14	430,751	360,348
Non-financial liabilities			
Other liabilities	15	995	896
Total liabilities		21,664,499	18,068,797
Total equity and liabilities		21,773,843	18,174,644

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

Statement of cash flows

For the six months ended 31 December 2023 in \$000s

	Note	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Cash flows from operating activities			
Cash applied to loans	8	(2,407,840)	(1,639,024)
Interest paid on bonds issued		(243,566)	(228,725)
Interest paid on bills issued		(26,733)	(10,088)
Interest paid on borrower notes		(558)	(131)
Interest paid on bond repurchases		(5,303)	(1,738)
Interest received from loans		475,616	224,165
Interest received from cash & cash equivalents		12,273	2,396
Interest received from marketable securities		19,511	13,570
Interest received from deposits		16,943	5,897
Net interest on derivatives		(247,902)	2,276
Cash proceeds from provision of standby facilities		753	671
Payments to suppliers and employees		(6,011)	(5,317)
Net cash flows from operating activities	18	(2,412,818)	(1,636,047)
Cash flows from investing activities			
Purchase of marketable securities		(458,717)	206,657
(Purchase)/maturity of deposits		(458,062)	(462,937)
Net cash flows from investing activities		(916,778)	(256,280)
Cash flows from financing activities			
Cash proceeds from bonds issued	13	1,485,329	1,477,890
Cash proceeds (outflows) from bills issued		74,264	74,146
Cash proceeds (outflows) from bond repurchases		(168)	76,195
Cash proceeds from borrower notes		59,984	41,598
Dividends paid		(1,712)	(1,218)
Cash applied to derivatives		1,845,365	130,604
Net cash flows from financing activities		3,463,063	1,799,215
Net (decrease) / increase in cash		133,467	(93,112)
Cash, cash equivalents at beginning of year		226,222	158,033
Cash, cash equivalents at end of year		359,688	64,921

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

Notes to the financial statements

1. 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 borrowers.

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

These financial statements were authorised for issue by the Directors on 28 February 2024.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2023 and are to be read in conjunction with the annual report for the year ended 30 June 2023.

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

3. 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 no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

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

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, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents

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

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

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

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

Financial liabilities

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

Derivatives

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

Fair value hedge

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

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

Other assets

Property, plant and equipment

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.

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.

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.

Segment reporting

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

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

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 and these estimates and underlying assumptions are reviewed on an ongoing basis.

Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

Revenue and expenditure

4. Net interest income

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Interest income		
Cash and cash equivalents	16,804	4,098
Marketable securities	33,313	18,342
Lease liability	-	16
Deposits	20,237	9,668
Derivatives	-	-
Loans	507,780	280,759
Fair value hedge ineffectiveness	-	-
Total interest income	578,134	312,883
Interest expense		
Bills	26,733	10,088
Bond repurchase transactions	5,415	1,949
Lease liability	17	-
Derivatives	227,217	66,245
Bonds	298,564	224,425
Borrower notes	10,377	5,196
Total interest expense	568,323	307,904
Net interest income	9,811	4,979

5. Other operating income

As at 31 December 2023, LGFA had provided credit standby facilities totalling \$747 million (2022: \$662 million) to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Standby facilities fee income	753	671
Total other operating income	753	671

6. Operating expenses

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

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Issuance and on-lending expenses		
Approved issuer levy ¹	541	343
Rating agency fees	343	333
NZDMO facility fee	750	652
Legal fees – issuance	502	205
NZX	402	367
Trustee fees	56	55
Regulatory, registry, other fees	184	106
	2,779	2,062
Other operating expenses		
Information technology	360	341
Consultants	131	127
Directors fees	249	213
Insurance	49	47
Legal fees	23	156
Other expenses	204	230
Auditors' remuneration		
Statutory audit	60	55
Advisory services	-	-
Personnel	1,500	1,312
	2,577	2,481
Total operating expenses	5,355	4,542

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

7. Hedge accounting

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

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

in \$000s	Unaudited gain/(loss) for the six months ended 31 December 2023	Unaudited gain/(loss) for the six months ended 31 December 2022
Hedged items attributable to the hedged risk	(357,392)	329,876
Hedging instruments – interest rate swaps	357,392	(329,876)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps, cross currency swaps) and the hedged item (bonds, loans and investments) 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.

8. Loans

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans ¹	Loans	Short-term loans	Loans
Ashburton District Council	12,089	104,554	12,110	74,243
Auckland Council	-	3,631,775	-	3,225,659
Bay of Plenty Regional Council	57,991	176,577	57,428	161,353
Buller District Council	-	20,036	-	20,030
Canterbury Regional Council	5,013	77,336	10,116	65,272
Carterton District Council	-	20,552	-	17,523
Central Hawkes Bay District Council	-	38,324	4,072	38,314
Central Otago District Council	5,020	20,288	20,117	5,072
Christchurch City Council	-	2,331,650	-	2,200,409
Clutha District Council	11,583	88,191	7,554	62,905
Dunedin City Treasury	-	252,736	-	126,119
Far North District Council	10,079	92,000	-	91,984
Gisborne District Council	-	149,330	-	126,028
Gore District Council	8,554	44,478	8,556	41,915
Greater Wellington Regional Council	-	804,623	-	678,358
Grey District Council	3,971	26,801	3,990	26,799
Hamilton City Council	-	804,733	-	803,843
Hastings District Council	-	385,854	-	294,992

1. As at 31 December 2023, \$2,757 million of loans are due to mature within 12 months. This comprises all short-term loans and \$2,140 million of loans.

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans ¹	Loans	Short-term loans	Loans
Hauraki District Council	-	88,971	-	62,620
Hawkes Bay Regional Council	25,193	74,856	25,313	55,262
Horizons Regional Council	9,906	54,923	9,936	51,871
Horowhenua District Council	23,218	159,390	15,175	151,192
Hurunui District Council	9,060	49,571	8,092	38,435
Hutt City Council	-	479,870	-	373,239
Infrastructure Holdings Ltd	9,852	104,503	-	-
Invercargill City Council	61,774	73,889	55,448	68,788
Invercargill City Holdings Ltd	39,236	48,411	12,323	78,514
Kaikoura District Council	-	7,365	-	5,346
Kaipara District Council	-	44,572	-	44,545
Kapiti Coast District Council	-	308,407	-	277,935
Kawerau District Council	-	4,048	-	2,024
Mackenzie District Council	3,007	11,205	3,001	8,086
Manawatu District Council	15,241	79,598	15,136	79,502
Marlborough District Council	14,694	184,017	21,241	131,594
Masterton District Council	-	62,462	-	52,336
Matamata-Piako District Council	-	52,637	-	45,520
Napier City Council	-	10,095	-	10,014
Nelson City Council	-	247,217	-	186,666
New Plymouth District Council	20,136	237,018	10,114	221,668
Northland Regional Council	-	18,578	-	18,565
Opotiki District Council	-	11,584	-	9,557
Otago Regional Council	49,336	109,419	46,665	104,177
Otorohanga District Council	9,194	-	6,052	-
Palmerston North City Council	-	273,375	-	214,483
Porirua City Council	-	239,409	-	198,906
Queenstown Lakes District Council	56,097	524,697	56,007	454,003
Rangitikei District Council	-	31,238	-	31,207
Rotorua District Council	1,889	391,976	1,889	351,358
Ruapehu District Council	8,049	45,161	8,050	42,130
Selwyn District Council	-	126,430	-	116,198
South Taranaki District Council	3,072	117,496	-	117,428
South Waikato District Council	-	44,474	-	44,457

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans ¹	Loans	Short-term loans	Loans
Southland District Council	-	22,020	-	21,960
South Wairarapa District Council	-	29,174	-	29,148
Stratford District Council	-	34,885	2,030	31,858
Taranaki Regional Council	-	23,687	-	19,652
Tararua District Council	4,050	52,839	4,047	53,778
Tasman District Council	26,863	263,664	25,515	246,751
Taupo District Council	-	146,315	-	146,271
Tauranga City Council	-	930,197	-	823,933
Thames-Coromandel District Council	-	80,006	-	67,813
Timaru District Council	19,343	187,700	19,456	187,561
Upper Hutt City Council	-	182,803	-	113,212
Waikato District Council	-	156,572	9,975	111,225
Waikato Regional Council	-	30,298	5,120	25,276
Waimakariri District Council	-	182,028	-	181,960
Waimate District Council	-	3,541	-	3,540
Waipa District Council	51,618	200,515	20,010	207,374
Wairoa District Council	8,259	11,110	8,015	11,109
Waitaki District Council	8,852	52,501	8,978	33,280
Waitomo District Council	4,077	24,209	4,071	24,204
Wellington City Council	-	1,552,273	-	1,178,503
West Coast Regional Council	2,986	13,310	3,243	9,991
Western Bay Of Plenty District Council	-	86,106	-	80,992
Westland District Council	-	30,130	-	27,078
Westland Holdings Ltd	625	5,457	1,618	5,456
Whakatane District Council	-	145,172	-	114,768
Whanganui District Council	7,559	136,527	7,557	110,179
Whangarei District Council	9,921	228,466	9,927	228,151
Fair value hedge adjustment	-	(26,855)	-	(37,850)
	617,406	18,171,352	547,944	15,765,618

9. Other assets

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Right-of-use lease asset	26	58
Total other assets	26	58

10. Payables and provisions

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Loans/purchases to be advanced	29,000	5,000
Trade creditors	323	804
Credit provision	320	123
Other provisions	204	205
Total receivables	29,847	6,132

11. Bills

Unaudited as at 31 December 2023 in \$000s	Face value	Unamortised premium	Accrued interest	Total
12 January 2024	190,000	(266)	-	189,734
17 January 2024	75,000	(178)	-	74,822
1 February 2024	25,000	(120)	-	24,880
7 February 2024	50,000	(282)	-	49,718
16 February 2024	50,000	(336)	-	49,664
28 February 2024	50,000	(441)	-	49,559
8 March 2024	70,000	(700)	-	69,300
15 March 2024	95,000	(1,063)	-	93,937
21 March 2024	46,000	(555)	-	45,445
5 April 2024	25,000	(369)	-	24,631
10 April 2024	25,000	(385)	-	24,615
16 April 2024	15,000	(246)	-	14,754
8 May 2024	25,000	(486)	-	24,514
5 June 2024	25,000	(591)	-	24,409
19 July 2024	100,000	(3,088)	-	96,912
	866,000	(9,106)	-	856,894

Audited as at 30 June 2023 in \$000s	Face value	Unamortised premium	Accrued interest	Total
7 July 2023	45,000	(32)	-	44,968
12 July 2023	100,000	(142)	-	99,858
19 July 2023	35,000	(87)	-	34,913
2 August 2023	25,000	(112)	-	24,888
11 August 2023	75,000	(442)	-	74,558
17 August 2023	20,000	(144)	-	19,856
8 September 2023	70,000	(713)	-	69,287
15 September 2023	55,000	(630)	-	54,370
22 September 2023	102,000	(1,277)	-	100,723
28 September 2023	40,000	(549)	-	39,451
11 October 2023	25,000	(381)	-	24,619
17 October 2023	5,000	(81)	-	4,919
8 November 2023	20,000	(397)	-	19,603
28 November 2023	50,000	(1,166)	-	48,834
6 December 2023	25,000	(609)	-	24,391
14 December 2023	50,000	(1,282)	-	48,718
20 December 2023	50,000	(1,325)	-	48,675
	792,000	(9,370)	-	782,630

12. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2023, \$1,100 million of LGFA bonds had been subscribed as treasury stock.

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

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
15 April 2024	37,803	
15 April 2025	-	16,619
15 April 2026	-	1,920
15 April 2027	-	52,513
20 April 2029	3,412	19,437
15 May 2030	17,736	-
15 May 2031	37,957	3,287
14 April 2033	4,487	1,750
15 May 2035	-	34,518
15 April 2037	28,593	-
	129,987	130,043

13. Bonds

Bonds on issue do not include \$1,100 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 12: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2023 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2024	2,218,000	(801)	10,635		2,227,834
15 April 2025	2,719,000	(37,783)	15,935		2,697,152
15 April 2026	2,155,000	(45,072)	6,889		2,116,817
15 April 2027	2,211,000	54,970	21,204		2,287,174
15 May 2028	1,553,000	(70,223)	4,512		1,487,289
20 April 2029	1,882,000	(105,057)	5,631		1,782,574
15 May 2030	1,500,000	(44,075)	8,716		1,464,640
15 May 2031	1,245,000	(81,469)	3,617		1,167,148
14 April 2033	1,515,000	5,936	11,445		1,532,381
15 May 2035	450,000	(7,496)	1,743		444,248
15 April 2037	860,000	(53,559)	3,666		810,107
AUD Fixed interest bonds					
1 August 2028	1,077,426	(2,784)	21,054		1,095,696
28 November 2030	700,327	(2,598)	3,336		701,065
Fair value hedge adjustment				(889,414)	(889,414)
	20,085,754	(390,010)	118,382	(889,414)	18,924,712

Audited as at 30 June 2023 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2024	2,218,000	(2,151)	10,499		2,226,348
15 April 2025	2,409,000	(36,176)	13,937		2,386,761
15 April 2026	2,155,000	(54,361)	6,801		2,107,440
15 April 2027	2,011,000	68,977	19,039		2,099,016
15 May 2028	1,423,000	(60,216)	4,089		1,366,873
20 April 2029	1,722,000	(83,580)	5,081		1,643,501
15 May 2030	1,000,000	(17,002)	5,747		988,745
15 May 2031	1,120,000	(60,338)	3,218		1,062,880
14 April 2033	1,350,000	33,003	10,070		1,393,073
15 May 2035	450,000	(7,728)	1,724		443,997
15 April 2037	820,000	(41,281)	3,450		782,170
Fair value hedge adjustment				(1,340,372)	(1,340,372)
	16,678,000	(260,853)	83,656	(1,340,372)	15,160,432

14. Borrower notes

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

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

15. Other liabilities

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Lease liability		58
Accruals	995	838
Total receivables	995	896

16. Share capital

As at 31 December 2023, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. The 20 million of uncalled shares are held by the 30 council shareholders in proportion to the paid-up shares. The Minister of Finance and Minister for Local Government do not hold any uncalled shares.

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

17. Shareholder information

The holdings outlined in this table include the 25 million of paid-up ordinary shares and 20 million of uncalled ordinary shares. The uncalled ordinary shares are held by the 30 council shareholders.

Registered holders of equity securities	As at 31 December 2023		As at 30 June 2023	
Minister of Finance and Minister for Local 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%

18. Reconciliation of net profit to net cash flow from operating activities

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Net profit/(loss) for the period	5,209	1,108
Cash applied to loans	(2,407,840)	(1,639,024)
Non-cash adjustments		
Amortisation and depreciation	(9,728)	2,643
Working capital movements		
Net change in trade debtors and receivables	(476)	(378)
Net change in prepayments	(309)	(298)
Net change in accruals	126	(98)
Net Cash From Operating Activities	(2,412,818)	(1,636,047)

19. Related parties

Identity of related parties

LGFA is related to the local authorities set out in the Shareholder Information in note 17.

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

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 borrowers. 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 borrowers. Refer note 14.

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

Directory

Rārangi tauwaea

Postal address

P.O. Box 5704, Lambton Quay
Wellington 6145

Office hours

Monday – Friday, 9am to 5pm
Except Public Holidays

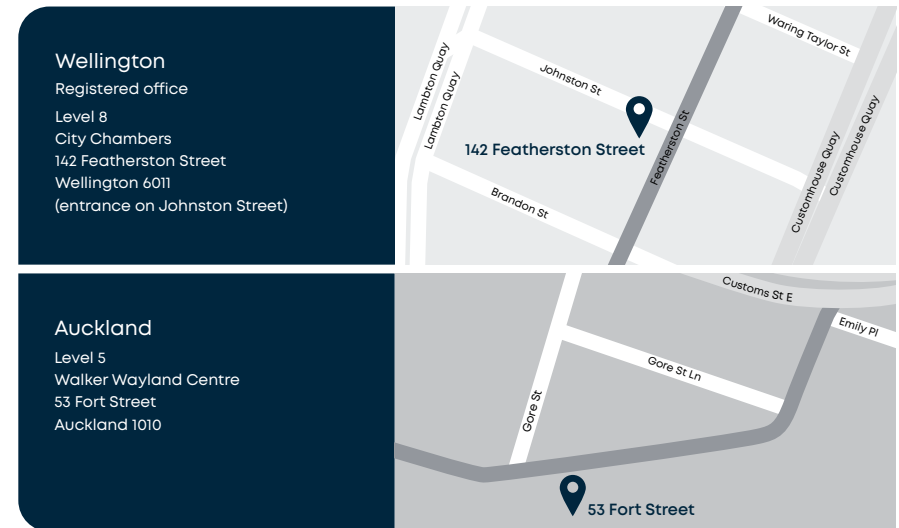
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firstname.lastname@lgfa.co.nz

Phone +64 4 974 6530



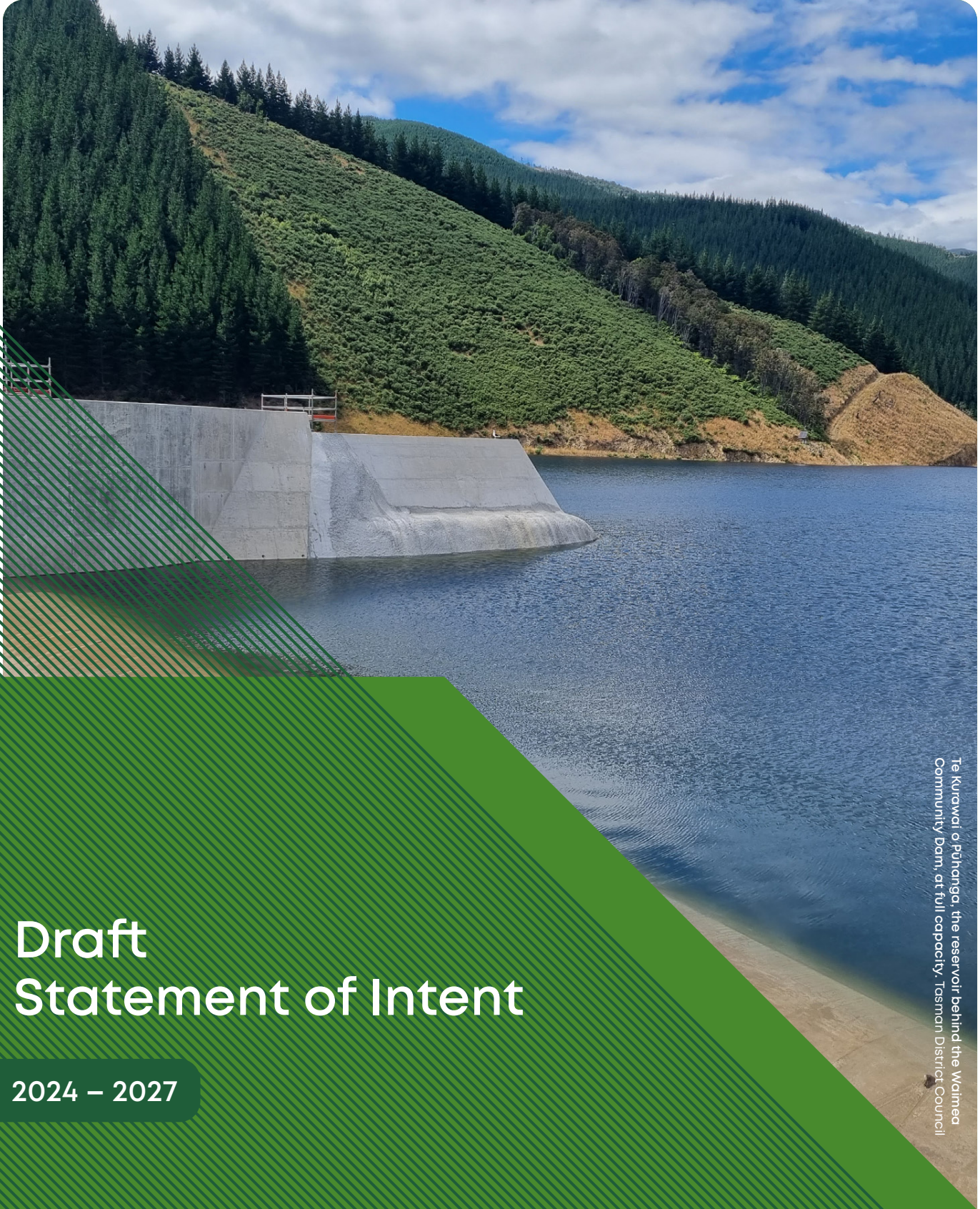


APPENDIX 6

LGFA – Draft Statement of Intent 2024/25 (ECM number 11199113)



New Zealand Local
Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe



Te Kūrawai o Pūhanga, the reservoir behind the Waimere Community Dam, at full capacity. Tasman District Council

Draft Statement of Intent

2024 – 2027

1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2024 to 30 June 2027. LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

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

Note: This SOI, including financial forecasts, assumes that LGFA continues to lend to the water sector, either through councils as it does at present, or through any new structures under the Local Water Done Well reforms. We are awaiting further information relating to the establishment of the Water CCOs; how Water CCOs are intending to structure their borrowing; how the transition of revenue and debt will occur between our council members and Water CCOs, and the impact on future council borrowing intentions.

2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers).

LGFA may raise debt funding domestically or offshore in either NZ dollars or foreign currency.

LGFA only lends to participating borrowers that have entered into required legal and operational arrangements and comply with the LGFA’s lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidental to, or in connection with that business.

3. Our purpose Ta tatou kaupapa

Benefiting local communities through delivering efficient financing for local government.
Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.

4. Our values Ō mātau uara

<p>We act with integrity</p> <p>E pono ana mātau</p> <p>We are honest, transparent and are committed to doing what is best for our customers and our company.</p>	<p>We are customer focused</p> <p>E arotahi ana mātau ki te kiritaki</p> <p>Our customers are our council borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.</p>	<p>We strive for excellence</p> <p>E whakapau kaha mātau kia hiranga te mahi</p> <p>We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.</p>	<p>We provide leadership</p> <p>He kaiārahi mātau</p> <p>We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.</p>	<p>We are innovative</p> <p>He auaha mātau</p> <p>To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.</p>
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5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

- (a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives and associated performance targets.

Governance, capability and business practice

LGFA is committed demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Industry leadership and engagement

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

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2024-2027.

The financial performance targets are focused on the 2024-2025 year and, as applicable, are based on the financial forecasts outlined in section 8.

Governance, capability and business practice

Objectives	How we measure our performance
Demonstrate best practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The Shareholders' Council has requested a focus on succession planning for the Board.
Set and model high standards of ethical behaviour.	LGFA has adopted a Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual and Half Year Reports.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2024-2025 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
Succession plans be put in place for the Board and staff and be reviewed annually.	Plan established and shared.
LGFA's total operating income for the year to 30 June 2025.	>\$29.8 million.
LGFA's total operating expenses for the year to 30 June 2025.	<\$15.6 million.

Optimising financing services for local government

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges.

Performance targets	2024-2025 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Total lending to Participating Borrowers.	> \$22,000 million.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

Environmental and social responsibility

Objectives	How we measure our performance
Develop our sustainability strategy to include the estimated financial impacts of climate change.	LGFA sustainability strategy incorporates an assessment of the estimated financial impacts of climate change.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions and maintaining formalised processes to measure our greenhouse gas (GHG) emissions.

Performance targets	2024-2025 target
Comply with the Health and Safety at Work Act 2015	No breaches.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Three new borrowers enter into CALs.
Ensure Annual Report is prepared in compliance with applicable GRI Standards	100%
Meet all mandatory climate reporting standards	100%

Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list.
Analyse finances at the Council group level where appropriate and report to shareholders.	Participating borrowers are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	Number of participating borrowers visited in a year.
Work with central government and local government to facilitate a sector-wide successful transition of debt under the Local Water Done Well Programme.	LGFA is an active participant in the Local Water Done Well Programme.

Performance targets	2024-2025 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.
Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government	Assist the local government sector to understand any legislative or Central Government policy changes that may impact LGFA.
Maintain productive relationships with central government representatives.	Report on the alignment of LGFA and councils climate and emissions reporting requirements
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	Report back in how we are helping smaller councils' understand future reporting requirements.

8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2027:

Comprehensive income \$m	Jun 25	Jun 26	Jun 27
Net Interest income	28.3	28.3	27.0
Other operating income	1.5	1.5	1.5
Total operating income	29.8	29.8	28.5
Approved Issuer Levy	4.2	5.8	7.2
Issuance & onlending costs	4.1	4.2	4.3
Operating overhead	6.3	6.6	6.9
Issuance and operating expenses	14.6	16.6	18.4
P&L	15.1	13.1	10.1
Financial position (nominals) \$m	Jun 25	Jun 26	Jun 27
Liquid assets portfolio	2,379	2,788	2,769
Loans to local government	22,086	24,456	26,053
Total Assets	24,465	27,244	28,823
Bonds on issue (ex Treasury stock)	22,332	25,017	26,486
Bills on issue	1,350	1,350	1,350
Borrower notes	508	573	623
Total Liabilities	24,190	26,940	28,459
Capital	25	25	25
Total Liabilities	19,308	20,509	21,577

Capital	25	25	25
Retained earnings	106	118	126
Dividend	(2)	(2)	(2)
Shareholder equity	130	141	149
Ratios	Jun 25	Jun 26	Jun 27
Liquid assets/funding liabilities	10.4%	10.9%	10.2%
Liquid assets / total assets	9.7%	10.2%	9.6%
Net interest margin	0.13%	0.12%	0.10%
Cost to income ratio	49.2%	55.9%	64.5%
Return on average assets	0.06%	0.05%	0.04%
Shareholder equity/total assets	0.5%	0.5%	0.5%
Shareholder equity + BN/total assets	2.6%	2.6%	2.7%
Asset growth	12.8%	11.4%	5.8%
Loan growth	11.3%	10.7%	6.5%
Return on equity	13.0%	10.1%	7.2%
Capital ratio	13.0%	13.1%	13.4%

The above forecasts assume a gross bond issuance programme of \$5.25 billion (FY25), \$5.04 billion (FY26) and \$4.72 billion (FY27) based upon term lending to councils of \$4.60 billion (FY25), \$4.86 billion (FY26) and \$5.08 billion (FY27).

Note there is a high level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the impact on councils from the Local Water Done Well Reforms.

9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2% over the medium term.

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

10. Governance

Board

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

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

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

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

All directors are required to comply with a formal Charter.

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

Shareholders' Council

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

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

11. Information to be provided to Shareholders

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

Annual Report

The LGFA's balance date is 30 June.

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

Half Yearly Report

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

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

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

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year.

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

Shareholder Meetings

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

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

12. Acquisition / divestment policy

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

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

13. Activities for which compensation is sought from Shareholders

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

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

14. Commercial value of Shareholder's investment

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

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

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

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

15. Accounting policies

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

Statement of Accounting Policies

1. 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 borrowers.

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

2. 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).

3. 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 no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

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

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, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

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

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

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

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

Financial liabilities

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

Derivatives

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

Fair value hedge

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

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

Other assets

Property, plant and equipment

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.

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.

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.

Segment reporting

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

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

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 and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

APPENDIX 7

Civic Financial Services Limited –Statement of Intent for the year ended
31 December 2024 (ECM number 11199156)



Civic Financial Services Ltd Statement of Intent

For the year to 31 December 2024

Contents

1.0	What we do	3
2.0	Mission Statement	3
3.0	Financial Projections	3
4.0	Performance Measures	4
5.0	Reporting to Shareholders	4
6.0	Transactions with Related Parties	5
7.0	Member Communication	5

1.0 What we do

- 1.1 We provide superannuation services for the local government sector through our SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme.
- 1.2 We also provide high-quality, low-cost administration services to our client boards (Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool).

2.0 Mission Statement

- 2.1 Civic will be a trusted and preferred financial services provider to the local government sector:
 - Dedicated to our shareholders.
 - Committed to our members.
 - A sound and successful business.

3.0 Financial Projections

- 3.1 Our primary source of income in 2024 will come from fees for providing superannuation administration for the local government sector through the SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme. We also receive fees from providing administration, accounting and other services to the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool.
- 3.2 Our other source of income in 2024 will come from returns on our investments.
- 3.3 The Boards current policy is not to pay a dividend to our shareholders. It was agreed at the 2020 Special General Meeting that the funds which could otherwise be provided as dividends to shareholders should be used to reduce the administration fees applied to our two superannuation schemes.
- 3.4 Fee reduction: We will reduce the SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme base administration fee from 0.35% per annum to 0.33% per annum from 1 April 2024.

3.5 Financial projections for the years 2024 to 2026 are:

	2024 \$000's	2025 \$000's	2026 \$000's
Administration Income	2,162	2,173	2,230
Investment Income	525	530	597
Total Revenue	2,687	2,703	2,827
Expenses	2,563	2,600	2,572
Surplus before tax	124	103	255
Surplus after tax	89	74	183

Note - these are projections, not firm predictions.

4.0 Performance Measures

- 4.1 We aim to provide superannuation and savings products and services to at least 90% of local authorities.
- 4.2 We plan to be retained as administration manager for the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool.

5.0 Reporting to Shareholders

- 5.1 We will provide an audited report for the 2023 year by 30 April 2024. The report will contain a review of our operations during the year and audited annual accounts.
- 5.2 We will provide a report on the first half of 2024 by 30 September 2024. The report will contain a review of our operations during the half-year and unaudited half-yearly accounts.

6.0 Transactions with Related Parties

- 6.1 Civic has 73 shareholders, comprising 72 local authorities and TrustPower.
- 6.2 Local Government Superannuation Trustee Limited and Local Government Mutual Funds Trustee Limited are wholly owned subsidiaries of Civic. Because it is sharing management resources, the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool are also considered to be related parties to Civic..
- 6.3 Transactions with shareholder members include risk-financing services and superannuation and savings-related financial services.
- 6.4 Charges to and from shareholder members will be made for services provided as part of the normal trading activities of Civic and its subsidiaries. All transactions with shareholder members are made on a purely commercial basis.

7.0 Member Communication

- 7.1 We have developed strategies setting out the future direction of Civic which focus on three key areas; positioning, promoting and protecting our brand as a trusted and preferred superannuation provider to the local government sector. The strategies are underpinned by Civic’s people-centric model, an approach that cares about its members and their whānau and aims to maximise their retirement funds.
- 7.2 This has involved reviewing Civic’s processes and product information to ensure it follows the BRACS formula: Believable, Relevant, Actionable, Compelling and Simple.
- 7.3 More regular and informative newsletters have become an important part of Civic’s member-centric approach. As part of this, we have created presentations that better describe our purpose and the superannuation product range. The website has also undergone a refresh, the content and navigation being revised to provide easy access to product information, including automated sign-up forms to ensure a more efficient and user-friendly service for members and potential members.
- 7.4 We will be conducting our second member survey early next year to continue to monitor ongoing member satisfaction and assess the opportunity for better provision of services. Regular and targeted communications will provide members with the information requested in the surveys.
- 7.5 We are also investing into a completely new Website for SuperEasy next year which will improve communicating to members.

APPENDIX 8

Draft Letter to WRAL – Comments on Draft Statement of Intent 2024/25 (ECM number 11199214)



Postal Address
Private Bag 2402
Te Awamutu 3840
New Zealand

Head Office
07 872 3800
101 Bank Street
Te Awamutu 3800

Cambridge Office
07 872 0033
23 Wilson Street
Cambridge 3434

XX April 2024

11199214

Barry Harris
Chairperson
Waikato Regional Airport Limited
Airport Road
RD 2
Hamilton 3282

Digitally Delivered

Email: bsharris11@gmail.com
cc: mark@hamiltonairport.co.nz

Dear Barry

DRAFT STATEMENT OF INTENT 2024/25 AND HALF YEARLY REPORT 2023/24

Thank you for forwarding Council your draft Statement of Intent for 2024/25 and 2023/24 Half Yearly Report.

As you are aware, Council's Finance and Corporate Committee considered both of these documents at their meeting this week. In regard to the draft Statement of Intent we welcome the opportunity to provide comment to the Directors as the legislation provides.

Waipa District Council strongly values the Airport and we recognise its economic importance to the region. We are proud to have such an important element of our region's economic infrastructure located in the Waipa District.

Council acknowledges the Board's focus on the goals set out in the key objectives. We congratulate the Board on a successful six months, albeit a period in which the current economic headwinds are becoming evident in the numbers.

Council supports the goals and objectives set out in the 2024/25 draft Statement of Intent and the Board's strategic areas of focus.

We do however note that:

- While the six-monthly report notes the recent 'credible engagement' with international airlines on scheduled Trans-Tasman services, references in the draft Statement of Intent to further progressing this engagement to successful outcome are minimal and arguably somewhat vague. Council would like to see a much more definitive objective in the finalised Statement of Intent in this regard, so there is clear focus on progressing the engagement into reality.
- The reference to level of dividend payments in the draft Statement of Intent is also not definitive. Waipa has advocated for many years now for a significant level of dividend to be paid by the company as recognition of the capital and guarantee arrangements provided by the shareholders in the past. We have been delighted to see dividend payments in recent years, and we trust that these will be continued. We note that your dividend policy requires you to review the performance and outlook of the group annually before declaring any dividend. While that is accepted as sound business

practice, Council believes that the Board should already be in a position at the time of preparing a draft Statement of Intent, to indicate what level of dividend we might expect to receive in the year that Statement of Intent relates to. Council asks that this be quantified in your finalised Statement of Intent.

We trust these comments are considered in the constructive manner that is intended and find favour with the Board. Council greatly appreciates our relationship at both governance and senior management level and looks forward to this good relationship continuing. We also look forward to seeing the finalised 2024/25 Statement of Intent in due course.

Yours sincerely

Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 9

Draft Letter to Co-Lab – Comments on Draft Statement of Intent 2024/25 (ECM number 11199238)



Postal Address
Private Bag 2402
Te Awamutu 3840
New Zealand

Head Office
07 872 3800
101 Bank Street
Te Awamutu 3800

Cambridge Office
07 872 0033
23 Wilson Street
Cambridge 3434

XX April 2024

11199238

Peter Stubbs
Chairperson
Co-Lab Ltd
Private Bag 3038
Waikato Mail Centre
Hamilton 3240

Digitally Delivered

Email: peter@peterstubbs.co.nz
cc: kelvin.french@colabsolutions.co.nz

Dear Peter

DRAFT STATEMENT OF INTENT 2024/25 AND HALF YEARLY REPORT 2023/24

Thank you for forwarding Council your draft Statement of Intent for 2024/25 and Half Yearly Report 2023/24.

As you may already be aware, Council's Finance and Corporate Committee considered both of these documents at a meeting this week.

In regard to the draft Statement of Intent we welcome the opportunity to provide comment to the Directors as the legislation provides.

Council congratulates the Board on its efforts to enhance collaboration across the region. We note the strategy you have developed and the outcomes you are seeking to achieve. Council looks forward to seeing continued improvement in the efficiencies and future savings gained by all member Councils.

As suggested in our feedback letter on the Statement of Intent 2023/24, we thought the performance measures included in the Statement of Intent should be clearly focused on measuring and demonstrating the value that Co-Lab is delivering to Waikato local government. We note the new performance measures are drafted with the aim to demonstrate this.

We look forward to seeing the finalised 2024/25 Statement of Intent in due course.

Yours sincerely

Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 10

Draft Letter to LGFA – Comments on Draft Statement of Intent 2024/25 (ECM number 11199297)

XX April 2024

11199297

Craig Stobo
Chairperson
Local Government Funding Agency
PO Box 5704
Lambton Quay
Wellington 6145

Digitally Delivered

Email: stobo@xtra.co.nz
cc: mark.butcher@lgfa.co.nz

Dear Craig

DRAFT STATEMENT OF INTENT 2024/25 AND HALF YEARLY REPORT 2023/24

Thank you for forwarding Council your draft Statement of Intent for 2024/25 and Half Yearly Report 2023/24.

As you may already be aware, Council's Finance and Corporate Committee considered both of these documents at a recent meeting.

In regard to the draft Statement of Intent we welcome the opportunity to provide comment to the Directors as the legislation provides.

Waipā District Council strongly values the Local Government Funding Agency Limited and we recognise its importance in ensuring the availability of low-priced debt funding to the sector. You have been innovative and high-performing in what you have delivered and that is truly appreciated.

Council supports the draft Statement of Intent for 2024/25, the goals and strategic initiatives that the Board has set for the company.

We note your objectives under the heading of *'Industry leadership and engagement'* and note your awareness of the debt affordability issues that are of particular challenge to Councils in areas that are experiencing high levels of growth. These challenges have been significantly exacerbated subsequent to the repeal of the waters reform legislation. Council would appreciate working closely with the LGFA and having your support in advocating for more appropriate infrastructure funding and financing mechanisms and settings in this challenging environment. This might also involve lobbying central government for further equity backing to enable a relaxation of current covenant provisions while mitigating the risk of impact to the LGFA credit rating. We ask that you potentially consider more definitive performance measures in that part of the Statement of Intent document to strengthen that focus.

We look forward to receiving the finalised Statement of Intent document for the 2024/25 year in due course.

Yours sincerely

Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

DRAFT

APPENDIX 11

Draft Letter to Civic Financial Services Limited – Comments on Statement of Intent for the year ended December 2024 (ECM number 11199304)

XX April 2024

11199304

Craig Stevenson
Chair
Civic Financial Services Limited
PO Box 5521
Wellington 6140

Digitally Delivered

Email: lgspecialistnz@outlook.com
charlie.howe@civicfs.co.nz

Dear Craig

STATEMENT OF INTENT 2024

Thank you for forwarding Council your Statement of Intent (SOI) for the 2024 financial year.

As you may be aware, Council's Finance and Corporate Committee considered this document at a meeting this week.

Council continues to support your Board in its decision to recycle annual profits back to members by reducing the scheme's base administration fees. We note the further 2 basis point reduction from 1 April 2024 and we commend you on this. That provides good benefit to our many staff members who have their superannuation funds in your superannuation schemes.

We also note your good work and future intentions to improve member communication as set out in section 7.0 of your SOI. Again, we support you in this.

We look forward to seeing the audited annual accounts for the 2023 financial year in near future.

Yours sincerely

Garry Dyet
CHIEF EXECUTIVE

COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Finance and Corporate Committee

From: Financial Accountant

Subject: **Financial Report for the Period Ended 31 March 2024**

Meeting Date: 16 April 2024

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The financial position for the period ended 31 March 2024 is detailed in Section 3 and the attached report.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee receive the report of Nada Milne, Financial Accountant, titled 'Financial Report for the period ended 31 March 2024' (ECM number 11204741).

3 COMMENTARY - KŌRERO

FINANCIAL RESULTS FOR MARCH 2024

Total income is currently at 65 per cent of full year forecast and operating expenditure is at 74 per cent.

Development and reserve contributions of \$4.7 million have been received to date, which is 28 per cent of the forecast.

Subsidies and Grants are at 70 per cent of the current budget, largely due to the timing of roading capital works and subsequently the NZ Transport Authority / Waka Kotahi subsidy.

The table below summarises the operating revenue and expenditure for each significant activity:

Significant Activity	Operating Revenue			Operating Expenditure		
	Actuals '000	Forecast '000	Forecast %	Actuals '000	Forecast '000	Forecast %
Year to Date						
Governance	66	60	110%	7,387	11,240	66%
Planning & Regulatory	4,004	6,026	66%	9,263	12,301	75%
Community Services & Facilities	7,684	15,675	49%	28,987	36,241	80%
Transportation	14,688	18,145	81%	21,016	28,306	74%
Stormwater	52	37	141%	4,937	7,185	69%
Wastewater Treatment & Disposal	1,068	1,440	74%	10,579	15,889	67%
Water Treatment & Supply	10,549	14,346	74%	13,856	17,594	79%
Support Services	730	558	131%	15,119	21,697	70%

Overall the gross revenue from Significant Activities is at 69% of the forecast.

Overall the gross expenditure from Significant Activities is 74% of forecast. Most of the activity expenditure results are generally slightly below or above the anticipated 75% of forecast due to timing of expenditure.

CAPITAL EXPENDITURE

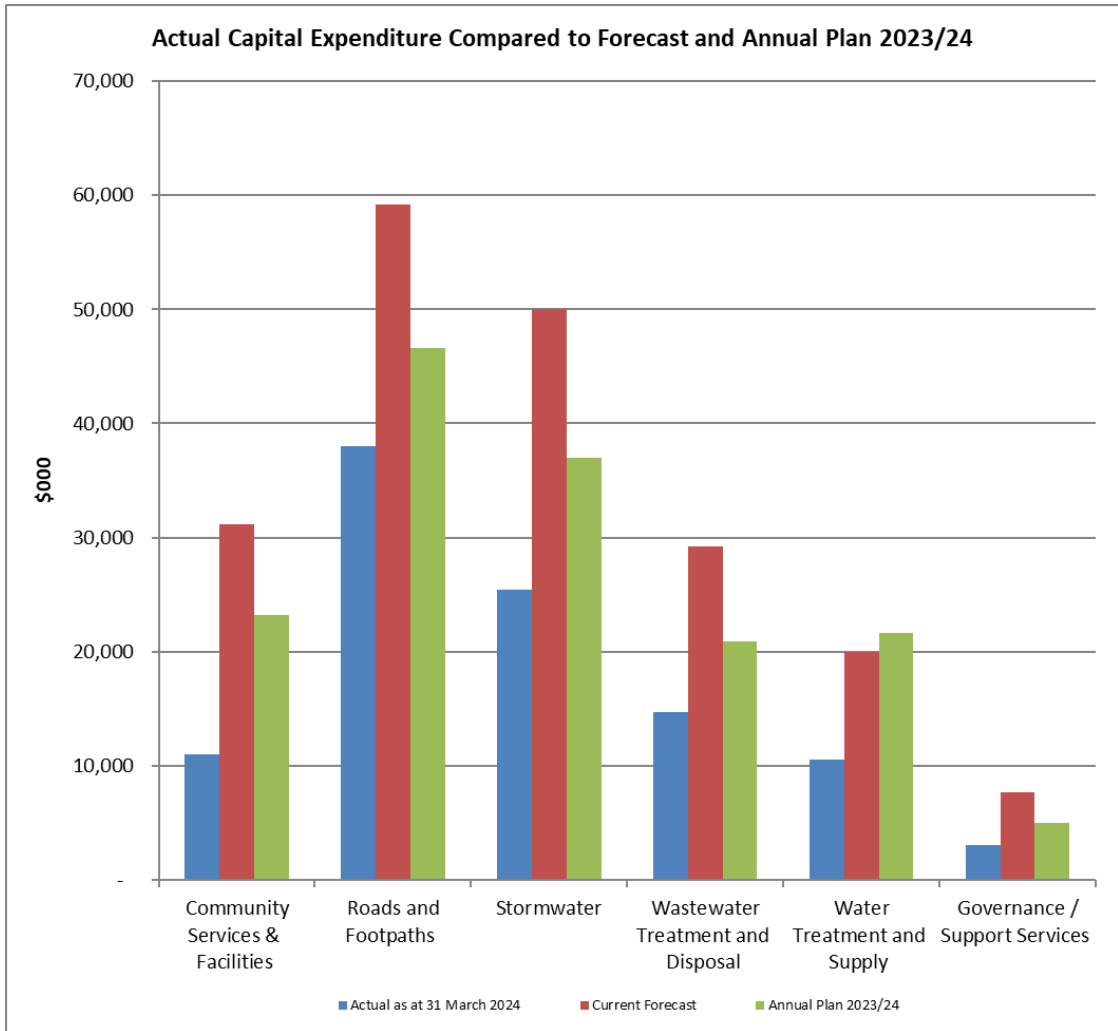
Capital expenditure to date is \$102.7 million which is 52% per cent of forecast.

A total of \$57.3 million was carried forward from the 2022/23 year to the current year to complete the 2022/23 contracts. Other capital adjustments totalling a decrease of \$14.6 million were included in previous reports.

There has been additional capital adjustment this period of \$460,000 including the following major variances:

- Community Services & Facilities – there has been an increase in budget of \$250,000 for Council Occupied Buildings for the planning work associated with re-opening the Roche Street museum and staff accommodation building. This has been brought forward from the 2024/25 year draft budgets due to the desire to advance this work urgently, and is loan funded. There has also been an increase in budget of \$210,000 for Parks and Reserves including \$80,000 for Erosion Control and Amenity Enhancement, \$30,000 for Pukemako planning & restoration, \$30,000 for sports reserves and development, \$30,000 for district wide skateparks which are all loan funded, and \$40,000 for Karapiro/Arapuni Lakes programme which is depreciation funded. These have all been brought forward from future years.

The capital forecast budget totals \$198 million. The graph below summarises the capital expenditure for each significant activity.

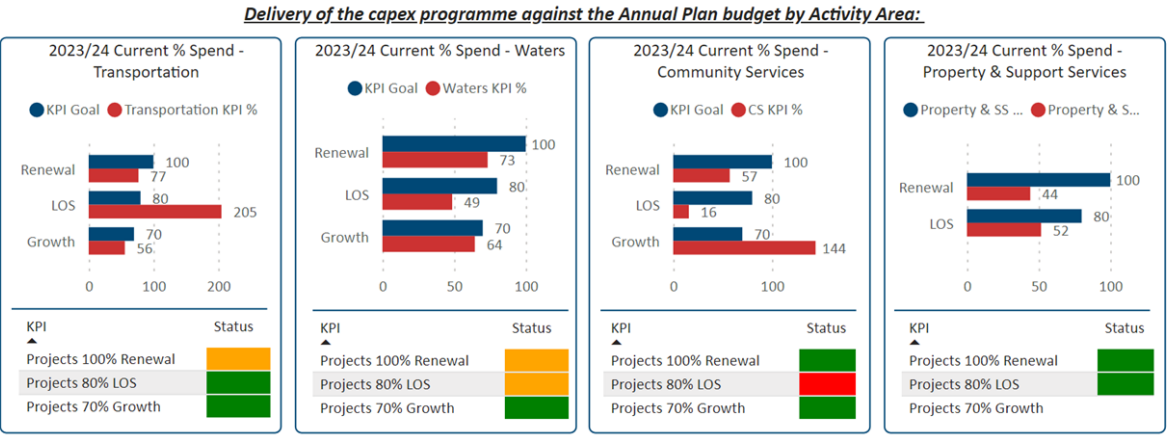
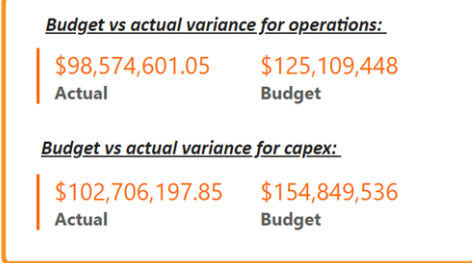
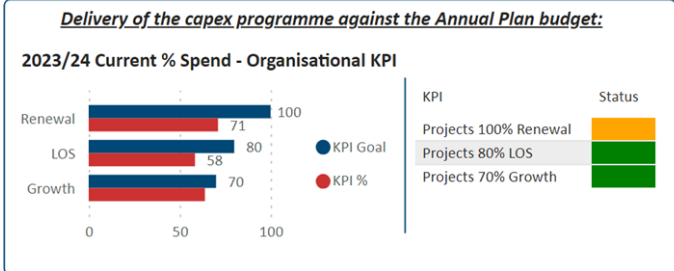
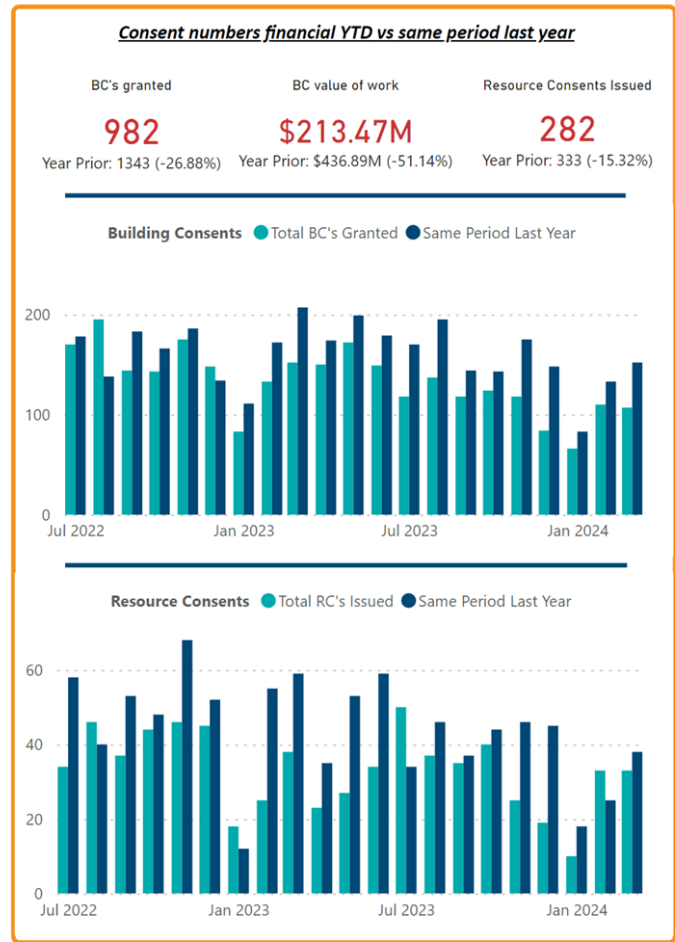


BUDGET CHANGES REQUIRING APPROVAL

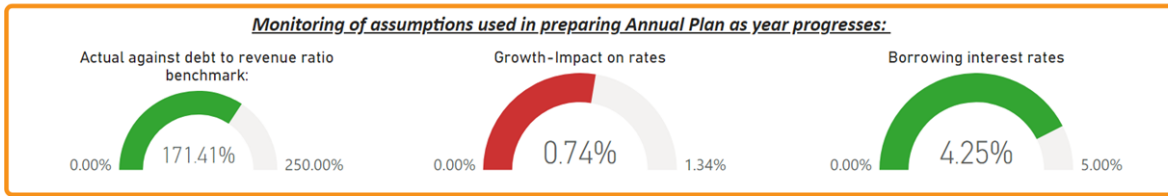
There are no budget changes requiring approval this month.

Key Risk Indicator Report

Status = Not started - On track - Off track - At risk - Complete



Status: On Track >= 100% of target || At Risk 80-99% of target || Off Track <79% of target



RATES STATUS

Rates of \$83.3 million (GST inclusive) have been set for the year. The attached report summarises the position in relation to the collection of rates. The amount outstanding from prior years is \$150,000.

There is a balance outstanding of \$18.2 million for the current year, which includes \$20.1 million for the fourth instalment which is not yet due.

WATER RATES STATUS

Water Rates of \$12 million have been invoiced for the year. The attached report summarises the position in relation to the collection of water rates.

The amount outstanding is \$1.6 million. There have been prepayments of \$219,000 leaving a total amount owing of \$1.4 million.

9 APPENDIX - ĀPITITANGA

No:	Appendix Title
1	Financial Reports for March



Nada Milne
FINANCIAL ACCOUNTANT



Reviewed by Jolanda Hechter
MANAGER FINANCE



Approved by Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Financial Reports for March

		2023/24	2023/24		2023/24	Budget	Budget	Budget	2022/23
		Full Year			Full Year	Variance	Variance	Variance	YTD
	Notes	Actual	Forecast	Forecast	Budget	Carryforward	Previously	This Period	Last Year
		\$000	\$000	%	\$000	from 22/23	Reported	\$000	\$000
OPERATING INCOME									
Rates, excluding targeted water supply rates	1	53,408	71,247	75%	70,112	-	1,135	-	49,119
Fees, charges, and targeted rates for water supply	2	23,936	35,135	68%	48,036	-	(12,901)	-	21,593
Reserve contributions	3	316	1,804	18%	2,708	-	(904)	-	471
Development contributions	3	4,388	15,572	28%	27,216	-	(11,644)	-	2,559
Gain on revaluation of investment properties & forestry		-	450	0%	450	-	-	-	-
Vested assets		5,492	12,464	44%	12,464	-	-	-	11,057
Discovered assets		-	-		-	-	-	-	7,920
Dividends		85	85	100%	20	-	65	-	83
Finance income	4	702	621	113%	15	-	606	-	339
Subsidies and Grants	5	14,589	20,820	70%	11,842	-	8,978	-	8,207
Other revenue		347	482	72%	412	-	70	-	308
Total Operating Income		103,263	158,680	65%	173,275	-	(14,595)	-	101,656
OPERATING EXPENDITURE									
Employee benefit expenses	6	23,803	34,071	70%	34,834	-	(763)	-	21,705
Depreciation & amortisation	7	28,756	38,989	74%	32,437	-	6,552	-	25,401
Other expenses	8	38,485	49,408	78%	46,962	1,947	498	-	43,502
Finance costs		7,530	10,876	69%	10,876	-	-	-	3,549
Total Operating Expenditure		98,574	133,344	74%	125,109	1,947	6,287	-	94,157
OPERATING SURPLUS		4,689	25,336	19%	48,166	(1,947)	(20,882)	-	7,499
Other Comprehensive Income recognised directly in Equity									
Property Plant and Equipment									
Revaluation gains/(losses) taken to equity		-	410	0%	410	-	-	-	-
Total Other Comprehensive Income for the year		-	410	0%	410	-	-	-	-
Total Comprehensive Income for the year		4,689	25,746	18%	48,576	(1,947)	(20,882)	-	7,499

* Any Operating surpluses generally come from non-cash items. Council budgets for a general funds cash breakeven position.

- Increase in rates revenue of \$1.1 million due to additional growth in the district.
- Decrease in fees and charges revenue of \$12.9 million due to a reduction in property sales of \$11.8 million due to timing of asset sales, a reduction in revenue for building fees of \$698,000 due to slower growth in the district and a reduction in revenue for resource consents of \$300,000 due to downturn in the current economic climate.
- Decrease in Development and Reserve contributions of \$12.5 million due to growth projects being deferred to the 2024/25 years and beyond and slower recovery of development contributions than expected.
- Increase in finance revenue of \$606,000 due to increase in interest rates applied to cash balance.
- Increase in subsidies and grants of \$9 million due to an increase in NZTA / Waka Kotahi external funding of \$6.6 million for the Cambridge Pathway and the Te Ara Rimu Kihikihi Pathway, an increase in external funding of \$1.5 million for Te Ara Wai Better Off Funding and an increase in external funding of \$1 million for the C1, C2 and C3 neighbourhood park development.
- Increase in depreciation due to higher than anticipated asset values from the revaluations completed in June 2023.

8. Increase in other expenses of \$2.4 million due to unspent balances carried forward of \$1.9 million. This includes the unspent balances for Community Board grants, District Promotion Fund grants and District Wide Spatial Plan. An increase in budget for Houchen Road detention pond of \$1.6 million for demolition of pond A, an increase in operating expenditure for recycling costs of \$600,000 and an increase in expenditure for management services for Mighty River Domain of \$282,000 as per council resolution. Offset by a decrease in budget for Lake Te Ko Utu of \$975,000 due to project delayed to the next Long Term Plan cycle, a decrease in expenditure for management services for Mighty River Domain of \$282,000 as per council resolution, a decrease in budget for Lake Te Ko Utu of \$975,000 due to project delayed to the next Long Term Plan cycle, a decrease in expenditure for Cambridge Wastewater Treatment Plant of \$475,000, a decrease in budget for Parks and Reserves erosion control and amenity enhancement of \$204,000 due to project delayed to the next Long Term Plan cycle and a decrease in budget for Memorial Park of \$200,000 due to project delayed to the Long Term Plan cycle.

**STATEMENT OF COST OF SERVICES
FOR THE PERIOD ENDED 31 March 2024**

	2023/24		2023/24		2023/24		Budget	Budget	Budget	2022/23
	Full Year		Full Year		Full Year		Variance	Variance	Variance	YTD
	Actual	Forecast	Forecast	Budget	Carryforward	Previously	This Period	Last Year		
	\$000	\$000	%	\$000	from 22/23	Reported	\$000	\$000	\$000	
Revenue										
Governance & Strategic Direction	66	60	110%	60	-	-	-	-	50	
Planning and Regulatory	4,004	6,026	66%	7,270	-	(1,245)	-	4,759		
Community Services and Facilities	6,383	14,031	45%	23,328	-	(9,297)	-	3,958		
Forestry	233	233	100%	-	-	233	-	-		
Pensioner Housing & Own Your Own Housing	1,068	1,411	76%	1,411	-	-	-	1,027		
Roads and Footpaths	14,688	18,145	81%	11,780	-	6,365	-	8,325		
Stormwater	52	37	141%	16	-	21	-	10		
Wastewater Treatment and Disposal	1,068	1,440	74%	1,370	-	70	-	981		
Water Treatment and Supply	10,549	14,346	74%	14,346	-	-	-	10,420		
Support Services	730	558	131%	558	-	-	-	289		
GROSS REVENUE	38,841	56,287	69%	60,139	-	(3,853)	-	29,819		
Less Internal Charges	(14,356)	(19,471)	74%	(19,471)	-	-	-	(12,257)		
NET INCOME	24,485	36,816	67%	40,668	-	(3,853)	-	17,562		
Expenditure										
Council & Committees	2,613	3,892	67%	3,904	6	(19)	-	2,385		
Cambridge Community Board	226	285	79%	276	-	10	-	197		
Te Awamutu Community Board	195	258	76%	249	-	10	-	165		
Elections	-	5	0%	5	-	-	-	211		
Community Grants	589	884	67%	706	178	-	-	687		
Strategic Planning	1,849	3,131	59%	2,677	550	(95)	-	1,913		
Community Relationships	1,915	2,785	69%	2,702	-	83	-	2,027		
Resource Management	3,178	4,353	73%	4,573	114	(334)	-	3,073		
Building Control	3,349	3,957	85%	4,355	-	(399)	-	2,925		
Environmental Health	1,147	1,630	70%	1,540	-	90	-	987		
Animal Control	778	1,106	70%	1,130	-	(23)	-	732		
Development Engineering	811	1,255	65%	1,375	-	(120)	-	780		
Parks and Reserves	6,811	9,580	71%	10,313	742	(1,475)	-	5,895		
Karapiro Domain	1,610	2,360	68%	2,022	-	338	-	1,337		
District Museums	1,552	1,516	102%	1,508	53	(45)	-	968		
District Libraries	1,776	2,513	71%	2,529	-	(16)	-	1,687		
District Pool Te Awamutu / Events Centre	1,966	2,551	77%	2,551	-	-	-	1,954		
District Pool Cambridge	2,740	3,579	77%	3,579	-	-	-	2,521		
Halls	908	1,094	83%	1,094	-	-	-	683		
Heritage	404	822	49%	527	305	(10)	-	229		
Cemeteries	329	584	56%	595	-	(11)	-	373		
Public Toilets	750	903	83%	818	-	85	-	639		
Properties	3,818	3,417	112%	3,259	-	158	-	2,401		
Pensioner Housing & Own Your Own Housing	1,920	2,420	79%	2,420	-	-	-	1,862		
Forestry	109	420	26%	420	-	-	-	118		
Rural Fire/Civil Defence	314	404	78%	401	-	2	-	275		
Waste Management	3,980	4,078	98%	3,433	-	645	-	2,199		
Roads & Footpaths	21,016	28,306	74%	25,076	-	3,230	-	23,870		
Stormwater	4,937	7,185	69%	4,985	-	2,199	-	5,273		
Wastewater Treatment and Disposal	10,579	15,889	67%	16,078	-	(188)	-	12,214		
Water Treatment and Supply	13,856	17,594	79%	15,494	-	2,099	-	11,613		
Support Services	15,119	21,697	70%	21,595	-	102	-	13,537		
GROSS EXPENDITURE	111,144	150,453	74%	142,189	1,948	6,316	-	105,730		
Less Internal Charges	(14,356)	(19,141)	75%	(19,471)	-	329	-	(12,257)		
Less rates charged to Council properties	(1,253)	(1,672)	75%	(1,517)	-	(155)	-	(744)		
NET EXPENDITURE	95,535	129,640	74%	121,201	1,948	6,490	-	92,729		

**STATEMENT OF CAPITAL EXPENDITURE
FOR THE PERIOD ENDING 31 March 2024**

	Actual	Full Year Forecast	Forecast	Full Year Budget	Budget Variance Carryforward from 22/23	Budget Variance Previously Reported	Budget Variance This Period	YTD Last Year
	\$000	\$000	%	\$000	\$000	\$000	\$000	\$000
Water treatment and supply	10,548	19,952	53%	21,679	4,175	(5,901)	-	9,834
Waste water	14,661	29,244	50%	20,869	7,184	1,191	-	12,303
Transportation	38,004	59,230	64%	46,565	15,210	(2,545)	-	22,665
Stormwater	25,431	49,987	51%	36,992	19,170	(6,175)	-	14,777
Community Services & Facilities	11,003	31,142	35%	23,225	7,847	(390)	460	21,515
Governance	-	-	0%	-	-	-	-	-
Support services	3,058	7,718	40%	5,020	3,495	(797)	-	1,740
Planning & Regulatory	2	694	0%	500	194	-	-	51
	102,707	197,967	52%	154,850	57,275	(14,617)	460	82,885
Vested Assets (included above)					Carryforward from 22/23	Previously Reported	This Period	
Water treatment and supply	979	2,900	34%	2,900	-	-	-	2,066
Waste water	1,488	1,925	77%	1,925	-	-	-	2,193
Roads and Footpaths	5,328	4,649	115%	4,649	-	-	-	2,582
Stormwater	2,598	2,990	87%	2,990	-	-	-	4,208
	10,393	12,464	83%	12,464	-	-	-	11,049
Totals excluding Vested					Carryforward from 22/23	Previously Reported	This Period	
Water treatment and supply	9,569	17,052	56%	18,779	4,175	(5,901)	-	7,768
Waste water	13,173	27,319	48%	18,944	7,184	1,191	-	10,110
Roads and Footpaths	32,676	54,581	60%	41,916	15,210	(2,545)	-	20,083
Stormwater	22,833	46,997	49%	34,002	19,170	(6,175)	-	10,569
Community Services & Facilities	11,003	31,142	35%	23,225	7,847	(390)	460	21,515
Governance	-	-	0%	-	-	-	-	-
Support services	3,058	7,718	40%	5,020	3,495	(797)	-	1,740
Planning & Regulatory	2	694	0%	500	194	-	-	51
	92,314	185,503	50%	142,386	57,275	(14,617)	460	71,836

RATES REPORT			
	Notes	March 2024 \$000	March 2023 \$000
Arrears from prior years			
Opening balance		800	535
Add penalties		15	10
Less receipts	1	(665)	(468)
Total owing from prior years		150	77
Percentage collected		82%	86%
Rates for 2023/24			
Rates instalment	2	62,543	57,259
Add penalties		389	93
Less remissions		(220)	(209)
Less receipts	1	(44,478)	(40,919)
Total owing		18,234	16,223
Percentage collected		71%	72%
Summary of rates for the year			
Arrears from prior years		150	77
Rates for 2023/24		18,234	16,223
Prepayments for future rating periods	1	(2,345)	(2,506)
Instalments not yet due	2	20,848	19,086
Notes:			
1) Receipts have been split across the different rating years			
2) 3 instalments charged			

*Number of rates arrears as at 31 January 2024 = 180 properties.

WATER RATES STATUS REPORT			
	Notes	March 2024 \$000	March 2023 \$000
Water Rates for 2023/2024			
Balance B/Fwd from 2022/2023 year		788	661
Total Invoiced	1	12,029	11,010
Add penalties		58	19
Less remissions & adjustments		(29)	(10)
Less receipts		(11,262)	(10,547)
Total owing from current year	2	1,584	1,132
Percentage collected		88%	90%
Summary of rates for the year			
Water Rates for 2023/2024		1,584	1,132
Prepayments	1	(219)	(198)
Total Owing		\$ 1,365	934
Notes:			
1) Number of quarters invoiced are as follows:			
Te Awamutu, Kihikihi, & Pirongia - 3rd quarter invoiced			
Pukerimu/Ohaupo - 3rd quarter invoiced			
Cambridge - 3rd quarter invoiced			
2) Charges not yet due		\$889,355.06	

*Total number of properties in arrears as at 31 January 2024 (includes customers on fixed direct debit arrangements) = 88

*Total number of connections as at 31 January 2024 = 17,797

COMMITTEE REPORT



To: The Chairperson and Members of the Finance and Corporate Committee

From: Property Advisor – Angela McEwan

Subject: **New Community Lease – Cambridge Football Club Incorporated**

Meeting Date: 16 April 2024

1 PURPOSE - TAKE

The purpose of this report is to seek the Committee’s consent to grant a new lease to the Cambridge Football Club Incorporated for use of part of the Cambridge Town Belt and seek delegation from the Committee to the Group Manager Business Support to sign the lease.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

This report seeks the approval of the Committee in its function as an Administering Body under the Reserves Act 1977 (“the Act”) to enter into a new lease with The Cambridge Football Club Incorporated (“the Club”) in respect of land being a recreation reserve located at John Kerkhof Park, Vogel Street, Cambridge which forms part of the Cambridge Town Belt (“the Reserve”). The proposed lease is for a term of five years at an initial annual rent of \$1,613.00 plus GST.

The Club is the existing tenant of the Reserve and their current lease records a final expiry date of 30 June 2022. The Club has expressed a desire to enter into a new lease in accordance with Council’s Community Leasing Policy.

Following consideration of the purpose of the lease, the Reserve Management Plan, the Reserves Act 1977 and public and iwi consultation, it is recommended that the Council, in its function as Administering Body under the Act, approve the lease.

A lease plan identifying the proposed lease area is appended at Appendix 1 (outlined in red).

Pursuant to the Act, Ministerial approval of the proposed lease is also required before it may be entered into. This power has been delegated to Council, and separate approval will be sought for this.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee

- a) *Receives the report of Angela McEwan, Property Advisor, titled New Community Lease – Cambridge Football Club Incorporated (ECM Number 11202771);*
- b) *Approves pursuant to section 54(1)(b) of the Reserves Act 1977, as administering body over the Cambridge Town Belt recreation reserve, entering into an agreement with The Cambridge Football Club Incorporated for a lease for a term of five (5) years for the purposes of playing fields and clubrooms and otherwise on the terms and conditions contained in Council’s standard community lease;*
- c) *Delegates to the Group Manager Business Support the authority to finalise negotiations, sign such documentation, and undertake any remaining actions necessary to enable implementation of recommendation b) subject to Ministerial approval of the lease pursuant to section 54(1) of the Reserves Act 1977.*

4 BACKGROUND – KŌRERO WHAIMĀRAMA

Proposed Lease of Recreation Reserve

Council is the owner and administering body under the Reserves Act 1977 (“the Act”) of the recreation reserve located at John Kerkhof Park, Vogel Street, Cambridge which forms part of the Cambridge Town Belt and is legally described as Allotments 9, 10, 11, 12, 13 & 14 Cambridge Town Belt and contained in Record of Title 483210, a copy of which is appended at Appendix 2 (“the Reserve”).

Proposed New Lease

Council has leased part of the Reserve to the Cambridge Football Club Incorporated (“the Club”) since 1948. The lease expired on 30 June 2022 and the Club wishes to enter into a new lease.

The proposed new lease would be for a term of five (5) years with no rights of renewal. Council’s standard community lease terms provides for an initial term of five (5) years with two (2) rights of renewal of five (5) years each. The reason for the shorter term of this lease is because of the work Council’s Community Services are in the process of undertaking following a sports field lease model review. The review indicated a change to the way sports fields are managed with, over time, publicly owned sports fields being managed by Council on behalf of the wider community. Staff will be working with clubs to understand the needs of existing and future lessees, and the wider community. Following the outcome of that work, there will be more certainty as to the structure and the terms and conditions to be proposed in a longer-term lease.

The Club have been heavily involved in those discussions and have agreed to a shorter-term lease in the interim while the outcome of the lease model review is finalised.

It is proposed that the new lease will otherwise be in the form of Council’s standard community lease terms and conditions. The commencement date of the new lease would be 1 July 2022, with the final expiry being 30 June 2027.

The total area recorded in the proposed lease is approximately 12.7ha.

Proposed Tenant

The Club is an incorporated society under the Incorporated Societies Act 1908 and has occupied the Reserve since 1948.

The Club has a dedicated Committee and currently has 170 senior members and approximately 750 junior members and the Club continues to grow. The grounds are used for football 50 weeks of the year to host winter games and 5 aside games during the summer. The Ricki Herbert Football Academy use the grounds from March to October for junior/federation players as well as out of town academy players during the school terms.

The Cambridge Junior Cricket Club use part of the grounds from October to March in each year.

The Club has invested a considerable amount of money into the development of two of the existing football fields and Council have also invested funds into laying two new fields. The playing fields, including the new fields provided by Council, are maintained in part by Council and in part by the Club.

The Club owns all buildings on the site, which include clubrooms, changing rooms and toilets. The Club has invested a significant amount of money into the clubrooms during the last 7 years in an extension to the existing main clubroom building.

The clubrooms are hired to a group of quilters and knitters every Wednesday and the Athletics Club also use the clubrooms to host their AGM each year.

The permitted use of the land under the proposed lease is “Playing fields and clubrooms”.

Public Notification

Section 54(1) of the Reserves Act 1977 provides that the Administering Body may, with the prior consent of the Minister, grant a lease within the Reserve.

Section 54(2) requires that, before granting any lease under subsection (1), the Administering Body shall give public notice in accordance with section 119 and give full consideration to all objections and submissions received in accordance with the provisions of section 120.

A public notice was placed in the Cambridge News on 22 February 2023. Submissions were able to be received for one month from the date of the notices. No submissions were received.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matter in this report has a low level of significance.

This is because of the following reasons:

- a. limited public interest given it is a well-established activity on the Reserve.
- b. there are limited financial implications to Council.
- c. there is no effect on Council undertaking its role as Administering Body of the Reserve.
- d. the effects on the potential future use of the Reserve are less than minor.

As such, the level of consultation undertaken is considered to be appropriate.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
Option 1: Do nothing	<ul style="list-style-type: none"> ▪ No staff or other Council resources required. 	<ul style="list-style-type: none"> ▪ This option does not provide either party with any certainty of tenure.
Option 2: Enter into a new lease with Cambridge Football Club Incorporated for a term of 5 years and otherwise on Council's standard community lease terms and such other conditions as may be considered appropriate	<ul style="list-style-type: none"> ▪ This option provides both parties with certainty, and ensures that Cambridge Football Club Incorporated is able to continue to work to promote its objectives as set out in this report. 	<ul style="list-style-type: none"> ▪ None identified.

The recommended option is Option 2 for the reasons set out above.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the proposal to enter into the lease complies with Council's legal and policy requirements.

Lease of Reserve Land

Staff confirm that option 2 complies with Council’s requirements under the Act. This is because Section 54(1)(b) of the Act provides that with prior consent of the Minister the Administering Body may lease to any voluntary organisation part of the reserve for the erection of stands, pavilions, gymnasiums, and, subject to sections 44 and 45, other buildings and structures associated with and necessary for the use of the reserve for outdoor sports, games, or other recreational activities, or lease to any voluntary organisation any such stands, pavilions, gymnasiums, and, subject to section 44, other buildings or structures already on the reserve. The proposed lease falls within this power.

Reserve Management Plan

Section 41 of the Act requires that management plans be adopted by Council in order to set policies for the administration of reserves, specific to the classification of each reserve. The Reserve is subject to the Cambridge Town Belt Reserve Management Plan (30 June 2012) (“RMP”). The existing lease is recorded in the RMP and the proposed lease is consistent with the RMP.

Property Policy

Council’s Property Policy deals with leasing. Part of that policy (“Leasing Land for Recreational Use”) states:

“Where land is reserve, Council will support recreational, educational, cultural and sporting clubs by permitting use of existing reserve land at minimal cost, provided the use meets the criteria of the relevant Reserve Management Plan and the Community Leisure Plan.”

Lease Terms and Conditions

Council has a standard community lease document that contains terms and conditions to protect Council’s interests. Leases are generally issued for a term of five (5) years with two (2) rights of renewal (five (5) years each), however, this lease is proposed to be for a term of five (5) years with no rights of renewal for the reasons outlined in section 4 of this report. The standard lease document (with a variation to the term) will be utilised for the proposed lease.

Financial Considerations – Whaiwhakaaro ā-Pūtea

Lessee groups, such as this which is the subject of this report, tend to be charged in accordance with the Community Leasing Policy, calculated on the value of the property being leased. In addition, community lessees are made responsible for the following outgoings:

- Annual administration charge
- Annual sewerage charge, if connected
- Metered water supply, based on consumption, if connected
- Utility costs (such as electricity)
- Insurance of their facilities
- Grounds maintenance

The rent on commencement on the new lease, calculated in accordance with the Community Leasing Policy, will be \$1,613.00 plus GST per annum plus outgoings. A new lease fee of \$612.00 inclusive of GST will be payable on signing and an annual administration fee (currently \$357.00 inclusive of GST per annum) will be payable annually from the first anniversary of the Commencement Date.

Risks - Tūraru

There are no known significant risks associated with granting a new Lease.

Iwi and Mana Whenua Considerations - Whaiwhakaaro ki ngā Iwi me ngā Mana Whenua

The administration of public reserves by local authorities requires that they give effect to the principles of the Treaty of Waitangi, pursuant to section 4 of the Conservation Act 1987.

On 26 January 2024, iwi were informed of and invited to supply feedback on the proposed lease. No concerns were raised.

8 NEXT ACTIONS

Action	Responsibility	By When
Ministerial consent to the Lease	Council	30 April 2024
Sign the Lease	Group Manager Business Support	14 May 2024

9 APPENDICES - ĀPITITANGA

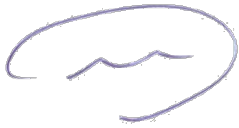
No:	Appendix Title
1	Plan of Leased Area
2	Record of Title 483210



Angela McEwan
PROPERTY ADVISOR



Reviewed by David Varcoe
MANAGER PROPERTY SERVICES



Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Plan of Leased Area



APPENDIX 2

Certificate of Title 483210

Emtel Title Preview

Information as at Sunday 25th February 2024

RECORD OF TITLE UNDER LAND TRANSFER ACT 2017 FREEHOLD



Search Copy

[View Historic Copy](#)

Identifier 483210
Land Registration District South Auckland
Date Issued 07 July 2009

Prior References

[SA13C/438](#) [451549](#)

Estate	Fee Simple
Area	119.4525 hectares
Legal Description	Allotment 53 Cambridge Town Belt and Part Allotment 54 Cambridge Town Belt and Allotment 56-67 Cambridge Town Belt and Part Allotment 68 Cambridge Town Belt and Allotment 69-89 Cambridge Town Belt and Part Allotment 90 Cambridge Town Belt and Allotment 91-94, 98 Cambridge Town Belt

Registered Owners

[Waipa District Council](#)

Interests

Subject to the Reserves Act 1977

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COMMITTEE REPORT



To: The Chairperson and Members of the Finance and Corporate Committee

From: Property Advisor – Angela McEwan

Subject: **New Community Lease –
Karāpiro Kayak Racing Club Incorporated**

Meeting Date: 16 April 2024

1 PURPOSE - TAKE

The purpose of this report is to seek the Committee’s consent to grant a new lease to the Karāpiro Kayak Racing Club Incorporated for use of part of the Karāpiro River Domain and seek delegation from the Committee to the Group Manager Business Support to sign the lease.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

This report seeks the approval of the Committee in its function as an Administering Body under the Reserves Act 1977 to enter into a new lease with the Karāpiro Kayak Racing Club Incorporated (“KKRC”) in respect of part of the recreation reserve located at 106 Maungatautari Road, Karāpiro and known as the Karāpiro River Domain (“the Reserve”) for the purposes of erecting sport and recreation storage facilities. The proposed lease area is approximately 480m² and the proposed term of the lease is for an initial term of five (5) years with two (2) right of renewal of five (5) years each at an initial annual rent of \$6.00 plus GST which is calculated in accordance with Council’s current Leasing Policy. That policy provides for not-for-profit organisations to be charged a nominal rent based on the value of the land, with generous discounts applied. As the footprint of land involved is relatively small the annual rent in this case is negligible.

KKRC submitted a request for lease to Council’s staff on 4 August 2023 (appended at Appendix 1). It is intended that the proposed lease will facilitate the removal of KKRC’s existing containers located on the Reserve and those containers will be replaced with a permanent storage facility. The proposed storage facility will be funded in its entirety by KKRC through a combination of club funds, grants and private sponsorship.

Following consideration of the purpose of the lease, the Reserve Management Plan, the Reserves Act 1977 and public and iwi consultation, it is recommended that the Committee, in its function as Administering Body under the Act, approve the lease.

Pursuant to the Act, Ministerial approval of the proposed lease is also required before the lease is entered into. This power has been delegated to Council, and separate approval will be sought for this.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee

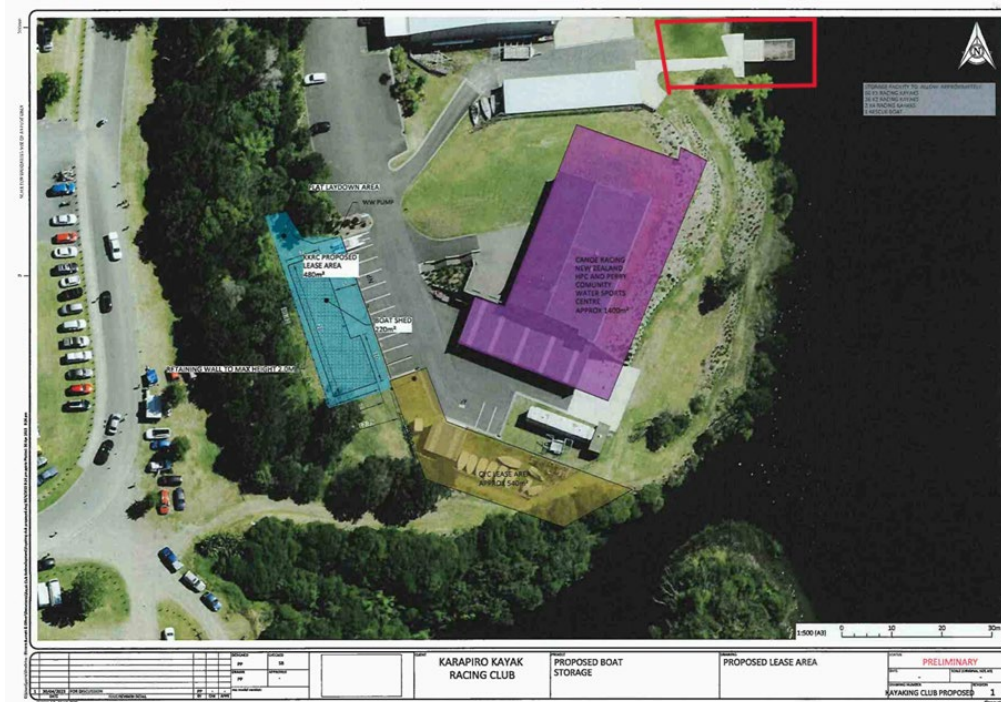
- a) *Receives the report of Angela McEwan, Property Advisor, titled New Community Lease – Karāpiro Kayak Racing Club Incorporated (ECM Number 11202777);*
- b) *Approves, pursuant to section 54(1)(b) of the Reserves Act 1977, as administering body over the Karāpiro River Domain recreation reserve, entering into an agreement with the Karāpiro Kayak Racing Club Incorporated for a lease over part of the Reserve for the purposes of sport and recreation storage facilities for an initial term of five (5) years with two (2) rights of renewal of five (5) years each and in all respects on the terms and conditions contained in Council’s standard community lease, subject to Ministerial approval of the lease pursuant to section 54(1) of the Reserves Act 1977;*
- c) *Delegates to the Group Manager Business Support the authority to finalise negotiations, sign such documentation, and undertake any remaining actions necessary to enable implementation of recommendation b) subject to Ministerial approval of the lease pursuant to section 54(1) of the Reserves Act 1977.*

4 BACKGROUND – KŌRERO WHAIMĀRAMA

Proposed Lease of Recreation Reserve

Council is the owner and administering body under the Reserves Act 1977 (“the Act”) of the recreation reserve located at 106 Maungatautari Road, Karāpiro known as the Karāpiro River Domain and legally described as Section 2, 5-7, 16 Block XIV Cambridge Survey District, being all the land in Identifier Title 433904, a copy of which is appended at Appendix 2 (“the Reserve”).

The proposed lease area, being approximately 480m² is highlighted in light blue on the plan below:



The proposed lease would also record that KKRC has the right to access Lake Karāpiro via the foreshore area outlined in red on the above plan.

Proposed Tenant

The Karāpiro Kayak Racing Club Incorporated (“KKRC”) was established under the Incorporated Societies Act 1908 in May 2006 and is an existing user of the Reserve. KKRC originally operated out of the Boat Shed at 21 Amber Lane before relocating to the Cambridge Yacht and Motorboat Club Incorporated (“CYC”) which is located at the Reserve, as an associate member. Council did not enter into a lease with KKRC directly and KKRC was unable to secure any internal storage space when the CYC building was demolished and the Perry Community Water Sports Centre was built in its place. Currently, KKRC has two containers located at the Reserve to store their kayaking equipment.

KKRC currently has 50 members and an active committee of 9 members. Its vision is to provide an environment that promotes and supports the participation in and enjoyment of kayaking, creating a sense of belonging and community through kayaking.

The activities provided by KKRC include:

- Regular structured sessions for beginner through to advanced paddlers with volunteer coaches providing tailored support.
- 8 week long “Try, Learn, Explore” programmes which are run in association with Rowing New Zealand, which is also based at the Karāpiro River Domain
- Specific coaching programmes provided to local schools seeking to attend the AIMS Games.
- Weekly training programmes for intermediate and advanced paddlers.

- Hosting the national “Kayak Krazy” race held in August each year.

KKRC now requires additional and permanent storage space and, on 4 August 2023, KKRC put forward a proposal to lease a section of bare land at the Reserve for the purposes of erecting storage facilities (appended at Appendix 1).

Proposed New Lease

The new lease is proposed to be for a term of five (5) years with two rights of renewal of five (5) years each and will otherwise be in the form of Council’s standard community lease terms and conditions.

It is intended that the proposed lease will facilitate the removal of KKRC’s existing containers located at the Reserve and those containers will be replaced with a new permanent storage facility. It is anticipated that the new storage facility will be completed within 24 months from the commencement date of the lease and will be funded in its entirety by KKRC through a combination of club funds, grants and private sponsorship.

As provided for in the Reserves Act 1977, on termination of the lease under the termination clause of the lease or by effluxion of time, surrender, breach of conditions, or otherwise, the land, together with all improvements thereon, shall revert to the lessor without compensation payable to the lessee or otherwise.

The permitted use of the land under the proposed lease is “Sport and recreation storage facilities”.

Public Notification

Section 54(1) of the Reserves Act 1977 provides that the Administering Body may, with the prior consent of the Minister, grant a lease within the Reserve.

Section 54(2) requires that, before granting any lease under subsection (1), the Administering Body shall give public notice in accordance with section 119 and give full consideration to all objections and submissions received in accordance with the provisions of section 120.

A public notice was placed in the Cambridge News on 22 February 2023. Submissions were able to be received for one month from the date of the notices. No submissions were received.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matter in this report has a low level of significance.

This is because of the following reasons:

- a. public notification has been undertaken in accordance with the Reserves Act 1977 and no submissions were received.
- b. there are limited financial implications to Council.
- c. There is no effect on Council undertaking its role as Administering Body of the Reserve.

The level of consultation undertaken is considered to be appropriate.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
<p>Option 1: Do nothing</p>	<ul style="list-style-type: none"> ▪ No staff or other Council resources required. 	<ul style="list-style-type: none"> ▪ No immediate plans would be put in place to remove the shipping containers used by the Karāpiro Kayak Racing Club Incorporated.
<p>Option 2: Enter into a new lease with Karāpiro Kayak Racing Club Incorporated on Council’s standard community lease terms and such other conditions as may be considered appropriate</p>	<ul style="list-style-type: none"> ▪ This option provides both parties with certainty, and ensures that The Karāpiro Kayak Racing Club Incorporated is able to progress plans to erect a new storage facility and continue to promote its objective, visions and priorities. ▪ The (quite unsightly) shipping containers currently used by the Karāpiro Kayak Racing Club Incorporated would be removed immediately upon completion of the new storage facility. 	<ul style="list-style-type: none"> ▪ This option would result in a reduction of the greenspace at the Reserve.

The recommended option is Option 2 for the reasons set out above.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the proposal to enter into the lease complies with Council’s legal and policy requirements.

Lease of Reserve Land

Staff consider that option 2 complies with Council’s requirements under the Act. This is because s 54(1)(b) of the Act provides that with prior consent of the Minister the Administering Body may lease to any voluntary organisation part of the reserve for the erection of stands, pavilions, gymnasiums, and, subject to sections 44 and 45, other buildings and structures associated with and necessary for the use of the reserve for outdoor sports, games, or other recreational activities, or lease to any voluntary organisation any such stands, pavilions, gymnasiums, and, subject to section 44, other buildings or structures already on the reserve. The proposed lease falls within this power.

Reserve Management Plan

Section 41 of the Act requires that management plans be adopted by Council in order to set policies for the administration of reserves, specific to the classification of each reserve. The Reserve is subject to the Karāpiro Reserve Management Plan (2011) (“RMP”).

The RMP records the following:

“5.15.1 Objective

To grant leases of land where such leases are in accordance with the promotion of the ongoing use and development of the Domain for a wide range of sporting activities and outdoor pursuits.

5.15.2 Policies

To grant leases to community groups and sporting organizations in accordance with Council’s Policy on the lease of Council Owned or Administered Land and as permitted by Section 54 of the First Schedule of the Reserves Act 1977.”

The proposed new lease is consistent with the RMP’s Objectives and Policies.

The RMP also notes that the Cambridge Yacht & Motor Club Incorporation (“CYC”) is permitted to use its leased premises for storage & use of yachts, motorboats & other watercraft. Given that KKRC has been an associate member of the CYC, staff consider that it is appropriate that KKRC could be granted a lease on similar terms for a similar use.

Property Policy

Council’s Property Policy deals with leasing. Part of that policy (“Leasing Land for Recreational Use”) states:

“Where land is reserve, Council will support recreational, educational, cultural and sporting clubs by permitting use of existing reserve land at minimal cost, provided the use meets the criteria of the relevant Reserve Management Plan and the Community Leisure Plan.”

Lease Terms and Conditions

Council has a standard community lease document that contains terms and conditions to protect Council's interests. Leases are generally issued for a term of five (5) years with two (2) rights of renewal (five (5) years each). The standard lease document will be utilised for the lease.

Financial Considerations – Whaiwhakaaro ā-Pūtea

Lessee groups, such as this which is the subject of this report, tend to be charged in accordance with the Community Leasing Policy, calculated on the value of the property being leased. In addition, community lessees are made responsible for the following outgoings:

- Annual administration charge
- Annual sewerage charge, if connected
- Metered water supply, based on consumption, if connected
- Utility costs (such as electricity)
- Insurance of their facilities
- Grounds maintenance

The rent on commencement on the new lease, calculated in accordance with the Community Leasing Policy, will be \$6.00 plus GST per annum plus outgoings. A new lease fee of \$612.00 inclusive of GST will be payable on signing and an annual administration fee (currently \$357.00 inclusive of GST per annum) will be payable annually from the first anniversary of the Commencement Date.

Risks - Tūraru

There are no known significant risks associated with granting a new lease.

Iwi and Mana Whenua Considerations - Whaiwhakaaro ki ngā Iwi me ngā Mana Whenua

The administration of public reserves by local authorities requires that they give effect to the principles of the Treaty of Waitangi, pursuant to section 4 of the Conservation Act 1987.

On 26 January 2024, Iwi were informed of and invited to supply feedback on the proposed lease which was initially proposed to be for a longer term of 27 years to match the current expiry date of the Cambridge Yacht Club lease. Mana Whenua suggested a shorter-term lease. Following internal discussions Council staff now propose the lease is granted in accordance with Council's standard Leasing Policy terms for a community lease being an initial term of five (5) years with two (2) rights of renewal of five (5) years each.

8 NEXT ACTIONS

Action	Responsibility	By When
Ministerial consent to the Lease	Council	30 April 2024
Sign the Lease	Group Manager Business Support	14 May 2024

9 APPENDICES - ĀPITITANGA

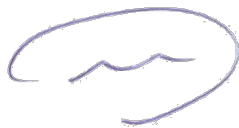
No:	Appendix Title
1	Request for Lease dated 4 August 2023 (ECM number 11190309)
2	Record of Title 433904



Angela McEwan
PROPERTY ADVISOR



Reviewed by David Varcoe
MANAGER PROPERTY SERVICES



Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Request for Lease dated 4 August 2023 (ECM number 11190309)

Request for lease

Karapiro Kayak Racing Club Inc



4 August 2023

Waipa District Council
Private Bag 2402
Te Awamutu 3840

Attn: Liz Stolwyk, Chris Ryan, and Carol Wood
Via Email

To whom it may concern,

The Karapiro Kayak Racing Club Incorporated (KKRC) is seeking a lease from the Waipa District Council (Council) at the Mighty River Domain, Lake Karapiro. The lease will facilitate the removal of the club's existing containers located on the site and their replacement with a permanent storage facility. KKRC would like to preserve its existing use of the Perry Community Water Sports Centre, if it has not been formalised already.

The proposed storage facility will be funded in its entirety by KKRC through a combination of club funds, grants and private sponsorship.

Background

KKRC was established in May 2006, with the purpose of:

- The promotion of the amateur sport of kayak racing activities for the recreation or entertainment of the general public, including but not limited to all activities falling under the auspices of Canoe Racing New Zealand.
- Anything necessary or helpful to the above purposes.

While initially operating out of the "Boat Shed" at 21 Amber Lane, the club would relocate to the Cambridge Yacht and Motorboat Club Incorporated (CYC) as its membership expanded and further equipment was secured. The club stored approximately 20 club kayaks in the basement of the CYC building, with a further 20 club and private kayaks stored in a 40-foot container located on site. All KKRC members were associate members of the CYC during this time.

The club would operate out of the CYC building until the construction of the Perry Community Water Sports Centre and Canoe Racing New Zealand High Performance Centre in 2018. An additional container would be purchased to temporarily store the equipment that was removed from the CYC building during construction.

As KKRC were associate members of the CYC, Council did not enter into a lease with KKRC directly. While the construction of the storage building for the CYC was justified as a replacement for the storage CYC was providing to KKRC, there was no requirement for CYC to allow KKRC to use it. CYC gave verbal assurances to Council that they would work with KKRC to make appropriate arrangements.

The CYC would subsequently identify that the new storage facility was better suited to the Mariners component of their membership and discussed the opportunity of KKRC utilising two bays in their existing storage facilities nearer to the waters edge. While a very attractive proposition to KKRC at the time, this did not eventuate. With KKRC being unable to secure storage facilities within the existing CRNZ High Performance Centre, the club was left with all its equipment being stored in containers on site.

With both containers now full and 50 current members, the club is unable to service its existing membership, allow for growth, or expand its offering.

Council, CRNZ, CYC and KKRC all agree that the containers are not a suitable long term solution and detract from the amenity of the area.

While KKRC have been discussing and seeking permanent facilities since the demolition of the CYC building, it would formally approach Council with a proposal to lease an area and construct a storage facility at its cost in the grassed area behind the existing carpark. This followed consultation with CRNZ, CYC and Council. KKRC also presented its intent at a 2022 Lake Users Meeting, with no parties opposed.

Vision and Priorities

KKRC's vision is to provide an environment that promotes and supports the participation in and enjoyment of kayaking, creating a sense of belonging and community through kayaking.

- **Priority 1:** Facility/Equipment: Provide members an environment with sufficient security, stability and capacity from which to participate.
- **Priority 2:** Coaching and Participation: Provide members consistent and valued opportunities to participate and improve.
- **Priority 3:** Resilience: Provide members consistent delivery of services through coaching, administration and leadership.
- **Priority 4:** Diversity/Inclusion: Minimise barriers to community participation in kayaking.

KKRC's vision and the priorities align with CRNZ's priorities of:

- Engagement
- Participation
- Performance

KKRC day to day activities

The KKRC's day to day club activities involve:

- Regular structured sessions for beginner through to advanced paddlers, with volunteer coaches providing tailored support. These range from 4 sessions a week during the winter period, to 6 sessions a week during the summer period. Additional private coaching sessions are available by arrangement.
- 8 week long "Try, Learn, Explore" programmes are run in association with CRNZ. The programme introduces people to kayaking. These are often attended by school groups.
- Specific coaching programmes are provided to local schools seeking to attend the AIMS Games.
- Comprehensive weekly training programmes are available to intermediate and advanced paddlers upon request, with an advanced paddling squad training up 10 times a week independently.
- Provision of life jackets, kayaks and paddles for all ability levels. This includes para kayaks and team boats.
- Hosts the a race as part of the national "Kayak Crazy" 10km race series in August each year. Approximately 40-50 athletes attend this event annually.
- Organised club attendance at Regional and National Sprint Regattas.

Membership

From a height of around 70 members in 2012, the club currently has 50 members and an active committee of 9 members. The drop in numbers has been the result of a loss of permanent facilities, disruption from the construction of the Perry Community Water Sports Facility and members leaving the area.

Having now achieved a continuity of presence on the site and restoration of changing facilities on site, the club is experiencing an influx of interest and members seeking to return. However, the club does not have sufficient storage capacity to cater for the growth and level of enquiry.

With the club membership having remained stagnant at 45-50 members since 2017, there is a strong correlation between the club’s inability to grow and the lack of storage facilities.

The club currently owns 40 kayaks, with 11 private kayaks stored in the containers. Club kayaks consist of beginner, intermediate, para, and team kayaks that cater to all ages and ability levels. The most able and frequent paddlers are encouraged to purchase their own kayaks to ensure availability of the club kayaks for beginner and intermediate paddlers. These are typically younger paddlers or recreational paddlers giving kayaking a go.

While the club’s proximity to the CRNZ High Performance Centre has naturally led to many elite paddlers moving to the area, the club’s primary focus remains on catering to kayakers of all abilities, ages and interests.

The Need

With KKRC having been without permanent or adequate boat/equipment storage since 2017, a permanent and sustainable solution is needed for KKRC to achieve its vision. The provision of these facilities are critical for the club to promote and support the participation and enjoyment of kayaking by the local community.

The provision of a permanent storage facility will:

- Provide members an environment with sufficient security, stability and capacity from which to participate and establish a sense of belonging and community.
- Minimise barriers to community participation in kayaking. Allowing more members of the community to participate in kayaking by improving the club’s ability to store more entry level kayaks for new-comers.
- Improve the community’s access to Lake Karapiro through an activity that is affordable and requires minimal ability/skill to participate in.

The Proposal

The KKRC proposes to lease 480m² of land to facilitate the construction of an approximately 220m² storage building. The proposed area to be leased an approximate location of the building is outlined in Figure 1 below.



FIGURE 1: LEASE PLAN

The proposed leased area and building layout has been determined with consideration to:

- Existing lease arrangements with CYC, restricting access to the north and east of the proposed site
- Minimising earthworks and retaining wall requirements
- Minimising the loss of carparks to 1 space
- Minimising the bulk of the building and providing for extensive landscaping in front of the building
- Ensuring the safe movement of people between the building, the Perry Community Water Sports Centre and the waters edge.

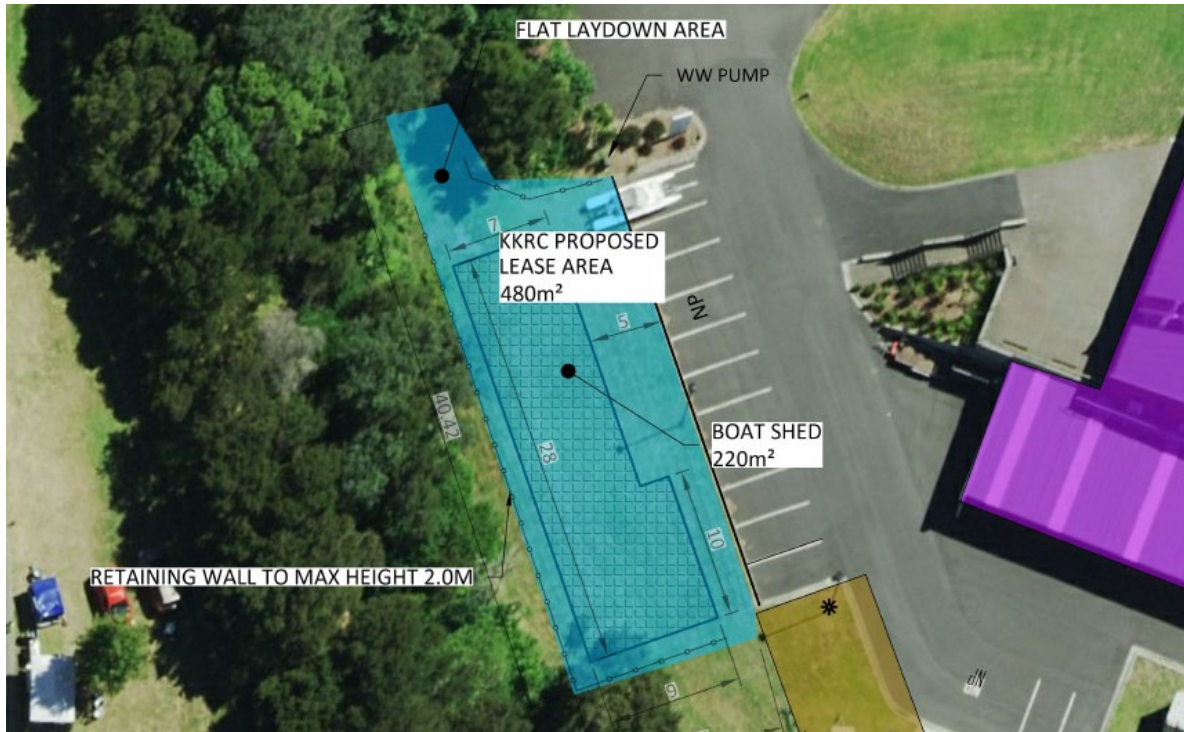


FIGURE 2: KKRC LEASE PLAN

Landform

With specific regard to landform and earthworks, we propose to limit earthworks and any retaining walls by providing for 1:3 batters on either side of the building. While a maximum retaining wall height of 2m is noted, this is likely to be reduced to 1-1.5m following further geotechnical investigations and landform design.

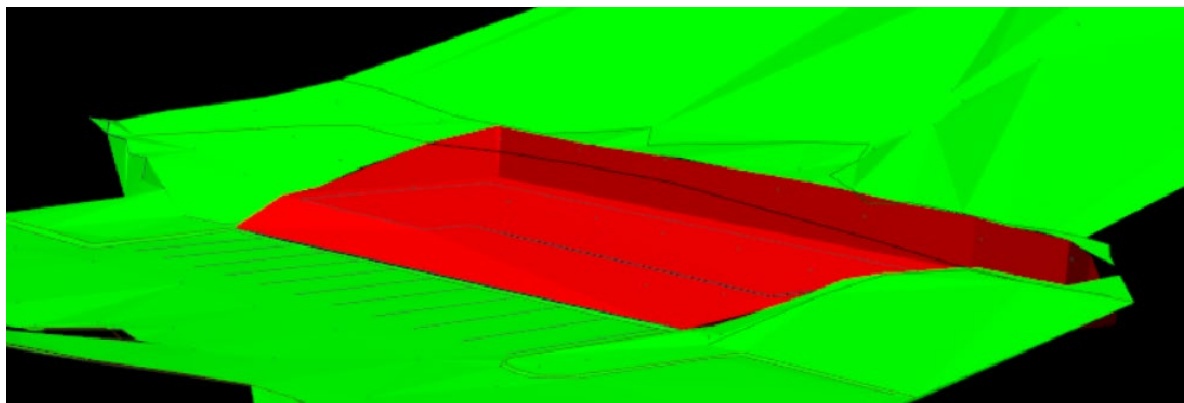


FIGURE 3: PROPOSED LANDFORM

Building

The proposed leased area and building layout will provide for the foreseeable long-term growth of the club. Specifically, it will provide enough space for approximately:

- 6 Club Para-kayaks
- 18 Club “Try, Learn, Explore” Programme kayaks (Beginner/School Kayaks)
- 10 Club Beginner Kayaks
- 10 Club Intermediate Kayaks
- 10 Club Advanced Kayaks
- 10 K2s and K4s (Team Boats)
- 40 Private kayaks
- 2 Safety boats.
- Equipment storage, including lifejackets, paddles and spare parts.

It is noted that the size of the leased area and building reflects a futureproofing approach, with the building intended to be scalable. This provides the club flexibility to scale the building in accordance with the level of funding secured. While the club may not utilise the full extent of the leased area in the first instance, it would prefer to futureproof for its long-term growth.

The building is intended to be a simple and cost effective industrial/commercial shed, with several roller doors. Each bay will be fitting with timber racking to maximise the storage of kayaks, safety boats and equipment. Figures 4 and 5 provide an indication of the scale and form of the building proposed.



FIGURE 4: INDICATIVE BUILDING FRONT ELEVATION

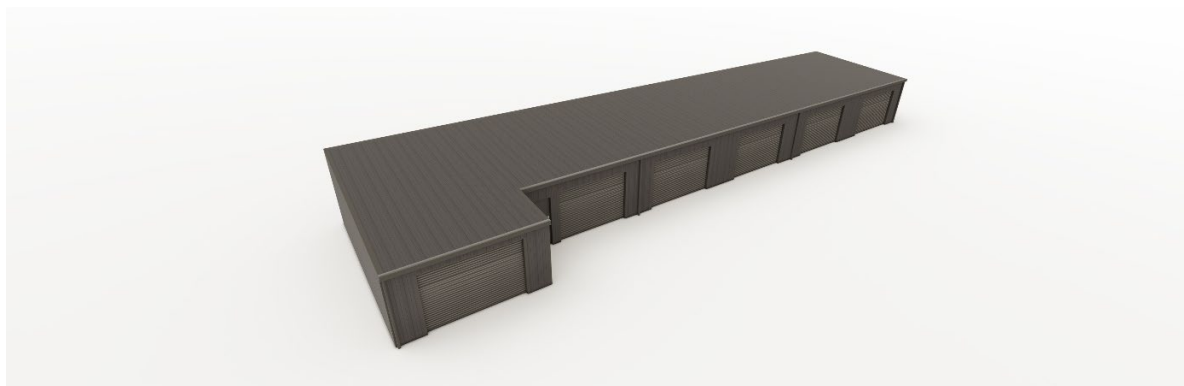


FIGURE 5: INDICATIVE BUILDING AERIAL

Staging and Cost

	Completion	Cost Estimate (excl. GST)
Stage 1: Secure Lease	Late 2023 (6 months)	Nil.
Stage 2: Consenting	Late 2024 (8 months)	\$25,000
Stage 3: Bulk Earthworks & Retaining	Late 2024 (3 months)	\$100,000
Stage 4: Construction	Mid 2025 (6 months)	\$300,000
Total	24 months	\$425,000

Funding

We have already approached several organisations to determine levels of funding support available for the proposed project.

We are confident in our ability to secure sufficient funds for the project without seeking any financial support from Council. We only request that a “peppercorn” rent is sought from the club is securing a lease over this piece of land.

Next Steps

We welcome the opportunity to meet with Council to discuss the above proposal and make any refinements required.

Prior to investing significant funds in design and consenting, we request that a lease agreement or heads of agreement are entered into in the first instance.

Yours faithfully,



President
For and on behalf of **KKRC**

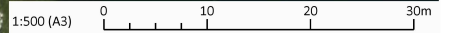
Appended Documents

1. Proposed Lease Area

100mm
 SCALE FOR VALIDATING SIZE OF A3 PLOT ONLY
 0
 C:\Users\jgale\OneDrive - Resource Management & Other\Documents\Karapiro Kayak Club\Documents\11190309\11190309_16_Apr_2024_A3.dwg 30/04/2023 9:26 am jgale Resource 30 Apr 2023 9:26 am

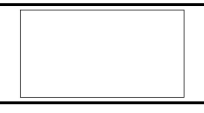


STORAGE FACILITY TO ALLOW APPROXIMATELY:
 56 K1 RACING KAYAKS
 36 K2 RACING KAYAKS
 2 K4 RACING KAYAKS
 1 RESCUE BOAT



NO	DATE	FOR DISCUSSION	ISSUE/REVISION DETAIL	BY	CHK	APPR
1	30/04/2023	FOR DISCUSSION		PP		

DESIGNED	PP	CHECKED	SB
DRAWN	PP	APPROVED	-
REVISED VERSION:			
BY	CHK	APPR	



CLIENT
KARAPIRO KAYAK RACING CLUB

PROJECT
PROPOSED BOAT STORAGE

DRAWING
PROPOSED LEASE AREA

STATUS	PRELIMINARY
DATE	SCALE (ORIGINAL SIZE A3)
DRAWING NUMBER	REVISION
KAYAKING CLUB PROPOSED	1

APPENDIX 2

Record of Title 433904

Emtel Title Preview

Information as at Sunday 3rd March 2024

RECORD OF TITLE UNDER LAND TRANSFER ACT 2017 FREEHOLD



Search Copy

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Identifier 433904
Land Registration District South Auckland
Date Issued 15 July 2008

Prior References

H391602 12756 H259203

Estate Fee Simple
Area 18.2646 hectares
Legal Description Section 2, 5-7, 16 Block XIV
 Cambridge Survey District

Registered Owners

[Waipa District Council](#)

Interests

Subject to the Reserves Act 1977

Subject to a right (in gross) to convey electricity over part Section 2 Block XIV Cambridge Survey District marked K on DP 576580 in favour of Powerco Limited created by Easement Instrument [12677592.5](#) - 23.6.2023 at 4:13 pm
 The easements created by Easement Instrument [12677592.5](#) are subject to Section 243 (a) Resource Management Act 1991

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COMMITTEE REPORT



To: The Chairperson and Members of the Finance and Corporate Committee

From: Property Advisor – Angela McEwan

Subject: **New Community Lease –
The Cambridge Riding Club Incorporated**

Meeting Date: 16 April 2024

1 PURPOSE - TAKE

The purpose of this report is to seek the Committee’s consent to grant a new lease to The Cambridge Riding Club Incorporated for use of part of the Cambridge Town Belt and seek delegation from the Committee to the Group Manager Business Support to sign the lease.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

This report seeks the approval of the Committee in its function as an Administering Body under the Reserves Act 1977 (“the Act”) to enter into a new lease with The Cambridge Riding Club Incorporated (“the Club”) in respect of land being a recreation reserve located at Carlyle Street, Cambridge and which forms part of the Cambridge Town Belt (“the Reserve”). The proposed lease is for a maximum term of 15 years at an initial annual rent of \$658.00 plus GST.

The Club is the existing tenant of the Reserve and their current lease records a final expiry date of 1 July 2015. The Club has remained in occupation of the Reserve since that date and has expressed a desire to enter into a new lease in accordance with Council’s Community Leasing Policy.

Following consideration of the purpose of the lease, the Reserve Management Plan, the Reserves Act 1977 and public and iwi consultation, it is recommended that the Council, in its function as Administering Body under the Act, approve the lease.

A lease plan identifying the proposed lease area is appended at Appendix 1 (outlined in red).

Pursuant to the Act, Ministerial approval of the proposed lease is also required before it may be entered into. This power has been delegated to Council, and separate approval will be sought for this.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee

- a) *Receives the report of Angela McEwan, Property Advisor, titled New Community Lease – Cambridge Riding Club Incorporated (ECM Number 11202772);*
- b) *Approves pursuant to section 54(1)(b) of the Reserves Act 1977, as administering body over the Cambridge Town Belt recreation reserve, entering into an agreement with The Cambridge Riding Club Incorporated for a lease for the purposes of horse riding, associated horse grazing and equestrian activities and otherwise on the terms and conditions contained in Council’s standard community lease;*
- c) *Delegates to the Group Manager Business Support the authority to finalise negotiations, sign such documentation, and undertake any remaining actions necessary to enable implementation of recommendation b) subject to Ministerial approval of the lease pursuant to section 54(1) of the Reserves Act 1977.*

4 BACKGROUND – KŌRERO WHAIMĀRAMA

Proposed Lease of Recreation Reserve

Council is the owner and administering body under the Reserves Act 1977 (“the Act”) of the recreation reserve located at Carlyle Street which forms part of the Cambridge Town Belt and is legally described as Allotments 63 and 64 Cambridge Town Belt and contained in Record of Title 483210, a copy of which is appended at Appendix 2 (“the Reserve”).

Proposed New Lease

Council has leased part of the Reserve to The Cambridge Riding Club Incorporated (“the Club”) to the Club since the Club was incorporated in 1990. The lease expired on 1 July 2015 and the Club wishes to enter into a new lease.

The proposed new lease would be for a term of five (5) years with two (2) rights of renewal of five (5) years each and be in the form of Council’s standard community lease terms and conditions. The commencement date of the new lease would be 1 December 2023, with the final expiry being 30 November 2038.

The total area recorded in the proposed lease is approximately 4.079ha.

Proposed Tenant

The Club was incorporated under the Incorporated Societies Act 1908 in 1990.

The Club caters for riders aged 18 years and over and its objectives are to foster a safe and supportive environment to ensure that their members enjoy the riding activities that the Club provides. Their aim is to encourage riding as a sport and recreation, to promote good fellowship amongst riders and to improve and maintain the standard of riding and horsemanship.

The buildings and chattels on the site, which include clubrooms and tractor shed, toilets and a water tank, are owned and maintained by the Club.

The riding facilities include a sand arena, grass dressage arena, grass riding paddock, jumping course and other paddocks for riding/grazing. The sand arena is bookable to members via an online booking system.

During the summer months a weekly rally is held every Sunday and every second Tuesday. The rallies continue to be held during the winter months when weather permits. The Club also host social treks, ribbon days, show jumping days and derby cross country events. These events are held to provide adult riders a safe and fun environment to enjoy.

The permitted use of the land under the proposed lease is “Horse riding, associated horse grazing and equestrian activities”.

Public Notification

Section 54(1) of the Reserves Act 1977 provides that the Administering Body may, with the prior consent of the Minister, grant a lease within the Reserve.

Section 54(2) requires that, before granting any lease under subsection (1), the Administering Body shall give public notice in accordance with section 119 and give full consideration to all objections and submissions received in accordance with the provisions of section 120.

A public notice was placed in the Cambridge News on 22 February 2023. Submissions were able to be received for one month from the date of the notices. No submissions were received.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8 and have assessed that the matter in this report has a low level of significance.

This is because of the following reasons:

- a. limited public interest given it is a well-established activity on the Reserve.
- b. there are limited financial implications to Council.

- c. there is no effect on Council undertaking its role as Administering Body of the Reserve.
- d. the effects on the potential future use of the Reserve are less than minor.

As such, the level of consultation undertaken is considered to be appropriate.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
Option 1: Do nothing	<ul style="list-style-type: none"> ▪ No staff or other Council resources required. 	<ul style="list-style-type: none"> ▪ This option does not provide either party with any certainty of tenure.
Option 2: Enter into a new lease with The Cambridge Riding Club Incorporated on Council's standard community lease terms and such other conditions as may be considered appropriate	<ul style="list-style-type: none"> ▪ This option provides both parties with certainty, and ensures that The Cambridge Riding Club Incorporated is able to continue to work to promote its objectives as set out in this report. 	<ul style="list-style-type: none"> ▪ None identified.

The recommended option is Option 2 for the reasons set out above.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the proposal to enter into the lease complies with Council's legal and policy requirements.

Lease of Reserve Land

Staff confirm that option 2 complies with Council's requirements under the Act. This is because Section 54(1)(b) of the Act provides that with prior consent of the Minister the Administering Body may lease to any voluntary organisation part of the reserve for the erection of stands, pavilions, gymnasiums, and, subject to sections 44 and 45, other buildings and structures associated with and necessary for the use of the reserve for outdoor sports, games, or other recreational activities, or lease to any voluntary organisation any such stands, pavilions, gymnasiums, and, subject to section 44, other buildings or structures already on the reserve. The proposed lease falls within this power.

Reserve Management Plan

Section 41 of the Act requires that management plans be adopted by Council in order to set policies for the administration of reserves, specific to the classification of each reserve. The Reserve is subject to the Cambridge Town Belt Reserve Management Plan

(30 June 2012) (“RMP”). The existing lease is recorded in the RMP and the proposed lease is consistent with the RMP.

Property Policy

Council’s Property Policy deals with leasing. Part of that policy (“Leasing Land for Recreational Use”) states:

“Where land is reserve, Council will support recreational, educational, cultural and sporting clubs by permitting use of existing reserve land at minimal cost, provided the use meets the criteria of the relevant Reserve Management Plan and the Community Leisure Plan.”

Lease Terms and Conditions

Council has a standard community lease document that contains terms and conditions to protect Council’s interests. Leases are generally issued for a term of five (5) years with two (2) rights of renewal (five (5) years each). The standard lease document (including term) will be utilised for the proposed lease.

Financial Considerations – Whaiwhakaaro ā-Pūtea

Lessee groups, such as this which is the subject of this report, tend to be charged in accordance with the Community Leasing Policy, calculated on the value of the property being leased. In addition, community lessees are made responsible for the following outgoings:

- Annual administration charge
- Annual sewerage charge, if connected
- Metered water supply, based on consumption, if connected
- Utility costs (such as electricity)
- Insurance of their facilities
- Grounds maintenance

The rent on commencement on the new lease, calculated in accordance with the Community Leasing Policy, will be \$658.00 plus GST per annum plus outgoings. A new lease fee of \$612.00 inclusive of GST will be payable on signing and an annual administration fee (currently \$357.00 inclusive of GST per annum) will be payable annually from the first anniversary of the Commencement Date.

Risks - Tūraru

There are no known significant risks associated with granting a new lease.

Iwi and Mana Whenua Considerations - Whaiwhakaaro ki ngā Iwi me ngā Mana Whenua

The administration of public reserves by local authorities requires that they give effect to the principles of the Treaty of Waitangi, pursuant to section 4 of the Conservation Act 1987.

On 26 January 2024, iwi were informed of and invited to supply feedback on the proposed lease. Mana whenua have suggested that a shorter-term lease should be considered. However, the proposed new lease is in accordance with Council's current Community Leasing Policy and staff consider that the term of the proposed lease is appropriate.

8 NEXT ACTIONS

Action	Responsibility	By When
Ministerial consent to the Lease	Council	30 April 2024
Sign the Lease	Group Manager Business Support	14 May 2024

9 APPENDICES - ĀPITITANGA

No:	Appendix Title
1	Plan of Leased Area
2	Record of Title 483210



Angela McEwan
PROPERTY ADVISOR



Reviewed by David Varcoe
MANAGER PROPERTY SERVICES



Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Plan of Leased Area



APPENDIX 2

Certificate of Title 483210

Emtel Title Preview

Information as at Sunday 25th February 2024

RECORD OF TITLE UNDER LAND TRANSFER ACT 2017 FREEHOLD



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Identifier 483210
Land Registration District South Auckland
Date Issued 07 July 2009

Prior References

[SA13C/438](#) [451549](#)

Estate	Fee Simple
Area	119.4525 hectares
Legal Description	Allotment 53 Cambridge Town Belt and Part Allotment 54 Cambridge Town Belt and Allotment 56-67 Cambridge Town Belt and Part Allotment 68 Cambridge Town Belt and Allotment 69-89 Cambridge Town Belt and Part Allotment 90 Cambridge Town Belt and Allotment 91-94, 98 Cambridge Town Belt

Registered Owners

[Waipa District Council](#)

Interests

Subject to the Reserves Act 1977

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COMMITTEE REPORT



To: The Chairperson and Members of the Finance and Corporate Committee

From: Property Advisor – Angela McEwan

Subject: **New Community Lease – Riding for Disabled - Cambridge Incorporated**

Meeting Date: 16 April 2024

1 PURPOSE - TAKE

The purpose of this report is to seek the Committee's consent to grant a new lease to the Riding for Disabled – Cambridge Incorporated for use of part of the Cambridge Town Belt and seek delegation from the Committee to the Group Manager Business Support to sign the lease.

The new lease agreement will also incorporate the lease of a parcel of freehold land owned by Council and will include a licence to occupy the unformed road which bounds the Reserve for the purposes of horse grazing only.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

This report seeks the approval of the Committee in its function as an Administering Body under the Reserves Act 1977 ("the Act") to enter into a new lease with the Riding for Disabled – Cambridge Incorporated ("the RDA") in respect of land being a recreation reserve located at Vogel Street, Cambridge and which forms part of the Cambridge Town Belt ("the Reserve").

The new lease will incorporate an adjacent freehold parcel of land and a licence to occupy part of the unformed legal road which bounds the Reserve. The proposed lease is for a maximum term of 15 years at an initial annual rent of \$863.00 plus GST.

The RDA is the existing tenant of the Reserve and their current lease records a final expiry date of 31 December 2022. The RDA has expressed a desire to enter into a new lease in accordance with Council's Community Leasing Policy.

Following consideration of the purpose of the lease, the Reserve Management Plan, the Reserves Act 1977, the provisions of the Public Works Act 1981 and public and iwi

consultation, it is recommended that the Council, in its function as Administering Body under the Act, approve the lease.

A lease plan identifying the various parcels of land is appended at Appendix 2.

Pursuant to the Act, Ministerial approval of the proposed lease is also required before it may be entered into. This power has been delegated to Council, and separate approval will be sought for this.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee

- a) *Receives the report of Angela McEwan, Property Advisor, titled New Community Lease – Riding for Disabled – Cambridge Incorporated (ECM Number 11202773);*
- b) *Approves, pursuant to section 54(1)(c) of the Reserves Act 1977, as administering body over the Cambridge Town Belt recreation reserve, entering into an agreement with the Riding for the Disabled Incorporated for:

 - i) *a lease over part of the Reserve for the purposes of horse riding, associated horse grazing and equestrian activities, and*
 - ii) *a licence to occupy part of the unformed road which bounds the leased area, on the terms and conditions substantially set out in Appendix 1 to this report (ECM number 11188522), subject to Ministerial approval of the lease pursuant to section 54(1) of the Reserves Act 1977;**
- c) *Delegates to the Group Manager Business Support the authority to finalise negotiations, sign such documentation, and undertake any remaining actions necessary to enable implementation of recommendation b) subject to Ministerial approval of the lease pursuant to section 54(1) of the Reserves Act 1977.*

4 BACKGROUND – KŌRERO WHAIMĀRAMA

Proposed Lease of Recreation Reserve and Freehold Land

Council is the owner and administering body under the Reserves Act 1977 (“the Act”) for the recreation reserve located at Vogel Street which forms part of the Cambridge Town Belt and is legally described as Allotments 1 to 4 and Section 1 SO 362382 Cambridge Town Belt (as denoted as areas A, B & C on the plan appended at Appendix 2) and contained in Record of Title 451548, a copy of which is appended at Appendix 3 (“the Reserve”).

The proposed leased area also includes the parcel of land held in fee simple by Council (as denoted as area D on the plan appended at Appendix 2) and legally described as part Lot 4 Deposited Plan 338342 contained in Record of Title 157605, a copy of which is appended at Appendix 4.

Licensed Area included in Proposed Lease

The Reserve is bounded by unformed legal road. Part of the unformed road has been used for horse grazing by the RDA in conjunction with the use of the adjoining land for the purposes of horse grazing (as denoted as area E on the plan appended at Appendix 2).

Proposed New Lease

Council has leased part of the Reserve, the freehold land and the Licensed Area to the RDA for the past 24 years. The lease expired on 31 December 2022 and the RDA wishes to enter into a new lease.

The proposed new lease would be for a term of five (5) years with two (2) rights of renewal of five (5) years each and be in the form of Council's standard community lease terms and conditions. The commencement date of the Lease would be 1 January 2023, with the final expiry being 31 December 2037.

The total area recorded in the proposed lease is approximately 4.70ha.

Proposed Tenant

The RDA was incorporated under the Incorporated Societies Act 1908 in November 1983 and has been registered as a charity on the Charities Register since June 2008.

The buildings on the site, which include an arena, stables and office space, are owned and maintained by the RDA. The RDA has invested a substantial amount of money on erecting the arena and related buildings.

The main objectives of the RDA are as follows:

- To provide therapeutic riding opportunities to benefit and challenge persons with physical, intellectual and/or psychological disabilities.
- To provide instruction in riding and horse-mastership within the Waikato area in the safest possible environment.
- To provide a safe working place for staff and volunteers.

The RDA has 55 volunteers who support 65 riders every week. There is a waiting list for new riders who wish to participate in the activities offered.

The RDA's arena is also used by the wider equestrian community for various activities including specialist clinics often run by out-of-town facilitators, practice sessions and pony club events when they need to have an undercover area out of the weather.

The arena is well used over the winter months by individuals to exercise their horses on firmer ground. The arena is fitted with LED lights and it is popular in the winter evenings.

The arena is a standard dressage size so can be used to practice for competitions and events.

The permitted use of the land under the proposed lease is “Horse riding, associated horse grazing and equestrian activities”.

Public Notification

Section 54(1) of the Reserves Act 1977 provides that the Administering Body may, with the prior consent of the Minister, grant a lease within the Reserve.

Section 54(2) requires that, before granting any lease under subsection (1), the Administering Body shall give public notice in accordance with section 119 and give full consideration to all objections and submissions received in accordance with the provisions of section 120.

A public notice was placed in the Cambridge News on 22 February 2023. Submissions were able to be received for one month from the date of the notices. No submissions were received.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matter in this report has a low level of significance.

This is because of the following reasons:

- a. limited public interest given it is a well-established activity on the Reserve.
- b. there are limited financial implications to Council.
- c. there is no effect on Council undertaking its role as Administering Body of the Reserve.
- d. there is no effect on Council granting a licence to occupy the unformed road.
- d. the effects on the potential future use of the Reserve are less than minor.

As such, the level of consultation undertaken is considered to be appropriate.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
Option 1: Do nothing	<ul style="list-style-type: none"> ▪ No staff or other Council resources required. 	<ul style="list-style-type: none"> ▪ This option does not provide either party with any certainty of tenure. ▪ RDA have invested in substantial improvements on the land and will have no legal right to access.

Option	Advantages	Disadvantages
<p>Option 2: Enter into a new lease with the RDA on Council’s standard community lease terms and such other conditions as may be considered appropriate</p>	<ul style="list-style-type: none"> ▪ This option provides both parties with certainty, and ensures that the RDA is able to continue to work to promote its objectives as set out in this report. 	<ul style="list-style-type: none"> ▪ None identified.

The recommended option is Option 2 for the reasons set out above.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the proposal to enter into the Lease complies with Council’s legal and policy requirements.

Lease of Reserve Land

Staff confirm that the lease component of option 2, complies with Council’s requirements under the Act. This is because section 54(1)(c) of the Act provides that with prior consent of the Minister the Administering Body may lease to any voluntary organisation the whole or part of the reserve for the playing of any outdoor sport, games, or other recreational activity where the preparation and maintenance of the area for such sport, games, or other recreational activity requires the voluntary organisation to spend a sum of money that in the opinion of the administering body is substantial. The proposed lease falls within this power.

Licence of Unformed Road

Staff confirm that the licence component of option 2 also complies with Council’s requirements under the Act. This is because, as owner of the unformed road, Council may issue licences to occupy, as also confirmed by the licensing power under section 45 of the Public Works Act 1981.

Reserve Management Plan

Section 41 of the Act requires that management plans be adopted by Council in order to set policies for the administration of reserves, specific to the classification of each reserve. The Reserve is subject to the Cambridge Town Belt Reserve Management Plan (30 June 2012) (“RMP”). The existing Lease is recorded in the RMP and the proposed Lease is consistent with the RMP.

Property Policy

Council's Property Policy deals with leasing. Part of that policy ("Leasing Land for Recreational Use") states:

"Where land is reserve, Council will support recreational, educational, cultural and sporting clubs by permitting use of existing reserve land at minimal cost, provided the use meets the criteria of the relevant Reserve Management Plan and the Community Leisure Plan."

Lease Terms and Conditions

Council has a standard community lease document that contains terms and conditions to protect Council's interests. Leases are generally issued for a term of five (5) years with two (2) rights of renewal (five (5) years each). The standard lease document (including term) will be utilised for the proposed lease.

Financial Considerations – Whaiwhakaaro ā-Pūtea

Lessee groups, such as this which is the subject of this report, tend to be charged in accordance with the Community Leasing Policy, calculated on the value of the property being leased. In addition, community lessees are made responsible for the following outgoings:

- Annual administration charge
- Annual sewerage charge, if connected
- Metered water supply, based on consumption, if connected
- Utility costs (such as electricity)
- Insurance of their facilities
- Grounds maintenance

The rent on commencement on the new Lease, calculated in accordance with the Community Leasing Policy, will be \$863.00 plus GST per annum plus outgoings. A new Lease fee of \$612.00 inclusive of GST will be payable on signing and an annual administration fee (currently \$357.00 inclusive of GST per annum) will be payable annually from the first anniversary of the Commencement Date.

Risks - Tūraru

There are no known significant risks associated with granting a new Lease.

Iwi and Mana Whenua Considerations - Whaiwhakaaro ki ngā Iwi me ngā Mana Whenua

The administration of public reserves by local authorities requires that they give effect to the principles of the Treaty of Waitangi, pursuant to section 4 of the Conservation Act 1987.

On 26 January 2024, iwi were informed of and invited to supply feedback on the proposed lease. No concerns were raised in relation to the proposed new lease.

8 NEXT ACTIONS

Action	Responsibility	By When
Ministerial consent to the Lease	Council	30 April 2024
Sign the Lease	Group Manager Business Support	14 May 2024

9 APPENDICES - ĀPITITANGA

No:	Appendix Title
1	Proposed New Lease (ECM number 11188522)
2	Plan of Leased Area
3	Record of Title 451548
4	Record of Title 157605

Angela McEwan
PROPERTY ADVISOR

Reviewed by David Varcoe
MANAGER PROPERTY SERVICES

Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Proposed New Lease (ECM number 11188522)

APPENDIX 2

Plan of Leased Area



APPENDIX 3

Certificate of Title 451548

Emtel Title Preview

Information as at Sunday 3rd March 2024

RECORD OF TITLE UNDER LAND TRANSFER ACT 2017 FREEHOLD



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Identifier	451548		
Land Registration District	South Auckland		
Date Issued	03 November 2008		
Prior References	SA67/104	SA56/248	H549492
	SA56/249	266998	S351867
			SA12C/239

Estate	Fee Simple
Area	163.8039 hectares
Legal Description	Lot 1-2 Deposited Plan South Auckland 13572 and Lot 1 Deposited Plan South Auckland 10007 and Section 1 Survey Office Plan 362382 and Allotment 1-4 Cambridge Town Belt and Part Allotment 5-6 Cambridge Town Belt and Allotment 6A, 7A, 7 Cambridge Town Belt and Part Allotment 8 Cambridge Town Belt and Allotment 9-14 Cambridge Town Belt and Part Allotment 15-17 Cambridge Town Belt and Allotment 17A, 18A, 18-37 Cambridge Town Belt and Part Allotment 38 Cambridge Town Belt and Allotment 39-44 Cambridge Town Belt and Part Allotment 45-46 Cambridge Town Belt and Allotment 47-48 Cambridge Town Belt and Part Allotment 49 Cambridge Town Belt and Allotment 50 Cambridge Town Belt and Part Allotment 51-52 Cambridge Town Belt and Part Allotment 365-366, 368 Town of Cambridge East and Allotment 370 Town of Cambridge East

Registered Owners
[Waipa District Council](#)

Interests

SUBJECT TO SECTION 11 WAIKATO RAUPATU CLAIMS SETTLEMENT ACT 1995 (WHICH PROVIDES FOR RESIDUAL CROWN LAND TO BE OFFERED FOR PURCHASE TO A LAND HOLDING TRUST FOR WAIKATO IN CERTAIN CIRCUMSTANCES) - SEE CERTIFICATE [6829799.1](#) - 18.4.2006 at 9:00 am (AFFECTS SECTION 1 SO 362382)

Subject to the Reserves Act 1977

Subject to a right of way over part Allotment 5 Cambridge Town Belt over parts marked A & L and over part Allotment 4 Cambridge Town Belt over parts marked B & K and a right of way (designated car park area) over part Allotment 5 Cambridge Town Belt over parts marked C, E, F, I & J and over part Allotment 4 Cambridge Town Belt over parts marked D, G & H and a right to convey electricity, telecommunications and computer media, water and gas and a right to drain water and sewage over part allotment 4 Cambridge Town Belt over parts marked K & H and over part Allotment 5 Cambridge Town Belt over parts marked I, J & L on SO 452968 created by Easement Instrument [9062292.1](#) - 5.6.2012 at 11:23 am

[9568608.1](#) Surrender of the right of way (designated car park area) over part Allotment 5 Cambridge Town Belt marked C, E, F, I & J on SO 452968 and a right to convey electricity, telecommunications and computer media, water and gas and a right to drain water and sewage over part Allotment 4 Cambridge Town Belt marked K & H on SO 452968 created by Easement Instrument 9062292.1 as appurtenant to Lot 1 DP 436998 - 12.12.2013 at 2:51 pm

Subject to a right to convey electricity, water, gas, telecommunications and computer media and a right to drain sewage and water over part Allotment 5, Cambridge Town Belt over part marked A and over Allotment 4, Cambridge Town Belt over part marked B all on SO 477928 created by Easement Instrument [9858063.1](#) - 8.10.2014 at 9:06 am

Subject to a right (in gross) to right of way over part marked R on DP 475226 in favour of Waipa District Council created by Easement Instrument [10030254.1](#) - 14.4.2015 at 2:48 pm

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APPENDIX 4

Certificate of Title 157605

Emtel Title Preview

Information as at Sunday 25th February 2024

RECORD OF TITLE UNDER LAND TRANSFER ACT 2017 FREEHOLD



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Identifier 157605
Land Registration District South Auckland
Date Issued 14 December 2004

Prior References

[SA48/30](#)

Estate Fee Simple
Area 3950 square metres
Legal Description Lot 4 Deposited Plan 338342

Registered Owners

[Waipa District Council](#)

Interests

[6188341.2](#) Consent Notice pursuant to Section 221 Resource Management Act 1991 - produced 20.10.2004 at 9:00 am and entered 14.12.2004 at 9:00 am

Subject to an electricity easement over parts marked P, N and Q on DP 338342 created by Easement Instrument [6188341.6](#) - produced 20.10.2004 at 9:00 am and entered 14.12.2004 at 9:00 am

Appurtenant hereto is an electricity easement created by Easement Instrument [6188341.6](#) - produced 20.10.2004 at 9:00 am and entered 14.12.2004 at 9:00 am

The easements created by Easement Instrument [6188341.6](#) are subject to Section 243 (a) Resource Management Act 1991

Subject to a right (in gross) to drain water over part marked F and to a right (in gross) to drain sewage over parts marked M, N and O on DP 338342 in favour of Waipa District Council created by Easement Instrument [6188341.7](#) - produced 20.10.2004 at 9:00 am and entered 14.12.2004 at 9:00 am

The easements created by Easement Instrument [6188341.7](#) are subject to Section 243 (a) Resource Management Act 1991

Subject to a right (in gross) to drain sewage over part marked D, E and F on SO 510703 in favour of Waipa District Council created by Easement Instrument [10935685.2](#) - 18.1.2018 at 9:55 am

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COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Finance and Corporate Committee

From: Group Manager Service Delivery

Subject: **Waikato Local Water Done Well – Status Report**

Meeting Date: 16 April 2024

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

Last month the government repealed Labour’s Three Waters programme that would have shifted drinking, waste and storm water services into 10 entities, with our Council part of Entity B. Policy statements from the National Party, and announcements from the government regarding planned replacement legislation are being made, with further legislation expected in mid-2024. It has been widely signalled that Councils will be required to develop a Water Services Delivery Plan and submit this to the Minister by mid-2025. The plans will need to set out how the challenges to delivering levels of service will be addressed in a financially sustainable manner.

In anticipation of expected legislation, Waikato Councils are working collectively to consider options that will enable water infrastructure to be provided efficiently and cost-effectively, in a way that best suits our communities. A Joint Waikato Mayors and Chairs Forum has been formed to discuss how they could provide collective leadership for the people of the Waikato in the context of water services (drinking water, wastewater and stormwater), and to gather and assess information to help individual Councils make informed decisions as part of delivering a Water Services Delivery Plan.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee receives the report of Dawn Inglis, Group Manager Service Delivery, titled Waikato Local Water Done Well – Status Report (document number 11199648).

3 COMMENTARY - KŌRERO

Government Policy Indications - Local Water Done Well

The government’s 100-day plan included a commitment to repeal the previous Labour government’s water reform legislation and implement a new approach that would restore Council ownership and control of water assets.

As part of its Local Water Done Well programme the government has now completed the repeal process and has committed to progressing two further Bills through Parliament. In announcing the approach and establishing the timetable for reform on 12 February 2024, the Minister of Local Government has stated that:

“The first bill will be passed by the middle of 2024 and will set out provisions relating to council service delivery plans and transitional economic regulation. It will also provide streamlined requirements for establishing council-controlled organisations under the Local Government Act 2002, enabling councils to start shifting the delivery of water services into more financially sustainable configurations should they wish to do so.”

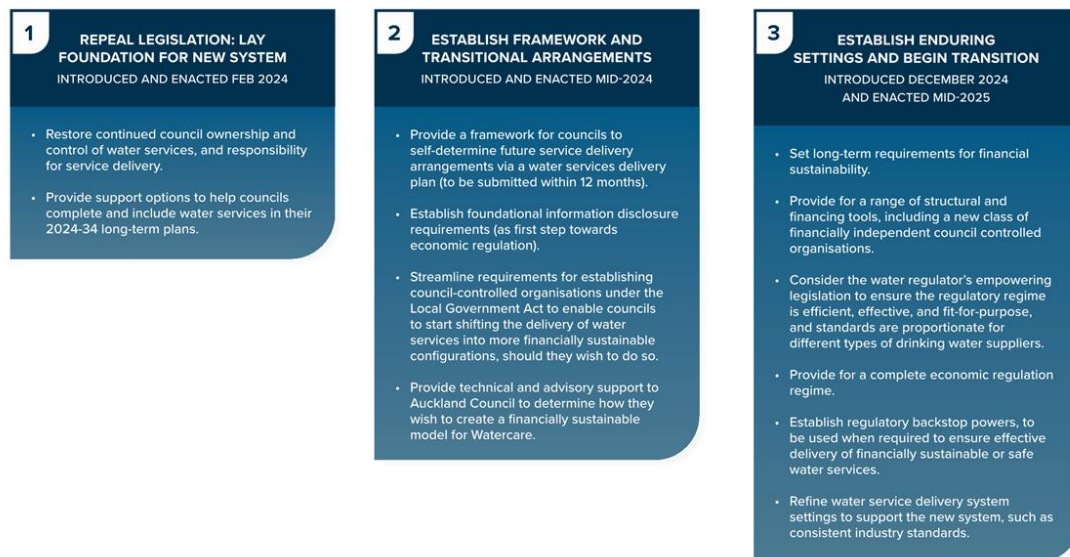
“A second bill to provide for the long-term replacement regime will be introduced in December 2024 and passed by the middle of 2025. This will set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council-controlled organisation.”

“The second bill will also establish regulatory backstop powers, to be used when required to ensure effective delivery of financially sustainable or safe water services. In addition, it will also make necessary amendments to the water regulator’s legislation to ensure the regulatory framework is fit for purpose and workable for drinking water suppliers.”

“Local Water Done Well recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in the future. We will do this while ensuring a strong emphasis on meeting rules for water quality and investment in infrastructure.”

The current expectation is that the first bill will be presented to Parliament in early April 2024.

The intended content of each of the three pieces of water legislation are set out in Figure 1 below.



Local Water Done Well Three Step Legislation Plan

The Minister expects that all legislation to support the implementation of Local Water Done Well to be passed by mid-2025. This will provide some certainty for Waipā DC as the 2025-2034 Long Term Plan is developed.

The Minister has established a Technical Advisory Group to contribute specialist and technical expertise to himself and the Department of Internal Affairs as policy and legislation to implement Local Water Done Well is developed. The Minister has stated that “the TAG will be focussed on providing advice and assurance on policy and legislative settings that will enable local Councils to appropriately recover costs and access the long-term debt needed to fund the required investment in water infrastructure.”

The Technical Advisory Group members are:

Andreas Heuser (Chair), Managing Director at Castalia Limited. Andreas has a background in economic and policy projects specialising in energy sector strategy, water reform, and natural resource economics.

Raveen Jaduram, Director of the New Zealand Infrastructure Commission. Raveen has a background in water infrastructure, including six years as the Chief Executive of Watercare.

Wendy Walker, Chief Executive of Porirua City Council. Wendy has a background in local government, strategic planning, and public management.

Mark Reese, Partner at Chapman Tripp. Mark specialises in finance and infrastructure and has significant knowledge and experience across legal and financial aspects of project and asset financing.

Simon Weston, Chief Executive of Whangārei District Council. Simon has a strong background in infrastructure, construction and local government in the United Kingdom, Auckland, and Northland.

The government’s full policy framework is still being developed and will be revealed through the sequence of legislation announced by the Minister. However, at this point it is clear that the policy detail will be informed by the government’s key principles for water services delivery, namely:

- a) Introducing greater central government oversight, economic and quality regulation.
- b) Fit-for-purpose service delivery models and financing tools, such as improving the current council-controlled organisation model, and developing a new class of financially separate council-owned organisation.
- c) Setting rules for water services and infrastructure investment.
- d) Ensuring water services are financially sustainable.

Application of the above principles will require councils to fundamentally review water services delivery operations, whether water services are retained in-house or transitioned into a separate organisation/vehicle. Councils will need to develop a water plan demonstrating how they will respond to the reforms and ensure compliance with the new requirements.

Economic regulation is a key feature of the Local Water Done Well approach. This means that in addition to existing environmental regulation for the taking and discharge of water, and regulation of drinking water and oversight of wastewater and stormwater by Taumata Arowai, there are likely to be new system-wide economic rules relating to investment (including under or over investment), costs and cost-recovery (pricing and charges), and transparency and disclosure of costs and revenue.

Councils will be required to indicate how they will meet these requirements by way of Water Services Delivery Plans that are due to be submitted by mid-2025 and will require, among other things, that Councils (whether regionally, sub-regionally or individually) demonstrate they can in fact deliver water services in a financially sustainable way and meet new regulatory requirements. The plans will need to set out how the challenges to delivering levels of service will be addressed.

Waikato Response

A Joint Waikato Mayors and Chairs Forum has been formed to discuss how they could provide collective leadership for the people of the Waikato in the context of water services (drinking water, wastewater and stormwater). It is noted that the Forum is not a decision-making body.

In response to the change in direction signalled in Local Water Done Well, the Mayors and Chairs Forum is overseeing work Co-Lab has initiated to support individual Councils, to make informed decisions on whether the aggregation of Waikato water

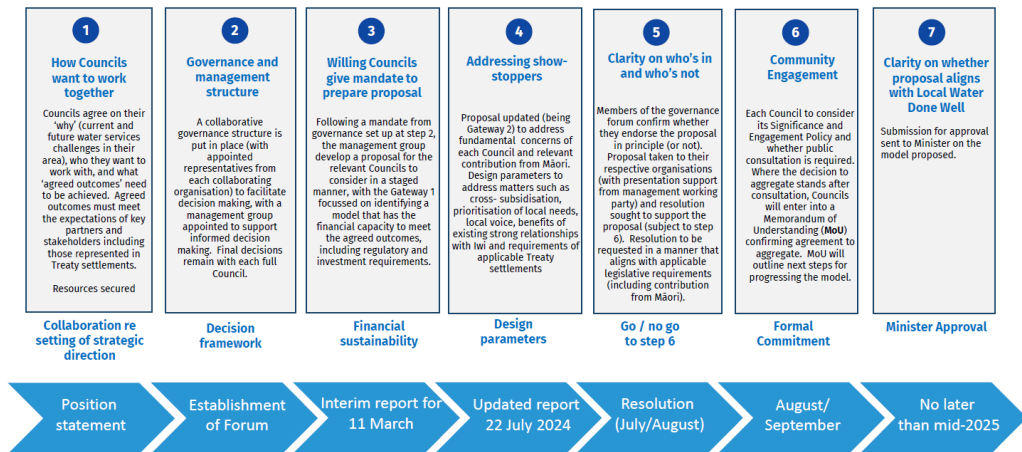
services can deliver on the needs of Waikato communities, either regionally or sub-regionally.

The initial discussion paper on this work was received by our Council Committee in November 2023 (*document number 11139385*). A draft Terms of Reference included in the discussion paper was not endorsed by Council at that time, as further insights on the work were yet to be developed, and Government Policy to be confirmed.

The work of the Forum is supported by a working party comprising Chief Executives from Councils and Iwi Organisations, together with Vaughan Payne (independent consultant engaged via Co-Lab). The purpose of the working party has been to provide the Forum with the technical support required to generate the requested deliverables and support informed decision making at a governance level. Waipā DC is partially funding this work (\$30k contribution for professional services, and \$4k for financial modelling costs - both are funded from the allocation received from the government previously for Water Reform transition related costs). Waipā DC has sought, and received, approval to use these funds for this purpose.

A draft roadmap comprising seven steps has been developed to help identify which Councils (supported by Iwi partners) are willing to work together to form a Waikato water services organisation, and to submit a water services delivery plan to the Minister for approval. The Forum has effectively completed step 1 and step 2 set out below.

Draft Roadmap to an approved Water Plan



Prepared in the context of Waikato region – not government policy

The Mayors and Chairs Forum considered an initial draft report at its meeting of 11 March 2024. The report proposes exploring a number of options as a way of progressing consideration of which Councils are interested and willing to proceed further to develop a proposal. The draft report is still subject to further refinements and will be shared once it is finalised.

In summary the report outlines:

Challenges

The challenges ahead (which are identified in the figure below) are significant and will increase as the whole of system regulation mentioned above starts to be implemented. The Water Services Delivery Plans that are due to be submitted by mid-2025 will require, among other things, that Councils (whether regionally, sub-regionally or individually) demonstrate they can in fact deliver water services in a financially sustainable way and meet new regulatory requirements. The plans will need to set out how the challenges to delivering levels of service will be addressed. As per the below figure, the challenges are inextricably linked and are likely to be beyond the means of any one Council to address alone.



- Financial constraints: revenue and borrowing are highly connected. Borrowing can be increased if revenue is increased (debt to revenue ratios). However, where the need for revenue is greater than acceptable increases in rates, affordability concerns arise, and this has an impact on access to borrowing.
- Increasing compliance: the increased central oversight will result in whole of system regulation (including investment rules and economic regulation) and will put more pressure on the other challenges in the cycle.
- Workforce availability: while the government is working on structural and financing tools that may assist with funding constraints, this will not address the risk of the market being unable to deliver on the work programme. The risk is significantly heightened if Councils continue to compete for the same resources (internal and external) at the same time.

Benefits of an aggregated model include:

- A stable revenue path: aggregation provides the opportunity to achieve pricing stability (aligned to long term investment needs) by an organisation having a single focus on water services.
- Preparing for regulation: once economic regulation is effective (likely to be by 2027) the ability of Councils to influence the price of water services (whether in a separate vehicle or in-house within Councils) will be limited as the regulator will put increasing pressure on the Council/organisation on how consumer charges are set. An aggregated model provides Councils with a ring-fencing solution as they can remove water services activity from their main activities

and transfer into an organisation designed to respond to regulatory requirements. It will also enable Councils to put the larger residual activity of Councils at arms-length to water services - thereby safeguarding the residual business of Councils from being tainted by economic regulation.

- Single capital works programme: as noted above, Waikato Councils are projecting a capital works programme (circa \$5.4billion) over the next decade, with this projected to peak in 2029. Aggregation will enable a collective focus group to manage this extensive capital works programme and ensure not only that the work is done, but that it is done at the best price. Aggregation creates scale and scale will enable greater efficiency in overheads, planning and procurement.
- Achieving Agreed Outcomes: enabling the Waikato to achieve each of the collectively agreed outcomes (initial draft outlined below).

The Forum seeks to support Councils achieving the following outcomes:

- Create the conditions to build and sustain a highly skilled and adaptable waters workforce that can innovate and collaborate to drive outcomes for Waikato and is seen as world-leading.
- Be customer-focused, leveraging new technologies, while also building customer awareness of their role in the water system and the value of water.
- Ensure local voice is represented in decision-making around water investment and management across the region, including decisions in relation to water takes and water discharges.
- Meet the expectations of key partners and stakeholders including those represented in Treaty settlements.

The proposed work through the Mayors and Chairs Forum will address a number of structural options including the establishment of an asset owning CCO. A number of geographic options that could emerge from this work – including the potential for Waikato-wide or sub-catchment-based models. The analysis will build on the data collected and work undertaken by the Department of Internal Affairs through the 3 waters National Transition Unit.

The next meeting of the Mayors and Chairs Forum is in June. It is noted that Hamilton City Council is part of the Forum, but it is understood that they are also doing a separate piece of work to look at options that might better suit the city.



Dawn Inglis

GROUP MANAGER SERVICE DELIVERY

COMMITTEE REPORT



To: The Chairperson and Members of the Finance and Corporate Committee

From: Programme Engineer – Transportation

Subject: **Walton Street Te Awamutu – Proposal to Restrict Traffic to a One-Way System**

Meeting Date: 16 April 2024

1 PURPOSE - TAKE

The purpose of this report is to seek approval to change the traffic flow to a one-way system on Walton Street, Te Awamutu.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

A planned replacement of the public toilets at the intersection of Walton and Roche Streets, Te Awamutu has required improved access, which in turn has provided an opportunity for pedestrian and amenity upgrades across Walton Street. This includes traffic calming features, increased parking, green spaces and seating, and one-way traffic flow.

In accordance with the Public Places Bylaw 2023 a resolution from the Committee is required to formalise the one-way traffic flow part of this proposal.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee

- a) *Receives the report of Erik Van Der Wel, Programme Engineer – Transportation, titled Walton Street Te Awamutu – Proposal to Restrict Traffic to a One-Way System (document number 11201341);*
- b) *Pursuant to clause 14.1(d) of the Public Places Bylaw 2023, designates the full length of Walton Street, Te Awamutu, where all vehicles must travel in one*

direction only – from Redoubt Street to Roche Street, to take effect once appropriate signage is constructed to indicate the new one-way traffic direction.

4 BACKGROUND – KŌRERO WHAIMĀRAMA

A planned replacement of the public toilets at the intersection of Walton and Roche Streets in Te Awamutu has required improved access, which in turn has provided the opportunity for pedestrian and amenity upgrades across Walton Street. This includes traffic calming features, increased parking, green spaces and seating. It is also proposed that a one-way traffic flow system is implemented.

Due to the low traffic volumes using this road as a through route, the nature and function of Walton and surrounding streets, we are not expecting any detrimental impact on traffic patterns and street use arising from this proposal.

Full consultation has been carried out with affected parties as follows:

- All emergency services have been consulted and are happy with this proposal.
- The Te Awamutu-Kihikihi Community Board supports this proposal.
- Business owners on Walton Street have been advised and there has not been any adverse feedback.

A communications plan has been developed and will be implemented for the construction phase of this proposal.

As part of this proposal’s implementation, appropriate signage indicating the new one-way street will be erected in compliance with the Land Transport Rule: Traffic Control Devices Rule 2004.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have considered the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8 and have assessed that the matter(s) in this report has a low level of significance. However, engagement has still been undertaken on this proposal as outlined in section 4 of this report.

6 OPTIONS – NGĀ KŌWHIRINGA

Option	Advantages	Disadvantages
Option 1: Do nothing	<ul style="list-style-type: none"> ▪ <i>No staff or other Council resources required</i> 	<ul style="list-style-type: none"> ▪ <i>Project does not proceed</i> ▪ <i>Poor pedestrian safety and access remains</i>

Option	Advantages	Disadvantages
		<ul style="list-style-type: none"> ▪ <i>No co-ordination of works enabling access and amenity improvements to the new toilet block on Walton Street</i>
<p>Option 2: Endorse one way system on Walton St</p>	<ul style="list-style-type: none"> ▪ <i>Improved pedestrian safety and access</i> ▪ <i>Co-ordination of works enabling access and amenity improvements to the new toilet block on Walton Street</i> 	<ul style="list-style-type: none"> ▪ <i>Nil</i>

The recommended option is Option 2. This will efficiently and effectively deliver the necessary peripheral works for the new toilet block works and improve pedestrian safety, amenity and carparking.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Council’s Vision and Strategic Priorities

This project is consistent with, and a key implementation of, the 2022-2052 Waipā Transport Strategy, in particular, it aligns closely with the following strategic priorities:

- Prioritising walking and cycling projects
- Constructing urban mobility networks

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the staff recommendation complies with Council’s legal and policy requirements.

The traffic flow restriction is made by way of Road Use Control in clause 14 of Council’s Public Places Bylaw 2023, which is made with the authority of the Land Transport Act 1998.

Financial Considerations – Whaiwhakaaro ā-Pūtea

The total costs to complete this work is \$547,242 (excluding GST). This amount is budgeted for in the current year’s forecast, when the costs will be incurred.

Risks - Tūraru

There are no known significant risks associated with the decisions required for this matter. There will be a temporary disruption to available parking in the street during the works, but on completion the layout change creates six additional car parks.

Iwi and Mana Whenua Considerations - Whaiwhakaaro ki ngā Iwi me ngā Mana Whenua

There are no Iwi or Mana Whenua considerations in relation to this project.

8 NEXT ACTIONS

Action	Responsibility	By When
Directly advise all stakeholders of this decision.	Communication & Engagement Advisor	19 April 2024

9 APPENDIX - ĀPITITANGA

No:	Appendix Title
1	Walton Street Te Awamutu Pedestrian Safety Improvements & Toilet Upgrade – Concept Plan



Erik Van Der Wel
PROGRAMME ENGINEER – TRANSPORTATION



Reviewed by Bryan Hudson
MANAGER TRANSPORTATION



Approved by Dawn Inglis
GROUP MANAGER SERVICE DELIVERY

APPENDIX 1

Walton Street Te Awamutu Pedestrian Safety Improvements & Toilet Upgrade –
Concept Plan (*document number 11201936*)

COMMITTEE REPORT



To: The Chairperson and Members of the Finance & Corporate Committee

From: Group Manager Service Delivery

Subject: **CONTRACTS SIGNED UNDER DELEGATED AUTHORITY**

Meeting Date: 16 April 2024

1 PURPOSE - TAKE

The purpose of this report is to inform the Finance and Corporate Committee of recent contracts signed under delegated authority.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

Council policy and delegated authority provides for tender and contract documents to be signed by Council staff on behalf of Council, subject to financial limits.

The Group Manager Customer and Community Services has authority to approve either capital or operational expenditure and to authorise the commencement of authorised works/services, including for any multi-year contracts, which have been budgeted for in Council's Long Term Plan and/or Annual Plan up to a total value or total project value of **TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000)** excluding GST.

The Group Manager Service Delivery has authority to approve either capital or operational expenditure and to authorise the commencement of authorised works/services, including for any multi-year contracts, which have been budgeted for in Council's Long Term Plan and/or Annual Plan up to a total value or total project value of **FIVE HUNDRED THOUSAND DOLLARS (\$500,000)** excluding GST.

The Chief Executive has authority to approve either capital or operational expenditure and to authorise the commencement of authorised works/services, including for any multi-year contracts, which have been budgeted for in Council's Long Term Plan and/or Annual Plan up to a total value or total project value of **TWO MILLION DOLLARS (\$2,000,000)** excluding GST.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Finance and Corporate Committee receives the report of Dawn Inglis, Group Manager Service Delivery, titled Contracts Signed under Delegated Authority (document number 11201884).

4 APPENDIX – ĀPITITANGA

No:	Appendix Title
1	Contracts Signed Under Delegated Authority



Dawn Inglis
GROUP MANAGER SERVICE DELIVERY

APPENIDX 1

Contracts Signed Under Delegated Authority

Monthly Schedule of Service Delivery Contracts Awarded:

Contract No.	Contract Name	Contract Awarded to:	Date Contract Awarded	Activity Type	Accepted Tender Sum	Approved Contract Sum	Difference between Sums
291167	Te Tahi Electrical Panel Upgrade	One Electrical NZ Ltd	15/03/2024	Water Services	\$226 516.00	\$246 516.00	Contingency

COMMITTEE AGENDA



To: The Chairperson and Members of the Finance and Corporate Committee

From: Governance

Subject: **RESOLUTION TO EXCLUDE THE PUBLIC**

Meeting Date: 16 April 2024

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

A local Authority may, by resolution, exclude the public from the whole or any part of the proceedings of any meeting under section 48(1) of the Local Government Official Information and Meetings Act 1987.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

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

The general subject of the 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
16. Confirmation of Public Excluded Minutes – 27 March 2024 17. 290563 Ōhaupo Village Pedestrian Improvements – Increase to Approved Contract Sum and Variation for Additional Works 18. Kihikihi Housing for the Elderly Project	<i>Good reason to withhold exists under section 7 Local Government Official Information and Meetings Act 1987</i>	<i>Section 48(1)(a)</i>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Sections 6, 7 or 9 of the Official Information Act

1982, as the case may be, which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, are as follows:

Item No.	Section	Interest
16,18	7(2)(i)	<i>To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</i>
16	7(2)(a)	<i>To protect the privacy of natural persons, including that of deceased natural persons.</i>
17	7(2)(b)(ii)	<i>To protect information which if public would unreasonably prejudice the commercial position of the person who supplied or is the subject of the information.</i>