



RĀRANGI TAKE AGENDA

Rautaki, Whakahaere, me te Ahumoni Strategy, Operations and Finance Committee Meeting

I hereby give notice that a Meeting of the Rautaki, Whakahaere, me te Ahumoni | Strategy, Operations and Finance Committee will be held on:

Te Rā | Date: Thursday, 6 April 2023

Te Wā | Time: 9.30am

**Te Wāhi | Location: Council Chamber
Ground Floor, 175 Rimu Road
Paraparaumu**

**Kris Pervan
Group Manager Strategy & Growth**

Kāpiti Coast District Council

Notice is hereby given that a meeting of the Rautaki, Whakahaere, me te Ahumoni | Strategy, Operations and Finance Committee will be held in the Council Chamber, Ground Floor, 175 Rimu Road, Paraparaumu, on Thursday 6 April 2023, 9.30am.

Rautaki, Whakahaere, me te Ahumoni | Strategy, Operations and Finance Committee Members

Cr Sophie Handford	Chair
Cr Liz Koh	Deputy
Mayor Janet Holborow	Member
Deputy Mayor Lawrence Kirby	Member
Cr Glen Cooper	Member
Cr Martin Halliday	Member
Cr Rob Kofoed	Member
Cr Jocelyn Prvanov	Member
Cr Shelly Warwick	Member
Cr Nigel Wilson	Member
Cr Kathy Spiers	Member
Ms Kim Tahiwī	Member
Mr Huriwai Paki	Member
Ātiawa ki Whakarongotai (Mr André Baker or Ms Janine Huxford or Ms Christopher Gerretzen)	Member

Te Raupapa Take | Order Of Business

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1 NAU MAI | WELCOME

2 KARAKIA A TE KAUNIHERA | COUNCIL BLESSING

I a mātou e whiriwhiri ana i ngā take kei mua i ō mātou aroaro, e pono ana mātou ka kaha tonu ki te whakapau mahara huapai mō ngā hapori e mahi nei mātou. Me kaha hoki mātou katoa kia whaihua, kia tōtika tā mātou mahi, ā, mā te māia, te tiro whakamua me te hihiri ka taea te arahi i roto i te kotahitanga me te aroha.

“As we deliberate on the issues before us, we trust that we will reflect positively on the communities we serve. Let us all seek to be effective and just, so that with courage, vision and energy, we provide positive leadership in a spirit of harmony and compassion.”

3 WHAKAPĀHA | APOLOGIES

**4 TE TAUĀKĪ O TE WHAITAKE KI NGĀ MEA O TE RĀRANGI TAKE |
DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA**

Notification from Elected Members of:

4.1 – any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting, and

4.2 – any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968

**5 HE WĀ KŌRERO KI TE MAREA MŌ NGĀ MEA E HĀNGAI ANA KI TE RĀRANGI
TAKE | PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA**

6 NGĀ TAKE A NGĀ MEMA | MEMBERS' BUSINESS

(a) Leave of Absence

(b) Matters of an Urgent Nature (advice to be provided to the Chair prior to the commencement of the meeting)

7 HE KŌRERO HOU | UPDATES

7.1 REVIEW OF COUNCIL OLDER PERSONS HOUSING - PROJECT SCOPE

8 PŪRONGO | REPORTS

8.1 CONTRACTS UNDER DELEGATED AUTHORITY

Kaituhi | Author: **Jayne Nock, Executive Secretary to Group Manager Corporate Services**

Kaiwhakamana | Authoriser: **Sean Mallon, Group Manager Infrastructure Services**

TE PŪTAKE | PURPOSE

- 1 This report provides an update on any contracts over \$250,000 accepted under delegated authority for the period 1 July to 31 March 2023.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required.

TE TUKU HAEPAPA | DELEGATION

- 3 The Strategy and Operations Committee has delegated authority to consider this report under the following delegation in the 2019-2022 Governance Structure, Section B.1.
This Committee will deal with all decision-making that is not the responsibility of the Council, including approval of contracts and contract variations outside the Chief Executive's delegations.

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Strategy and Operations Committee notes there was one contract accepted under delegated authority over \$250,000 for the period 1 July to 31 March 2023.

TŪĀPAPA | BACKGROUND

- 4 Approved Contracts for the year 2021/22 are listed at Appendix 1.

HE KŌRERORERO | DISCUSSION

- 5 2022-C488 Independent Election Services
 - One tender was received.
 - The Contract was for the provision of an Electoral Officer and election services for the 2022 triennial election.
 - The Contract was awarded to Direct Sourcing for the sum of \$250,000.

He take | Issues

- 6 This report has a low degree of significance under Council's Significance and Engagement Policy.

Ngā kōwhiringa | Options

- 7 There are no further options to be considered within this report.

Tangata whenua

- 8 There are no tāngata whenua considerations within this report.

Panonitanga āhuarangi | Climate change

- 9 There are no climate change considerations within this report.

Ahumoni me ngā rawa | Financial and resourcing

10 There are no financial and resourcing issues in addition to those already noted in this report.

Ture me ngā Tūraru | Legal and risk

11 There are not legal and risk considerations arising from this report.

Ngā pānga ki ngā kaupapa here | Policy impact

12 There are no current or future impacts to Council policies within this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

13 There are no engagement planning considerations arising from this report.

Whakatairanga | Publicity

14 There are no publicity considerations arising from this report.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Contracts Under Delegated Authority for the 2021/22 year [↓](#)

Contracts for the 2021/22 year

Strategy and Operations Committee meeting	Contract
18 November 2021 (covering the period 1 July to 30 September 2021)	2021/C418 – Service Location for Amohia Catchment Stormwater Project was awarded to Action Civil Limited for the sum of \$471,700.
	2021/C436 – Kapiti Coast Sports Turf resurfacing was awarded to specialist hockey turf provider Polytan NZ Limited for the sum of \$399,652.
10 February 2022 (covering the period 1 October to 31 December 2021)	C414 – Mahara Gallery Redevelopment was awarded to Crowe Construction for the sum of \$4.2 million.
12 May 2022 (covering the period 1 January to 31 March 2022)	2021/C424 Matene Matai Stormwater Upgrades was awarded to Downer Limited for the sum of \$550,470.
	2021/C425 Stormwater Asset Renewals in Paraparaumu 03 Catchment was awarded to Interflow NZ Limited for the sum of \$1,836,448.
	2021/C426 Stormwater Asset Renewals in Paraparaumu 04 Catchment was awarded to Quickshot Limited for the sum of \$611,592.
	2021/C428 Professional Services for Raumati Seawall was awarded to Beca Consultants for the sum of \$323,035.
	2021/C431 Paraparaumu Wastewater Treatment Plant Aeration Systems upgrades Phase 1 was awarded to Max Tarr Industrial Limited for the sum of \$574,000.
	2021/CN596 Ōtaki Wastewater Treatment Plant lagoon desludging was awarded to Conhur Limited for the sum of \$2,073,000.
15 September 2022 (covering the period 1 April to 30 June 2022)	WWTP-21-PS-01 Wastewater Treatment Plant Renewals/Upgrades Design work was awarded to Cardno, now Stantec for the sum of \$573,000.

8.2 COUNCIL PRIORITIES AND ANNUAL WORK PROGRAMMES

Kaituhi | Author: **Kris Pervan, Group Manager Strategy & Growth**

Kaiwhakamana | Authoriser: **Kris Pervan, Group Manager Strategy & Growth**

TE PŪTAKE | PURPOSE

- 1 This report seeks agreement to the:
 - 1.1 Kapiti Coast District Council's proposed strategic priorities to drive affordable change on the things that matter most to the community through 2022 to 2025 (this Triennium); and
 - 1.2 Annual Work Programme which will guide the focus for discussion and decision on actions that deliver on the strategic priorities through the Strategy, Operations and Finance Committee (SO&F) in 2023.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not applicable.

TE TUKU HAEPAPA | DELEGATION

- 3 SO&F has delegations under the following section of Part B.1 of the Governance Structure and Delegations 2022-2025 Triennium: "Strategic – setting and approving the policy and strategy work programme.

TAUNAKITANGA | RECOMMENDATIONS

- A. **Endorse** the Kapiti Coast District Council's proposed strategic priorities, and targeted actions noted in 2023/24, as attached in Appendix 1.
- B. **Agree** to share the Kapiti Coast District Council's strategic priorities with the community, and to **Seek** feedback through upcoming engagements to 'develop a shared vision and blueprint for Kapiti to 2054+'.
- C. **Note** that once endorsed, the strategic priorities will inform the strategic direction of the Long-term Plan 2024-34.
- D. **Approve** the draft Annual Work Programme for SO&F, attached in Appendix 2, which outlines the key activity for achieving these strategic priorities (and goals previously set by the existing Long-term Plan).
- E. **Note** that communications to share the Kapiti Coast District Council's strategic priorities and the Annual Work Programme for SO&F will be circulated to Councillors for approval following the 6 April 2023 meeting.
- F. **Note** that further work will be undertaken to align respective Committee Annual Work Programmes (eg SO&F, Council, and the Social Sustainability, and Climate and Environment Advisory Committees).

TŪĀPAPA | BACKGROUND

- 4 On 9 March 2023, SO&F agreed to set the Kapiti Coast District's (Kapiti) strategic direction through the development of a new *Community Vision to 2054 and beyond*, and an accompanying *Blueprint* for change.
- 5 For the next 18 months, Elected Members will engage with the community to:
 - 5.1 Develop a shared vision, and

5.2 Gain insight around the appetite and support for change in Kapiti over time, as we respond to external influences (such as climate change, global recessions, and national policy direction to manage for growth) and the increasing need to set clearer aspirations for how we want to 'live, play and work' into the future.

6 By doing so, the Kapiti Coast District Council (Council) will:

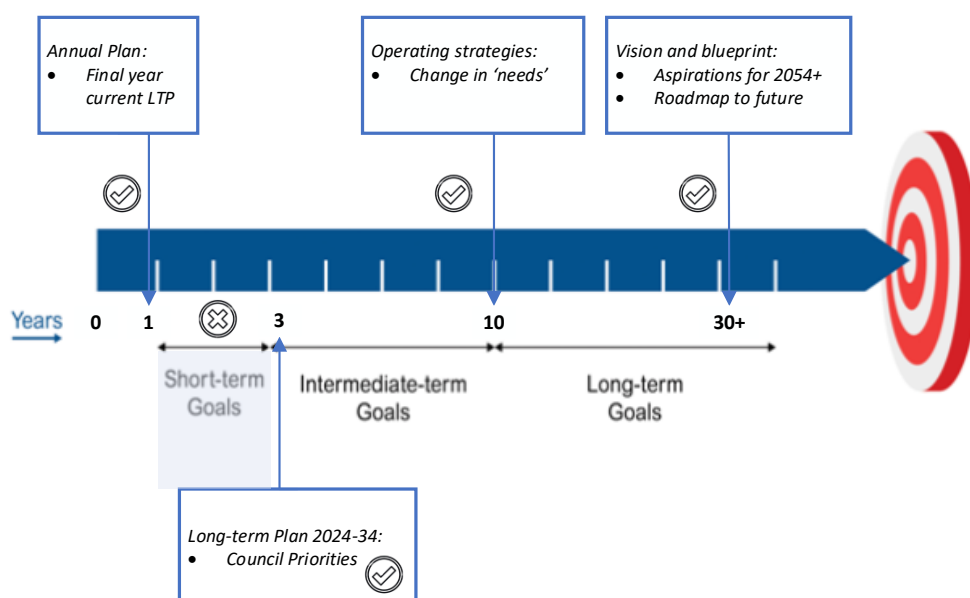
6.1 Deliver on requirements set by the Local Government Act for local authorities to drive sustainable development for its community that improves social, economic, cultural and environmental outcomes for current and future generations.

6.2 Ensure operational activity is aligned with the needs of the Kapiti community.

Council Priorities to shape short-term focus

7 In the short term, as illustrated in Diagram 1 (below), it is likely that there will be a gap in clarifying what needs to happen now, in advance of the new *Community Vision to 2054 and beyond* been developed and endorsed. For example, by early January 2024, the Council will need to outline the immediate priorities for Kapiti in the Long-term Plan 2024-34. The full scope of work on the new *Community Vision to 2054 and beyond* will not have progressed quickly enough to inform the Long-term Plan process, so concurrent work will be necessary to address this gap by way of a small suite of Council Priorities.

Diagram 1: where the Council Priorities fit in



Shaping the Committee's Annual Work Programme

8 Following confirmation of priorities for Kapiti, it will be important for SO&F's Annual Work Programme (AWP) to include the key actions needed to address issues impacting on residents everyday 'needs' as indicated by the Council Priorities. This will include decisions related to strategy, policy, finance, operational change and strategic programmes that are necessary to drive change in these priorities, and as mandated by the *Governance Structure and Delegations 2022-2025 Triennium*.

HE KŌRERORERO | DISCUSSION

9 To provide clarity around what's most important to do now:

9.1 The Council has landed on a small set of strategic priorities (Council Priorities) to drive affordable change through this Triennium.

- 9.2 These are attached in Appendix 1 for SO&F's consideration and endorsement. SO&F commented on an earlier draft of this document on 21 March 2023, and feedback received is highlighted in red text.
- 10 To shape SO&F's Annual Work Programme:
- 10.1 The proposed items for discussion to deliver against the Council Priorities, and existing goals set by the 2021-31 Long-term Plan, have been identified for each quarter in 2023. An overview is attached in Appendix 2 for SO&F's consideration and approval.

He take | Issues

- 11 Not applicable.

Ngā kōwhiringa | Options

Setting Council Priorities for this Triennium

- 12 The Council Priorities aim to ensure that key community 'needs' are met, and that issues requiring immediate action are progressed to support Kapiti and its residents to thrive.
- 13 Three overall domains underpin the Council Priorities, ensuring that legislative accountabilities, noted in Paragraph 6, are met:
- 13.1 *Place*: our 'place' is resilient and liveable for current and future generations.
- 13.2 *People*: our 'people' are supported to live, work and play in the Kapiti District.
- 13.3 *Partnership*: we 'partner' with others to connect, facilitate, and advocate for the good of all in Kapiti.
- 14 The domains are supported by a handful of 'needs'-based outcomes, which will track how well we achieve desired change/s. Currently, a list of actions for 2023 are set out. In future periods, actions for subsequent years of the Triennium and Long-term Plan will also be set and shared.
- 15 A suite of accompanying measures will be set through the Long-term Plan 2024-34 process to enable measurement of progress to be set and reported. These measures will provide robust data and information to evidence impact and improvement. Measures will include a focus on place, people, and partnership; and the Council intends to introduce an emissions reduction target by June 2023 to ensure that Kapiti contributes to national and international efforts to combat climate change.

Landing the Committee's Annual Work Programme (AWP)

- 16 The primary items for discussion through 2023 have been identified by quarter. This is not an exhausted list of items that will be discussed through the year, but a summary of key items that will be progressed or discussed. Color-coding of item reflects actions that are related to delivering on the Council's Priorities. Further actions may be listed to the agenda going forward to deliver against the Council Priorities.
- 17 Once approved by SO&F, a link to a short update on each item will be included. This information will be available to Elected Members, iwi, and the community.
- 18 In practice, the AWP will be updated annually in January each year; and a small set of actions to drive change will be agreed and implemented.
- 19 Further, once set, Council staff will establish quarterly focused forward agendas to sequence items for discussion; and identify opportunities to connect and/or gain advice on the more comprehensive list of things that will be progressed through BAU and change initiatives. Additional items may be added to the agenda through this process, and some items may be sequenced or updated as is required.

Tangata whenua

- 20 The Council intends to work in partnership with Ngā Hapū o Ōtaki and Āti Awa ki Whakarongotai Charitable Trust, and Te Rūnanga O Toa Rangātira to develop a Community Vision to 2054 and beyond, and accompanying Blueprint.

Panonitanga āhuarangi | Climate change

- 21 Climate change and environmental resilience are the focus of at least two Council Priorities. Alongside development of a climate strategy, an emissions reduction target will be set by June 2023 to implement national and regional agreed reduction targets/

Ahumoni me ngā rawa | Financial and resourcing

- 22 There are no specific financial or resourcing implications from this paper.

Ture me ngā Tūraru | Legal and risk

- 23 There are no specific legal and risk issues to note.

Ngā pānga ki ngā kaupapa here | Policy impact

- 24 There are no immediate policy impacts from this paper.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

- 25 The Council will share the proposed strategic priorities with the Kapiti Community after the SO&F meeting on 6 April. A communication and engagement plan will be drafted to support Elected Members.

Te mahere tūhono | Engagement planning

- 26 Council's Significance and Engagement policy will guide formal engagement of the Long-term Plan process. In advance of this, the Council's Priorities will be tested with the community through a targeted, and combined engagement approach related to the shared Kapiti vision to 2054+.

Whakatairanga | Publicity

- 27 Elected Members will be provided with key information to support engagement, and the new Council Priorities and Annual Work Programme will be released through established media channels and through the Council website in late April 2023.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Appendix 1 - Council Priorities [↓](#)
2. Appendix 2: Strategy, Operations, and Finance Annual Work Programme [↓](#)

APPENDIX 1: COUNCIL PRIORITIES

DRIVING AFFORDABLE,
FOCUSED **STRATEGIC** CHANGE:
KAPITI COUNCIL'S "TOP 10"
FOR 2023/24

As your elected representatives, we will take action on the things that matter most to you. As we head into the Annual Plan for 2023/24, we will tighten our belt due to the tough economic times. We are committed to delivering the 'top 10' things that matter to you, annually to get the job done. But we want to make sure we hit the mark for you - feedback is welcomed on whether we have this list right. Ultimately, we want our services to support you, our businesses, community and environment to thrive no matter what comes our way.

Working with our mana whenua partners:

PLACE			PEOPLE			PARTNERSHIP		
YOUR NEEDS	OUR PRIORITY	TARGETED ACTION	YOUR NEEDS	OUR PRIORITY	TARGETED ACTION	YOUR NEEDS	OUR PRIORITY	TARGETED ACTION
Looking after our rivers, streams, and oceans; and ensuring supporting infrastructure is resilient and in top condition.	1 Develop a plan to address inland flooding and ponding - stormwater, infrastructure, and the impacts of 3-waters reforms.	<ul style="list-style-type: none">Deliver stormwater infrastructure program to upgrade systems, future-proof and increase drainage capacity.Use "whole-of-catchment" focus to manage quality, flow, and sediment levels.	Supporting the rights of all people in Kapiti to connect and participate in community life now and in the future.	4 Increase inclusive spaces and creative opportunities for all, and ensure intergenerational inequity is addressed.	<ul style="list-style-type: none">Build strong community centres, both precincts and physical buildings.Progressively refresh our townships, so that current and future generations bear the burden and benefits.	Ensuring the community is involved in decisions about Kapiti's future.	8 Create a shared vision for Kapiti.	<ul style="list-style-type: none">Set aspirations for Kapiti life in 2060+.Land a pathway for actioning change to achieve this vision, that is affordable and locally supported.Set goals to ensure we meet local need and report progress.
Making the most of our land so that we meet the needs of current and future residents in a sustainable way.	2 Implement a 'good' growth strategy that balances needs for housing and our environment, supported by appropriate district planning and regional spatial planning.	<ul style="list-style-type: none">Drive solutions around 'good growth' at the right place and pace for Kapiti, with room for open space.Work in partnership to ensure accountability for environmental goals.Improve safety, accessibility & reach of our transport network.	Ensuing Kapiti tourism economy thrives, so that people can 'make a living' in our District.	5 Increasing our tourism presence, and opportunity for the tourism and hospitality industry.	<ul style="list-style-type: none">Land the Kapiti story.Refresh our DMP to refocus effort and increase tourism.Increase support for the tourism and hospitality industry.	Ensuring Kapiti Council engages well, and delivers value locally.	9 Lift mana and pride in KCDC's operational culture so that we deliver more value to you.	<ul style="list-style-type: none">Build a sense of community, recognise achievements and encourage professional development.Improve engagement and feedback to the community on what we do and why.
A healthy, enhanced natural environment for us to live as a part of, so that we are resilient to climate change, as our population grows.	3 Develop a climate strategy, to reach our bold emissions reduction goals, and an environment strategy, to set out the state of the environment and how we enhance it.	<ul style="list-style-type: none">Introduce emissions reduction target by June 2023.Implement a Climate Strategy to deliver on this and other targets.Be a role model - implement sustainable practices.	Improving access to affordable, warm, dry and safe housing options that meets our local need.	6 Implement the housing strategy.	<ul style="list-style-type: none">Progress a Affordable* Housing Entity to improve to access long-term housing options.Improve older persons housing.	Improving trust and confidence in our role and service for the community we serve.	10 Support KCDC to remain on-track and improve accountability.	<ul style="list-style-type: none">Simplify reporting to share a dashboard of what's been achieved.Engage regularly on decisions that manage hazards or risk but impact rates.Optimise the use of funding to improve residents 'bang for buck'.

* Affordable Housing options equate to 30% of average salary in the Kapiti community.

APPENDIX 2: SO&F ANNUAL WORK PROGRAMME

KEY	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
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Mandated role			Proposed items - 2023			
Scope	Areas of focus		Quarter 3 (Jan to March)	Quarter 4 (April to June)	Quarter 1 (July to Sept)	Quarter 2 (Oct to Dec)
Strategic	Setting and approving the policy and strategy work programme	Strategic direction	<ul style="list-style-type: none"> Approach for strategic direction, and blueprint for Kapiti Creating our vision to 2060+ Collective impact engagement approach, including mapping of key stakeholders Expert futures series – approach; economic doughnut model, 15-minute neighbourhoods 	<ul style="list-style-type: none"> Environmental scan update Review of outcomes and measures Approach to vision sessions with communities Introducing trust and confidence survey Community board report-backs on visioning work Expert futures series – implications technology and social movements 	<ul style="list-style-type: none"> Community personas and themes from overall engagement Costed scenarios for change, and trade-off discussions Strategic shifts including role and activities, given reform change (stop, start, more, different) 	<ul style="list-style-type: none"> Kapiti vision, and road map Agreement to story for LTP (3–10-year period) Strategic direction 'on a page' and animated vision approach Community board report-back on local outcomes and priority
		Policies	<ul style="list-style-type: none"> Policy work programme update and review Climate Action Fund policy adoption Easter Sunday Trading Policy review 	<ul style="list-style-type: none"> Kapiti Recovery Plan 2020 Smoke-free policy review Alcohol policy review Freedom camping review 	<ul style="list-style-type: none"> Policy work programme progress report CCTV Policy options Public EV chargers policy Road Naming & Street Numbering Policy review Submissions themes, post consultation – Easter Sunday Trading, Alcohol, Smoke free, and Freedom Camping 	<ul style="list-style-type: none"> New Zealand Local Government Funding Agency review Encroachment Policy (New) Reserves, Structures & Commemorative Places Naming Policy review Adoption policy changes - Easter Sunday Trading, Alcohol, Smoke free, and Freedom Camping
	Development and/or review of strategies, plans, policies and bylaws	Strategies	<ul style="list-style-type: none"> Local Action Plan WMMP adoption 	<ul style="list-style-type: none"> KCDC age friendly strategy Safety and role of CCTV / report Corporate emissions reduction plan Climate strategy and emission targets 	<ul style="list-style-type: none"> Creativity strategy, and priorities Property strategy, and funding requirements Review of growth strategy, open space strategy 	<ul style="list-style-type: none"> Arts, heritage and culture strategy, and priorities Climate strategy, and funding requirements
		Bylaws	<ul style="list-style-type: none"> Review of effectiveness of by-laws, and reporting requirements 	<ul style="list-style-type: none"> Public places by-law review 	<ul style="list-style-type: none"> Consideration of Freedom camping by-law 	<ul style="list-style-type: none"> Freedom camping by-law
	Overviewing strategic programmes	Climate related	<ul style="list-style-type: none"> Climate change action plan update 	<ul style="list-style-type: none"> Climate change action plan update 	<ul style="list-style-type: none"> Draft waste minimisation activity plan (for LTP) 	
		Place based growth	<ul style="list-style-type: none"> Place-based steering group update – progressing residential development projects (Rangiuru Road) Complex Development Opportunity – Otaki, including IAF and township design 	<ul style="list-style-type: none"> Towncentre design – Paraparamu, precinct, human centred design options Discussion council role in Airport 	<ul style="list-style-type: none"> Update on population projections, and Housing & Business Needs Assessment Whalesong next steps 	<ul style="list-style-type: none"> Discussion on Council role in Airport
		Housing	<ul style="list-style-type: none"> Council-owned organisations – exploring options for housing entity, including report back on community submissions Approach for social housing and homelessness Procedures for Council housing and homelessness 	<ul style="list-style-type: none"> Council-owned organisations – submissions outcomes Review older persons housing scope Proposal for typology – growth/mix plan through to 2060+ Iwi and Maori role in social housing 	<ul style="list-style-type: none"> Options to implement housing entity actions, business case, including iwi/Council partnership 	<ul style="list-style-type: none"> Housing entity decision, and funding requirements
		Economic development	<ul style="list-style-type: none"> New economic development reporting 	<ul style="list-style-type: none"> Terms of reference report-backs – review pf governance and impact 	<ul style="list-style-type: none"> Economic development strategy action plan 	<ul style="list-style-type: none"> Long-term plan requirements for implementing the new Economic

Mandated role			Proposed items - 2023			
Scope	Areas of focus		Quarter 3 (Jan to March)	Quarter 4 (April to June)	Quarter 1 (July to Sept)	Quarter 2 (Oct to Dec)
	Economic development strategy		<ul style="list-style-type: none"> Future options for Economic Development Kotahitanga Board Update on population projections, and Housing & Business Needs Assessment 	<ul style="list-style-type: none"> Economic development strategy refresh – proposed focus, including consideration of Maori wellbeing Introducing business satisfaction survey Proposed economic data dashboard 	<ul style="list-style-type: none"> Year-end reporting on progress Release new economic data dashboard 	Development strategy and action plan
		Workforce		<ul style="list-style-type: none"> Progress on intergenerational strategy – implementation of over 65 initiatives 	<ul style="list-style-type: none"> Funding requirements for intergenerational strategy First education hub pilot 	<ul style="list-style-type: none">
		Destination marketing, and Tourism	<ul style="list-style-type: none"> Report on Tourism Board progress Options for additional funding from WellingtonNZ Future direction for Te Uruhi / Gateway 	<ul style="list-style-type: none"> Whalesong – supporting business case for funding Destination marketing Otaki, update on comprehensive economic development approach for Otaki 	<ul style="list-style-type: none"> Refresh of destination marketing strategy including how we will achieve Te Uruhi outcomes 	<ul style="list-style-type: none"> Destination marketing action plan, and funding requirements (B) Town centre activation review – progress to improve economic growth
		Food and beverage	<ul style="list-style-type: none"> Major Event Fund allocation / priority, including assessment of return on funded events 	<ul style="list-style-type: none"> Kanoa funding submission 	<ul style="list-style-type: none"> Food and Beverage strategy, and funding requirements Update on Food and Beverage cluster events Kanoa funding submission Wellington on a Plate event 	<ul style="list-style-type: none"> Update on regenerative agriculture/horticulture study and whenua land optimisation
		Business support		<ul style="list-style-type: none"> Update on Kapiti tech and digital cluster approach 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Business support strategy - business support capability assessment findings Scope for creative industries strategy
	Liaison and planning with other territorial authorities (and bodies)		<ul style="list-style-type: none"> Waka Kotahi update Kainga Ora update Opportunities for progressing initiatives with Horowhenua and Porirua DC Greater Wellington WLRG approach for approving the Future Development Strategy 	<ul style="list-style-type: none"> Police, update on Kapiti priorities Health, update on Kapiti priorities WLRG, Future Development Strategy Greater Wellington Connect with Horowhenua District Council Education, update on Kapiti priorities 	<ul style="list-style-type: none"> Opportunities for progressing initiatives with Horowhenua and Porirua DC Greater Wellington Connect with Horowhenua District Council Education, update on Kapiti priorities Waka Kotahi update Kainga Ora update 	<ul style="list-style-type: none"> Police, update on Kapiti priorities Health, update on Kapiti priorities Greater Wellington Connect with Horowhenua District Council Education, update on Kapiti priorities
Financial	Approval of contracts and contract variations outside the Chief Executive's delegations				<ul style="list-style-type: none"> 	
	Financial management, including risk mitigation	Asset management plans	<ul style="list-style-type: none"> Public conveniences Community Halls 	<ul style="list-style-type: none"> Older persons housing; Mahara Gallery; "Play" 	<ul style="list-style-type: none"> Cemeteries Parks and open space Council accommodation 	<ul style="list-style-type: none"> Aquatics Libraries Cultural facilities
		Reporting	<ul style="list-style-type: none"> 22/23 half year performance report LGFA/CCO draft 23-26 SOI (draft) 	<ul style="list-style-type: none"> 22/23 Q3 performance report 22/23 Annual Treasury compliance report 	<ul style="list-style-type: none"> LGFA/CCO draft 23-26 SOI (final) LGF Annual report (22/23) AGM resolutions 	<ul style="list-style-type: none"> 22/23 half year performance report LGFA/CCO draft 23-26 SOI (draft)

Mandated role			Proposed items - 2023			
Scope	Areas of focus		Quarter 3 (Jan to March)	Quarter 4 (April to June)	Quarter 1 (July to Sept)	Quarter 2 (Oct to Dec)
				<ul style="list-style-type: none"> Productivity and effectiveness analysis and new performance reporting from 2023/24 		
	Approval of non - budgeted expenditure					
	Write - offs and remissions					
	Property purchases or sales, public excluded		<ul style="list-style-type: none"> Property update – acquisitions, disposals processes; and update on Public Works Acts requirements Developer facilitation process, and link to Urban and Housing Panel 	<ul style="list-style-type: none"> Land holdings overview and alignment to 2050-ish vision Potential impact of 3-water reforms on property holdings Property pipeline approach Greenfields and wetlands mapping 	<ul style="list-style-type: none"> Land holdings mapping of key developments, and changes Property acquisition budget Opportunities for improving yield of return, assets for Economic Development Kotahitanga Board 	<ul style="list-style-type: none"> Decisions for land holdings related to 3-Waters
	Financial policies				<ul style="list-style-type: none"> Rates distribution model review Development contribution model review 	<ul style="list-style-type: none"> Review revenue and finance policy Draft climate change Budgets (for LTP)
Operational	Preparation of the District Plan and Plan Changes		<ul style="list-style-type: none"> Review of district plan change priorities. PC2, intensification, 42A recommendations summary. Scoping mana whenua (2024), and future urban development changes (2024). 	<ul style="list-style-type: none"> Public notification of 1A, 1C, 1D, 1K (accessible carparking, cycle parking, street reclassification, election signage) PC2, intensification, overview 42A recommendations. 1F, modification indigenous vegetation, 42A recommendations summary. 1E, rural indigenous biodiversity incentives, section 32 valuation report. 	<ul style="list-style-type: none"> Council decision on 1L changes (Council site rezoning) Council decision PC2, intensification, 42A recommendations. 1F, modification indigenous vegetation, Council decision re recommendations. 1E, rural indigenous biodiversity incentives, public notification of change. 	<ul style="list-style-type: none"> 1F, modification indigenous vegetation, adoption (if no submissions).
	Oversight of any shared services initiatives			<ul style="list-style-type: none"> Emergency management – recovery approach 	<ul style="list-style-type: none"> Emergency management – recovery plan and permissions environment 	
	Reviewing and approving community contracts			<ul style="list-style-type: none"> Ōtaki social investment funding 		
	Receive annual reports from any community or advisory group		<ul style="list-style-type: none"> Elevate Otaki Takutai Kapiti update (CAP) 	<ul style="list-style-type: none"> Elevate Otaki CWB update 	<ul style="list-style-type: none"> Takutai Kapiti Update (CAP) Social Investment programme annual report back from contract holders – tranche one 	<ul style="list-style-type: none"> Social Investment programme annual report back from contract holders – tranche two ZEAL annual report
	All regulatory and planning matters from an operational perspective		<ul style="list-style-type: none"> Speed management plan 	<ul style="list-style-type: none"> Kapiti Whaitua progress report WKUKT progress report 	<ul style="list-style-type: none"> Climate and environment education update 	<ul style="list-style-type: none"> Biodiversity progress report
	Operational aspects of bylaws				<ul style="list-style-type: none"> Beach access progress report 	

Mandated role			Proposed items - 2023			
Scope	Areas of focus		Quarter 3 (Jan to March)	Quarter 4 (April to June)	Quarter 1 (July to Sept)	Quarter 2 (Oct to Dec)
	Signing off any submission to an external agency or body		<ul style="list-style-type: none">• RMA reform submissions – water services bill, water services efficiency and consumer protection bill• Future for local government submission• Welfare committee and community emergency preparedness	<ul style="list-style-type: none">• Alcohol harm minimisation Act amendment submission• Briefing WRGF Climate change projects• WLRG Future Development Strategy		
	Considering and confirming recommendations made by subcommittees					
	Making recommendations to Council on matters of interest to the committee		<ul style="list-style-type: none">• Waikanae Library operating model• Progress regarding PP20 revocation	<ul style="list-style-type: none">• Mahara Gallery operating model		

8.3 DEVELOPING OUR KĀPITI BLUEPRINT - APRIL UPDATE ON VISIONING WORK WITH THE COMMUNITY

Kaituhi | Author: **Jo Bryan, Strategy Manager**

Kaiwhakamana | Authoriser: **Kris Pervan, Group Manager Strategy & Growth**

TE PŪTAKE | PURPOSE

- 1 This report seeks endorsement of the approach to develop two elements of the Kāpiti Blueprint and Visioning work with our community: 1) progressing our *Vision and Blueprint*; and 2) establishing *Engagement*.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not applicable

TE TUKU HAEPAPA | DELEGATION

- 3 Strategy, Operations and Finance (SO&F) has delegations under the following section of Part B.1 of the Governance Structure and Delegations 2022-2025 Triennium: "Strategic – setting and approving the policy and strategy work programme.

TAUNAKITANGA | RECOMMENDATIONS

- A. **Agree** the approach to action elements one and four of the collective impact and direction setting process, as outlined in paragraphs 9 to 16.
- B. **Endorse** using the one-page overview, attached in Appendix 1, explaining why we need a *Vision and Blueprint for Kapiti* for upcoming engagements.
- C. **Note** that information on the local 'needs' for each ward, and the District as a whole, will be circulated in late April 2023 for discussion at the May 2023 SO&F meeting.
- D. **Endorse** using the one-page overview, attached in Appendix 2, clarifying 'what we need to talk about to land a shared vision and strategy.
- E. **Note** that we will seek approval for the schedule of engagement and delivery in May 2023, and share this with the community via the Council's website, library and aquatic centre notice boards, and Facebook pages in May 2023.
- F. **Note** that initial publicity around this process is intended to begin in early April 2023, with engagements being undertaken from May 2023.

TŪĀPAPA | BACKGROUND

- 4 At the 9 March 2023 Strategy, Operations and Finance (SO&F) meeting, it was agreed that a co-design approach would underpin the development of a vision and strategy for Kapiti Coast District (Kapiti) out to 2059+.
- 5 Landing a Kapiti vision and strategy together will set how we sustainably develop into the future - what we need to do right now, and over the next couple of decades to reach the future we all want: people, businesses, community and environment supported to thrive no matter what comes our way.
- 6 This approach draws on international best practice and identifies five key steps in collective impact and direction setting:

Diagram 1: key steps in collective impact and direction setting.



- 7 SO&F agreed that scenarios to achieve the aspiration set by the *Vision and Blueprint*, would encompass short, medium, and long-term factors. The short term will cover up to a 10-year period, so that initiatives proposed for funding to drive change in the LTP 2024-44 can be assessed – this will include cost-benefit analysis. It also agreed to a series of monthly engagements to prepare for engagement with communities as follows:

Element	Action	Month
1. Vision and blueprint	Land detailed design and approach for progressing community visioning work at township and District-wide level. Development of an interim narrative for the LTP 2024-44.	(initial) March 2023 November 2023
2. Outcomes and aspirations for change	Detailed design of outcomes, desired change in results, and new reporting. These will inform the development of the LTP. Confirmation of proposed priorities for the LTP 2024-44.	(initial) May 2023 November 2023
3. Strategies and roadmap	Operational strategy review - assess existing strategies for alignment to vision and desired outcome changes; and identify new strategies required. Develop scenarios for achieving vision and desired outcome change in the medium to long term. This will include cost-benefit analysis.	July 2023 July/August 2023
4. Engagement	Land engagement approach including focus questions for vision, and communication of the vision and blueprint to the community.	End March 2023
5. KCDC operational support	Provide advice and support to shape and develop the approach.	Ongoing through to July 2023

- 8 At this meeting, SO&F also asked that Staff pull together an overview to:
- 8.1 Clarify why we need a vision and strategy.
 - 8.2 Share how the vision and strategy will connect with the Long-term Plan (LTP), which many people will be familiar with.
 - 8.3 Focus engagement so that we leverage what we already know, and don't start from ground zero.
 - 8.4 Outline what engagement will look like, who's involved and how we do it.

HE KŌRERORERO | DISCUSSION

- 9 On 14 and 28 March respectively, Councillors provided feedback around the first and fourth elements of the approach outlined in paragraph 6. This involved:

Landing a view on what needs to be achieved

- 9.1 Developing an overview of what needs to be achieved, in a format that could be shared with community members and groups.
- 9.2 Reviewing existing local level and district-level outcomes;

Key groups for engagement

- 9.3 Identifying and agreeing key groups within the community that are critical to engage with, and often Councillors would meet to seek views and advice on Kapiti's shared vision.
- 9.4 Shaping the key questions for focusing discussion on the future state, and how we'll get there.
- 9.5 Determining key principles and approaches for engagement with communities,

14 March 2022 – "Landing a view on what needs to be achieved"

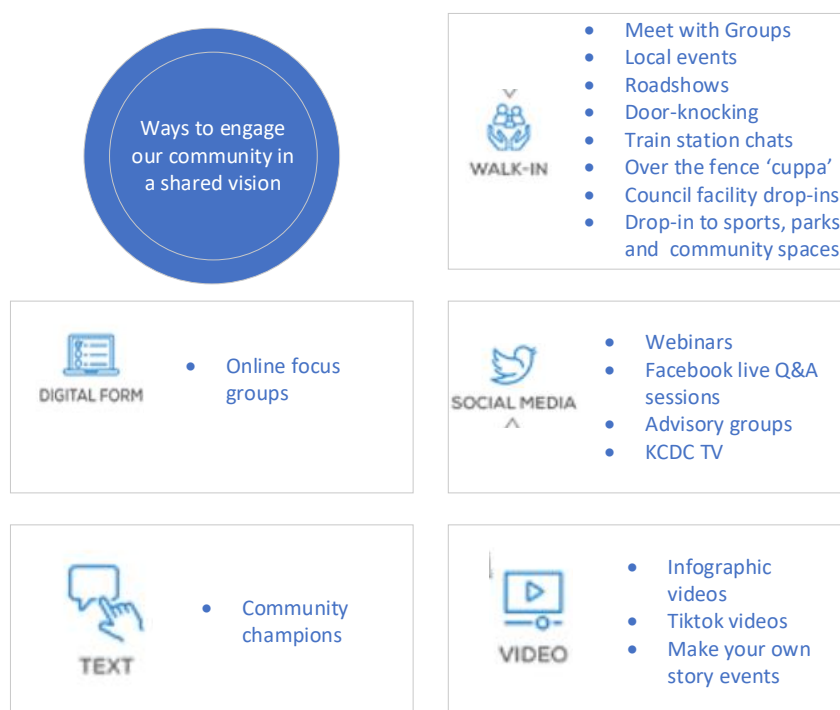
- 10 It will be important that people see value in developing a 'vision and strategy' for Kapiti, and why it's needed. A one-pager outlining these points is attached in Appendix 1, to assist with community engagement. The overview addresses:
- 10.1 Why we need a vision and strategy to 2059 (the vision), and how existing requirements such as the District Plan and LTP align to the vision.
- 10.2 What engagement will look like, who's involved, and how we will do it.
- 11 Elected Members requested that we leverage work completed to date, such as the local level outcomes, to reduce duplication and effort of people who wish to contribute. In March 2023, Elected Members reviewed the suite of existing local outcomes (by ward), to get an understanding of what this existing work can tell us about the current needs of our communities, and how these might translate into the agreed conceptual model (the doughnut economic model). A pack of information for each ward, and the District as a whole, will be shared in late April 2023 to support widespread involvement in this work. We expect that this information will be updated following community engagement progressed through 2023/24.

28 March 2022 – "key groups for engagement"

- 12 Council will need to reach a broad base of people within the community, so that the vision and strategy designed is relevant for all townships across the District.
- 13 The first step to achieve this will include identifying the target groups and community champions now. Each Community Board, and Councillors, have brainstormed about their regular networks and frequency for which they meet, alongside any additional groups within the community they would like to initiate more regular catchups.
- 14 A summary of this information will be circulated to Elected Members for consideration, and inclusion in an overall engagement plan, that will be considered by Council on 27 April 2023. Once approved, a schedule of events will be listed on the Council's website, library and aquatic centre notice boards, and Community Board Facebook pages.
- 15 A one-pager outlining the focus for proposed engagement is attached in Appendix 2. Its aim is to clarify what we need to talk about to land the vision and strategy. Two main topics are noted:
- 15.1 Confirming (and evidencing) whether people in the Kapiti community have the basic things they 'need' to thrive. This would leverage of what we already know, including information from the local and district level outcomes and the sizeable evidence base around wellbeing.

- 15.2 Developing a shared view of what people want Kapiti life to be like in 2059+, as we head into the future. This would include capturing the Kapiti communities view on the most important 'need' to change or improve in the short, medium, and long-term; and the actions that the Council could take to support these needs and fix issues or make things easier.
- 16 Elected Members identified that multiple engagement approaches would be preferable to ensure it is easy to get involved. As outlined in Diagram 2 below, this could include a range of options such as social media, public events, online webinars, and Q&A's.

Diagram 2: channels for engagement



- 17 Elected members also brainstormed how people would experience Kapiti in 2059+, what unique characteristics would be maintained, and the characteristics that would be a feature of everyday life. A pack of information will be shared in late April 2023 on this work.

Next Steps

- 18 The outputs of the 14 and 28 March workshops, noted above, will be summarised during April 2023. The A3s will provide information and local assessment of community needs to support engagement. This material will be made available to the community through online portals, hard copy material in our community facilities, and at events that will be held in coming months.
- 19 In May 2023, Council will announce a rolling engagement schedule to develop the shared *Vision* and *Blueprint* for change to 2059+. This will involve a series of engagements to understand:
- 19.1 What's important or not working now, thoughts on what people would like to see shift (and the priority to do so), and what Kapiti will be like in 2059+.
- 19.2 Themes from discussions with key groups will be summarised to inform the development of area and District-wide views on the needs that are most important to address or improve in the short, medium, and long-term.
- 20 Work on the next element, currently scheduled for 23 May 2023, will look to fit outcomes to the "needs" identified in the doughnut economic model.

- 21 We will continue to report back to SO&F as the Kāpiti Blueprint work progresses.

He take | Issues

- 22 Not applicable

Ngā kōwhiringa | Options

- 23 Not applicable

Tangata whenua

- 24 Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga (Ngā Hapū o Ōtaki), Ngāti Toa Rangatira have been invited to all interactive briefings and will be invited to participate in all future activity about the district's strategic direction. We have received positive feedback from Ngāti Toa and Ngā Hapū o Ōtaki on our co-design approach for this work.

Panonitanga āhuarangi | Climate change

- 25 A new vision and strategic direction provides an opportunity to consider a more holistic way of addressing climate change to sharpen our focus and our ability to access resources we need to make change so that it is considered across a number of our activities.

Ahumoni me ngā rawa | Financial and resourcing

- 26 There are no immediate impacts from the approach set out in this paper. However, the vision and strategic direction development process will need to be resourced appropriately.

Ture me ngā Tūraru | Legal and risk

- 27 The strategic activities outlined in this paper fall within the remit of local government as set out in the Local Government Act 2002.

Ngā pānga ki ngā kaupapa here | Policy impact

- 28 The proposal in this paper has nil impact.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

- 29 An approach for publicity and engagement is outlined below.

Te mahere tūhono | Engagement planning

- 30 Councillor led communications will be key to progressing this work with our communities. While an engagement plan is being developed in detail, there will be regular opportunities for business, other entities, and the community to engage with Council and iwi-representatives.
- 31 We expect that these councillor-led engagement processes will begin in May 2023.

Whakatairanga | Publicity

- 32 Council will use its established channels to meet any communications needs resulting from this decision. A media release is planned for early April 2023 to inform the community about the process and the upcoming community engagements planned.

NGĀ ĀPITI HANGA | ATTACHMENTS

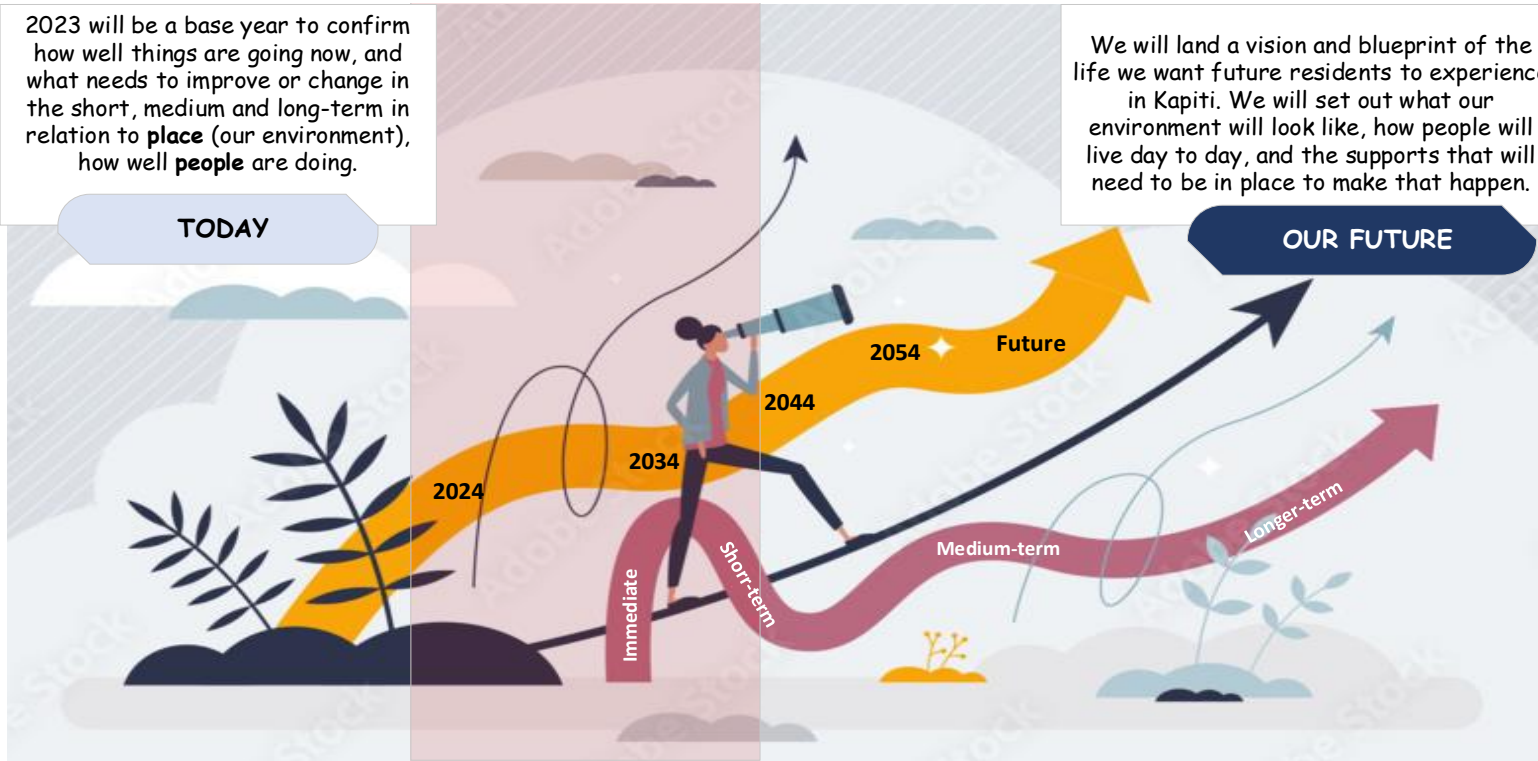
- Appendix 1: why Kapiti needs a strategic vision out to 2059 [↓](#)
- Appendix 2 - what we need to talk about to land the Kapiti shared vision [↓](#)

APPENDIX 1:

WHY KAPITI NEEDS A DISTRICT VISION AND STRATEGY FOR THE FUTURE

You've told us that you want to be more involved in Council decisions around where Kapiti District is heading. As your elected representatives, we're taking action so that you do. Landing a Kapiti District vision and strategy together will set how we sustainably develop into the future - what we need to do right now, and over the next couple of decades to reach the future we all want: you, our businesses, community and environment supported to thrive no matter what comes our way.

CHARTING A SUSTAINABLE AND AFFORDABLE COURSE FOR THE FUTURE TOGETHER



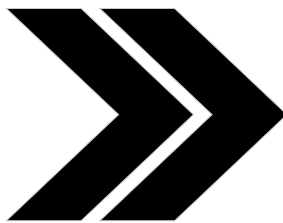
HOW TO GET INVOLVED:

- There will be a bunch of ways to have your say, whether you want to meet in person or online:
- Community Board representatives will be out and about holding ‘pop-up’ sessions and coming down to local gathering points to get your views.
 - Councilors will be holding a targeted series of korero and ‘chat’ events across the District, and engaging with business and key groups in the community, to identify what’s most important to you. This will inform the priorities that are set for the future, and the Long-Term Plan for 2024-34.
 - Several online portals will enable you to share your thoughts – elected members will engage with you on facebook landing pages for each area of the District, and a District-wide page will cover things that affect us all.
 - We will send out surveys to smaller parts of the community make sure we’ve got it right.

YOUR VIEWS WILL SHAPE WHAT ACTIONS WE TAKE IN THE DISTRICT, AND WILL INFORM:

Today	2024	2029	2034	2039	2044	2049	2054	2059	Future
DISTRICT PLAN	LONG-TERM PLAN			KAPITI DISTRICT ROAD MAP			DISTRICT VISION AND STRATEGY		
How we share the base rules for safeguarding and protecting ‘our place’. This plan guides the use of our natural resources so we do things now that support us changing in the way that we want to, and that we are on-track to reach our agreed future, whilst minimising our impact.	A point in time update to show the focus for funding in the short-term. Every 3-years we release a 3-10 year plan, as required by the Local Government Act. Actions in the plan should steer us towards the destination we set for 2059+ and the future. Our next Long-Term Plan will cover 2024 to 2034.			A way to show the possible and preferred pathways to head towards the future, in an affordable way - we will have to make choices, and confirm the key changes we want to make to improve local and district-wide outcomes. We will develop a blueprint to show the steps we agree with you to address current issues whilst progressively building towards our agreed destination for the future.			A way to let everyone have a say about where we want to be in the future (we’ll call that our vision), and how we will collaboratively decide what matters most so that we grow the way that we want to; and are prepared to overcome obstacles and weather unexpected events.		

WHAT'S HAPPENING -
WHERE, WHO, AND WHEN



Having your say will be easy - anonymous - and its open to all. We want to hear from as many people in the community that we can, so that we know what's most important to everyone - not just a few. So we're going to hold a mix of catch-ups and contact points so that we can reach as many people as possible. Your input will shape what we do, and we will come back to let you know what options the majority of the community want us to do and why. And we won't stop here, we're planning to keep regular connections with you, and to check that we've got our focus right.

CONNECTING IN MY AREA ...



Event: Community Board pop-up
Date: Every second Wednesday
Address:
Time:
Contact:

You can also leave a note on our new 'ideas' whiteboard. Elected members clear this weekly.



Event: [name of Church] morning tea with Elected Members
Date:
Address:
Time:
Contact:



Event: sports day with elected members
Date:
Address:
Time:
Contact:



Event: rangatahi connections with elected members
Date:
Address:
Time:
Contact:

GETTING INVOLVED, DISCTRICT-WIDE ...



Event: Councilor coffee and kai
Date: every third Wednesday
Address:
Time:
Contact:

You can also leave a note on our new 'ideas' whiteboard. Elected members clear this weekly.

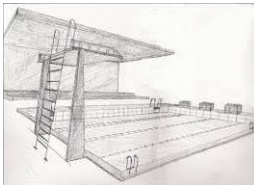


Event: korero and kai with Elected members
Date:
Address:
Time:
Contact:



TOWN HALL

Event: Council public korero
Date: fortnightly [before SO&F and Council meetings]
Address:
Time:
Contact:



Event: chat with Councilors
Date: first Monday of month
Address: [xx] Pool
Time:
Contact:

You can also leave a note on our new 'ideas' whiteboard. Elected members clear this weekly.

ONLINE OPTIONS ...



Option 1: [your area] facebook page
Link:
Contact:



Option 2: Councilor online feedback or survey
Link:
Contact:

WANT US TO COME TO YOU?



Can't make one of the scheduled catch-ups but keen? Call us and we can sort out coming out to you.

Who:
Contact:

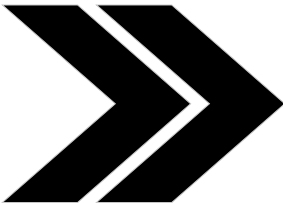
Who:
Contact:

Who:
Contact:

Who:
Contact:

APPENDIX 2:

WHAT WE NEED TO TALK ABOUT TO LAND OUR VISION AND STRATEGY



Council provides some key services to the community and works with others, such as central government, to make sure that we have access to essential, every day things that we all need and have the right to. Our vision and blueprint will outline what future we want, and set out in a clear roadmap of the actions we'll take to address the issues and problems that are affecting us now, as well as shifting us forward to the world we want to be in by 2059+. We need your help with this.

WE WANT TO KNOW IF YOU HAVE THE THINGS YOU 'NEED' TO THRIVE ... AND WHAT YOU WANT KAPITI LIFE TO BE LIKE, AS WE HEAD INTO THE FUTURE

Health		<ul style="list-style-type: none">Access to primary health careAffordable health optionsAccess to secondary health careAccess to specialist health careAccess to residential care	Peace, & safety		<ul style="list-style-type: none">Easy to have my say, and voteDistrict "rules" are appropriate, monitored / enforcedAccess to safe, crime free environment – day and night
Housing		<ul style="list-style-type: none">Access to affordable rentalsAbility to own affordable homeAccess to supported housingSupport for transitional and emergency housing	Network & connectivity		<ul style="list-style-type: none">Access to affordable public transportEasy to get around KapitiAccess to the things I need in my neighbourhood / area
Energy		<ul style="list-style-type: none">Access to affordable energyReliable energyAlternative energy options	Connections with others		<ul style="list-style-type: none">Infrastructure supports growthConnections are supportedEveryone is able to participate in community life – parks, pools, arts, crafts, sports etc
Water		<ul style="list-style-type: none">Access to quality drinking waterAffordable water servicesWater is available 24/7, throughout the year	Land use & quality		<ul style="list-style-type: none">Land use is balancedNatural characteristics and ecological chain is protectedInland flooding and ponding issues are minimised
Equality		<ul style="list-style-type: none">Inclusive of diversityEveryone has the same opportunities and rightsRacism and inequality is addressed	Climate & change		<ul style="list-style-type: none">Environment is protected, and waste managed effectivelyPrepared for earthquakesPrepared for weather events and rising ocean levels
Income & work		<ul style="list-style-type: none">Access to work in KapitiAccess to career development in Kapiti and near byBusinesses are supported to operate in Kapiti	Air quality		<ul style="list-style-type: none">Pollution levels are minimisedCO2 levels are below thresholdAir quality meets minimal standards
Food		<ul style="list-style-type: none">Access to locally grown foodAccess to affordable foodSustainable food practices drive action in KapitiKapiti hospitality flourishes	River / ocean quality		<ul style="list-style-type: none">Rivers and ocean are healthyAccess to rivers and oceanStormwater and waster water systems effectively, and affordably, manage water flows
Education & training		<ul style="list-style-type: none">Access to affordable local job-trainingAccess to affordable education – primary, secondary, tertiaryAlternative education options	Biodiversity		<ul style="list-style-type: none">Local fauna, flora, and species are protectedWetlands remain a feature of our landscapeGreen space is protected
Other?					

1. WHAT IS MOST IMPORTANT 'NEED' TO CHANGE OR IMPROVE IN THE SHORT, MEDIUM & LONG-TERM?

- Action right now
- Top priority in short term
- Critical for future

- Do less now
- Priority in short-term
- Targeted focus for medium-long term

- Immediate action
- Top priority in short-medium term
- Then stop, not needed in the future

- Stop doing right now
- Develop options in short to medium term
- Determine need for future

2. WHAT ACTIONS DO YOU WANT US TO TAKE TO SUPPORT YOUR 'NEEDS', AND TO FIX ISSUES OR MAKE THINGS EASIER?

Short-term			Medium-term			Longer-term		
Less?	More?	Same?	Less?	More?	Same?	Less?	More?	Same?

3. WHAT YOU'D LIKE RESIDENTS OF KAPITI TO EXPERIENCE IN EVERYDAY LIVING IN 2060+ AND THE FUTURE?

Reason to visit Kapiti?

Reason to live and work in Kapiti?

The characteristics that should remain the hallmark of Kapiti?

What you'd like life be like for our children, and the next generation?

8.4 CLIMATE ACTION GRANTS ALLOCATION POLICY

Kaituhi | Author: **Rob Dunn, Sustainability Advisor Communities**

Kaiwhakamana | Authoriser: **Nienke Itjeshorst, Sustainability & Resilience Manager**

TE PŪTAKE | PURPOSE

- 1 This paper provides the draft Climate Action Grants Allocation Policy and associated documents for Te Komiti Rautaki, Whakahaere me te Ahumoni, the Strategy, Operation and Finance Committee for final approval.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 An executive summary is not required.

TE TUKU HAEPAHA | DELEGATION

- 3 The Strategy, Operations and Finance Committee has the authority to approve this policy.

TAUNAKITANGA | RECOMMENDATIONS

That the Strategy, Operations and Finance Committee:

- A. Approves and adopts the Climate Action Grant Allocation Policy and associated documents.

TŪĀPAPA | BACKGROUND

- 4 In July 2021 the Council adopted the Climate Emergency Action Framework (CEAF). The framework was developed in conjunction with mana whenua, with a view to “establishing a common aim and set of principles to embed considerations for climate change mitigation, adaptation, sustainability and resilience across the organisation”.
- 5 The central vision of the CEAF is a thriving, vibrant and strong Kāpiti that has reduced its carbon footprint significantly, has prepared for the challenges and opportunities that come from responding to the climate crisis, and has transitioned to a low carbon future.
- 6 Principle 4.10 of the CEAF states:
“Council looks for and takes opportunities to lead, facilitate and empower iwi-led and other community-led projects and initiatives that aim to build sustainability, resilience, and green innovation.”
- 7 The Climate Action Grants represents one way to help enact this principle.

HE KŌRERORERO | DISCUSSION

- 8 The Climate Action Grants are for initiatives that will benefit the Kāpiti Coast across one or more of the following key objectives:
 - 8.1 enabling GHG emissions reduction
 - 8.2 helping to create a culture of climate change action
 - 8.3 supporting mana whenua vision and priorities
 - 8.4 improving resilience within local communities
 - 8.5 supporting an equitable transition to low carbon living.

- 9 These objectives could be achieved through initiatives in multiple sectors, including but not limited to projects in education, transport, business, technology, agriculture/ horticulture, nature conservation and restoration.
- 10 Preference for funding will be given to projects that meet the following criteria:
- 10.1 the project aligns with the Grant Objectives,
 - 10.2 the project will continue to offer benefits to the Kāpiti Coast District once Grant funding has been depleted,
 - 10.3 the project proposal demonstrates project benefits being accessible and relevant across multiple community demographics, and
 - 10.4 the project proposal shows how success will be measured in relation to project aims and goals.
- 11 The draft Climate Action Grants Allocation Policy, Summary Information for Applicants, and Application Criteria and Guidelines are attached as Appendices 1, 2 and 3 to this report. For additional background, the Climate Emergency Action Framework is attached as appendix 4.
- 12 This policy was on the Climate and Environment Subcommittee agenda on the 14th of March.

He take | Issues

- 13 To better align the Climate Action Grant funding allocation decisions with Council meeting schedules, the Grant application opening date is proposed to be from late May (with closing date early July). This also allows Council staff to engage with the community well in advance of the applications opening, to ensure this new Grant receives appropriate publicity.

Ngā kōwhiringa | Options

- 14 There are no alternative options being presented other than those recommended within this report.

Tangata whenua

- 15 The Climate Action Grants aim to support mana whenua vision and priorities for the Kāpiti Coast District, as outlined in the Councils' Long-term Plan 2021-2041. These priorities are:
- Kaitiakitanga – sustaining the environment and people
 - Ūkaipōtānga – identity
 - Whanaungatanga – connectedness
 - Pūkengatanga – preserving, creating, teaching and knowledge
 - Manaakitanga – supporting each other.
- 16 These priorities are reflected in the objectives of the Climate Action Grant Policy as set out in paragraph 8 of this report.
- 17 As part of Council's commitment to and partnership with mana whenua, applications which incorporate or refer to te ao Māori concepts in some way are encouraged.
- 18 Subject to translator availability, the intention is to have this policy and associated documents translated into te reo Māori.
- 19 This policy was discussed at Te Whakaminenga o Kāpiti on the 28th of March.

Panonitanga āhuarangi | Climate change

- 20 As discussed in section 6, the Climate Action Grants will help to enable community led climate action, which is aligned with the central vision and principles of the Climate Emergency Action Framework.

Ahumoni me ngā rawa | Financial and resourcing

- 21 Funding for the Climate Action Grants comes from central government's Better Off Funding programme, which supports local government investment in the wellbeing of communities. There is no rates impact for the first two years.
- 22 There is \$100,000 available in the first funding round (applications close in the 2022/23 financial year), and \$100,000 is available in the second funding round (applications close in the 2023/24 financial year).
- 23 Through the Long-term Plan 2024 process, it will be proposed to continue funding the Climate Action Grants from rates funded budgets.

Ture me ngā Tūraru | Legal and risk

- 24 This policy does not present any legal considerations or risk in addition to those presented by the other funds and grants which the Council currently allocates and administers.

Ngā pānga ki ngā kaupapa here | Policy impact

- 25 There could be an overlap between this new Climate Action Grants Policy, the Council's Waste Levy Grants Policy, and some of Councils' other Grants. Council officers will ensure consistency with funding allocation decisions across Grant applications.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

- 26 The Community and Engagement team have been involved in discussions around the most appropriate way to identify and engage with key stakeholders in the community.
- 27 A communications and engagement plan is being developed in consultation with the Communications and Engagement team.

Whakatairanga | Publicity

- 28 Elected members will be provided with background FAQs to help them respond to queries from the community.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Climate Action Grants Allocation Policy [↓](#)
2. Climate Action Grants Summary info for applicants [↓](#)
3. Climate Action Grants Application Criteria and Guidelines [↓](#)
4. Climate Emergency Action Framework [↓](#)

Climate Action Grants Allocation Policy

March 2023

Objectives of the policy

In May 2019 Council declared a Climate Change Emergency. In June 2021 the Council adopted the [Climate Emergency Action Framework](#). The central vision of this framework is a thriving, vibrant and strong Kāpiti that has reduced its carbon footprint significantly, has prepared for the challenges and opportunities that come from responding to the climate crisis, and has transitioned to a low carbon future.

The Climate Action Grants are for initiatives that will benefit the Kāpiti Coast in one or more of the following areas:

- *enabling Greenhouse Gas (GHG) emissions reduction*
- *helping to create a culture of climate change action*
- *supporting mana whenua vision and priorities*
- *improving resilience within local communities*
- *supporting an equitable transition to low carbon living*

Mana whenua vision and priorities for the Kāpiti district, as outlined in the Councils' Long Term Plan 2021-2041, are:

- Kaitiakitanga – sustaining the environment and people
- Ūkaipōtānga – identity
- Whanaungatanga – connectedness
- Pūkengatanga – preserving, creating, teaching and knowledge
- Manaakitanga – supporting each other

Climate Action Grants Allocation Process

- Allocation of funding for the climate action grants will be via an annual contestable process which calls for expressions of interest/applications to identify potential recipients for the fund
- For applications seeking \$30,000 or more, grants allocation will be undertaken in a two-step process whereby applicants are required to submit a brief Expression of Interest (EOI) first. From the EOIs received, a panel of Council officers from the Sustainability and Resilience team, along with other relevant teams (eg Community Engagement, Economic Development, Parks and Open Spaces, etc) will select projects to proceed to the next application stage. Selected applicants will then be invited to submit a full application.

- Final approval of funding will be undertaken by the Climate Action Grants Allocation Committee, or the Strategy, Operations and Finance Committee.
- Grant application criteria and process will be reviewed annually. The relevant Council Committee will approve any changes resulting from these reviews.

Application process.

Full applications will be assessed via staff panel and then presented to the Climate and Environment Subcommittee (CES). The CES will make recommendations to The Climate Action Grants Allocation Committee, or to the Strategy, Operations and Finance Committee.

Key Criteria for Climate Action Grant Applications

Key criteria for project applications are outlined below. Further application requirements, eligibility criteria, and assessment considerations are detailed in the Climate Action Grant Criteria & Application Guidelines. Funding is only available for projects or portions of projects taking place within the boundaries of the Kāpiti Coast District.

The Climate Action Grants are open to iwi and hapū of the Kāpiti Coast, neighbourhood groups of at least 10 households, community groups, organisations, businesses of up to 30 employees, and educational institutions.

The key criteria for assessment of applications for the Climate Action Grants are:

- the project aligns with the Grant objectives
- the project will continue to offer benefits to the Kāpiti Coast District once Grant funding has been depleted
- the project proposal demonstrates equity in terms of project benefits being accessible and relevant across multiple community demographics
- the project proposal shows how success will be measured in relation to project aims and goals. Success must be quantifiable and able to be reported back to council

Other considerations

As part of the Councils' commitment to and partnership with mana whenua, applications which incorporate or refer to te ao Māori concepts in some way are encouraged.

Climate Action Grants

Summary information for applicants

2023/ 2024 funding round

Introduction

The Kāpiti Coast District Council Climate Action Grants (CAGs) aim to enable Greenhouse Gas (GHG) emissions reduction initiatives, support community resilience activities, and help progress an equitable transition to low-carbon living on the Kāpiti Coast.

The Climate Action Grants aim to support mana whenua vision and priorities for the Kāpiti district, as outlined in the Councils' Long Term Plan 2021-2041. These priorities are:

- Kaitiakitanga – sustaining the environment and people
- Ūkaipōtānga – identity
- Whanaungatanga – connectedness
- Pūkengatanga – preserving, creating, teaching and knowledge
- Manaakitanga – supporting each other

For more information on the Councils' 2021-2041 LTP, click [here](#).

Funding for the Climate Action Grants comes from central government's Better Off Funding programme, which supports local government investment in the wellbeing of communities. There is no rates funding involved. There is \$100,000 available in the first funding round (applications close July 2023), and \$100,000 available in the second funding round (applications close in the 2024 financial year).

[About the Climate Action Grants | Grant Objectives | Criteria | Timeline | How to apply | Further application information](#)

About the Climate Action Grants

In July 2021 the Council adopted the [Climate Emergency Action Framework](#). The central vision of this framework is a thriving, vibrant and strong Kāpiti that has reduced its carbon footprint significantly, has prepared for the challenges and opportunities that come from responding to the climate crisis, and has transitioned to a low carbon future.

For more information about GHGs, our national emissions profile, and the Kāpiti district emissions profile, click [here](#). For more information on ways in which the Council is taking action in response to climate change, click [here](#).

Grant Objectives

The Climate Action Grants are for initiatives that will benefit the Kāpiti Coast in one or more of the following areas:

- enabling GHG emissions reduction
- helping to create a culture of climate change action
- supporting mana whenua vision and priorities
- improving resilience within local communities
- supporting an equitable transition to low carbon living

These objectives could be achieved through initiatives in multiple sectors, including but not limited to projects in education, transport, business, technology, agriculture/horticulture, nature conservation and restoration.

Criteria

Preference for funding will be given to projects that meet the following criteria:

- the project aligns with the Grant Objectives, and;
- the project will continue to offer benefits to the Kāpiti District once Grant funding has been depleted, and;
- the project proposal demonstrates project benefits being accessible and relevant across multiple community demographics, and;
- the project proposal shows how success will be measured in relation to project aims and goals.

Other considerations

As part of the Councils' commitment to and partnership with mana whenua, applications which incorporate or refer to te ao Māori concepts in some way are encouraged.

Timeline

The following timelines apply for all CAG applications in the first funding round (applications close July 2023). Late applications will not be considered for funding.

For applications of less than \$30,000	
Monday 22nd May	<i>Opening of Climate Grant Applications</i>
11.59pm, Sunday 9 th July	<i>Closing of all Climate Action Grant Applications</i> <i>Acknowledgement of applications will be provided as applications are received</i>
8 August 2023 24 August 2023	<i>Funding recommendations considered by the Climate and Environment Subcommittee</i> <i>Funding allocation decisions made by the Strategy, Operations and Finance Committee</i>
By Monday 28 August 2023	<i>Applicants advised of decisions</i>
From Monday 28 August	<i>Successful applicants announced publicly.</i>

For applications of \$30,000 or more	
Monday 22nd May	<i>Opening of Expressions of Interest (EOIs)</i>
11.59pm, Sunday 3 rd June 2023	<i>Closing of EOIs</i>
By Wednesday 7 June	<i>Eoi submissions acknowledged by email</i>
By Wednesday 14 June	<i>Eoi submitters advised whether to proceed with full application</i>
11.59pm, Sunday 9 th July	<i>Closing of all Climate Action Grant Applications</i> <i>Acknowledgement of reception of full application will be provided as applications are received</i>
8 August 2023 24 August 2023	<i>Funding recommendations considered by the Climate and Environment Subcommittee</i> <i>Funding allocation decisions made by the Strategy, Operations and Finance Committee</i>
By Monday 28 August 2023	<i>Applicants advised of decisions</i>
From Monday 28 August	<i>Successful applicants announced publicly.</i>

How to apply

You can apply online or download an application form.

Further application information

Funds available: A fund pool of \$100,000 is available through the Climate Action Grants in 2023/ 2024 (applications close July 2023).

Grant Objectives: The Climate Action Grants are for initiatives that will benefit the Kāpiti Coast in one or more of the following areas:

- enabling GHG emissions reduction
- helping to create a culture of climate change action
- supporting mana whenua vision and priorities
- improving resilience within local communities
- supporting an equitable transition to low carbon living

These objectives could be achieved through initiatives in multiple sectors, including but not limited to projects in education, transport, business, technology, agriculture/ horticulture, nature conservation and restoration.

Fund open to: The Climate Action Grants are open to

- New projects or programmes based in the Kāpiti Coast
- Existing Kāpiti Coast based projects or programmes seeking to expand
- Existing national or international projects or programmes which could be established within the Kāpiti Coast

The Climate Action Grants are open to:

- iwi and hapū of the Kāpiti Coast
- neighbourhood groups of at least 10 households
- community groups
- organisations
- businesses of up to 30 employees
- educational institutions

Criteria	<p>Preference for funding will be given to projects which meet the following criteria:</p> <ul style="list-style-type: none"> • the project aligns with the Grant Objectives • the project will continue to offer benefits to the Kāpiti District once Grant funding has been depleted • the project proposal demonstrates equity in terms of project benefits being accessible and relevant across multiple community demographics • the project proposal shows how success will be measured in relation to project aims and goals. <p>Further details and guidance can be found within the Climate Action Grant Criteria and Application Guidelines</p>
Other considerations	<p>As part of the Councils' commitment to and partnership with mana whenua, applications which incorporate or refer to te ao Māori concepts in some way are encouraged.</p>
Council's commitment:	<p>Kāpiti Coast District Council commits to:</p> <ul style="list-style-type: none"> • assess Grant applications in a transparent, fair and reasonable way • monitor the performance of the Climate Action Grant Fund on an ongoing basis <p>The Strategy, Operations and Finance Committee is an elected panel of council members, iwi representatives and community board members who will convene and grant funds as per Council's Governance Structure and Delegations for the 2022-2025 Triennium (click here for more information on this).</p>
Notes:	<p>There is no minimum amount per application. Each application will be assessed on its merits, on a case-by-case basis.</p> <p>Any application seeking \$30 000 or more should first submit an expression of interest (EOI) for approval before submitting a full application</p>
Forms and guides:	<ul style="list-style-type: none"> • Climate Action Grant Application Guidelines 2023/24 [PDF] • Expressions of Interest Guidelines (for projects seeking funding of \$30 000 or more)
Apply	<ul style="list-style-type: none"> • Climate Action Grant – online application • Climate Action Grant – download application and print [PDF] • Expressions of Interest – online application • Expressions of Interest – download application and print (PDF)

Climate Action Grants

Application Criteria and Guidelines

2023/2024 funding round

Objectives

The Climate Action Grants (CAGs) are for initiatives that will benefit the Kāpiti Coast in one or more of the following areas:

- *enabling Greenhouse Gas (GHG) emissions reduction*
- *helping to create a culture of climate change action*
- *supporting mana whenua vision and priorities*
- *improving resilience within local communities*
- *supporting an equitable transition to low carbon living*

Mana whenua vision and priorities for the Kāpiti district, as outlined in the Councils' Long Term Plan 2021-2041, are:

- Kaitiakitanga – sustaining the environment and people
- Ūkaipōtānga – identity
- Whanaungatanga – connectedness
- Pūkengatanga – preserving, creating, teaching and knowledge
- Manaakitanga – supporting each other

These objectives could be achieved through initiatives in multiple sectors, including but not limited to projects in education, transport, business, technology, agriculture/ horticulture, nature conservation and restoration.

Who can apply?

The Climate Action Grants are for:

- New projects or programmes based in the Kāpiti Coast
- Existing Kāpiti Coast based projects or programmes seeking to expand
- Existing national or international projects or programmes which could be established within the Kāpiti Coast

Funding is open to iwi and hapū of the Kāpiti Coast, neighbourhood groups of at least 10 households, community groups, organisations, businesses of up to 30 employees, and education institutions.

How much funding is available?

A fund pool of \$100,000 is available through the Climate Action Grants in 2023/2024 (applications close July 2023).

Application Criteria

Preference for funding will be given to projects which meet the following criteria:

- the project aligns with the Grant Objectives
- the project will continue to offer benefits to the Kāpiti District once Grant funding has been depleted
- the project proposal demonstrates equity in terms of project benefits being accessible and relevant across multiple community demographics
- the project proposal shows how success will be measured in relation to project aims and goals.

Other considerations

As part of the Councils' commitment to and partnership with mana whenua, applications which incorporate or refer to te ao Māori concepts in some way are encouraged.

What information do I have to provide in my application?

The project proposal needs to clearly demonstrate how it links to the Climate Action Grant Objectives and Criteria. The project proposal or plan must include:

- a) A project overview
- b) Rationale for the project
- c) Clear project aims and goals
- d) Overview of how the project will be:
 - i. Delivered
 - ii. Managed
 - iii. Marketed (if applicable)
- e) A project timeline
- f) Budget:
 - a. estimated costs associated with the project, along with any relevant quotes
 - b. the proportion of project funding being sought through the CAG
 - c. how any remaining project costs will be funded
 - d. details of any other sources of funding/sponsorship sought in relation to the project
- g) Project monitoring, review and evaluation:

- i. an outline of how success will be measured in relation to the project aims and goals,
- ii. what performance criteria will be used to monitor and evaluate the project
- iii. how performance will be monitored internally
- iv. how feedback will be gathered from other stakeholders, both during the project and on completion of the project
- v. a timeline for project evaluation
- h) Evidence of capability to deliver on the project proposal
- i) If you are applying as a group of households, a copy of minutes of the meeting at which it was resolved that this application be made and listing the names, addresses and contact details of at least ten participating households
- j) Proof of an entity, organisation or project bank account requiring multiple signatories.

Eligible purposes

Eligible purposes include, but are not limited to:

- i. equipment which is necessary to achieve the outcomes of the programme (each item of equipment will be evaluated on its individual merit to the project; two quotes are required (if possible) for the purchase of equipment items exceeding \$300
- ii. publicity or educational material directly related to the aims of the programme
- iii. training needs of workers
- iv. administration costs and project-related expenses (up to \$500)
- v. wages which are directly related to the project.

Ineligible purposes

Ineligible purposes include, but are not limited to:

- i. subscriptions and memberships
- ii. debt servicing
- iii. projects or programmes and related costs that have already occurred
- iv. any costs involved in preparing the application
- v. catering costs

Grants will not be awarded to applications for the purposes of direct political, legal, or business advocacy.

Financial details

- If you're registered for GST, **do not** include GST in your costs.
- Attach quotes and any other supporting documentation to your application.
- Two quotes are required for the purchase of equipment items exceeding \$300

If your application is successful, you will need to provide the following bank details:

- Account payee's name
- Account payee's bank account number (further proof of bank account details may be required)

How do I apply for funding?

Electronic applications are preferred. Please fill in an application form and send your application, to be received by 5pm 25 July 2021:

Electronically to: xxxxxxxxxxxxxxxxxxxx

By post to: Sustainability Advisor Communities
Kāpiti Coast District Council
Private Bag 60601
Paraparaumu 5254

Or deliver to: Sustainability Advisor Communities
Kāpiti Coast District Council
175 Rimu Road
Paraparaumu

Links to application forms:

- [Climate Action Grant Application Guidelines 2023/24 \[PDF\]](#)
- [Expressions of Interest Guidelines \(for projects seeking funding of \\$30 000 or more\)](#)
- [Climate Action Grant – online application](#)
- [Climate Action Grant – download application and print \[PDF\]](#)
- [Expressions of Interest – online application](#)
- [Expressions of Interest – download application and print \(PDF\)](#)

All applications will be acknowledged by email within 5 working days of receipt.

Applications will be checked by Council staff to ensure they have been completed correctly and sufficient detail has been provided. Where applications are considered incomplete or deficient, they will be returned to the applicant for further information or clarification. Where an application is referred back to the applicant for further clarification or information, the applicant will be given a set period to respond.

Timeline

For applications of less than \$30,000	
Monday 22nd May	<i>Opening of Climate Grant Applications</i>
11.59pm, Sunday 9 th July	<i>Closing of all Climate Action Grant Applications</i> <i>Acknowledgement of applications will be provided as applications are received</i>
8 August 2023 24 August 2023	<i>Funding recommendations considered by the Climate and Environment Subcommittee</i> <i>Funding allocation decisions made by the Strategy, Operations and Finance Committee</i>
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By Monday 28 August 2023	<i>Applicants advised of decisions</i>
From Monday 28 August	<i>Successful applicants announced publicly.</i>

Progress reporting and notification of project completion

Unless otherwise agreed, projects are expected to start within three months of approval of funding. Short-term projects must be completed within 12 months of receiving funding. Longer term projects must achieve agreed targets within 12 months of receiving funding.

Interim reporting

Depending on the project and amount of funding allocated, you may need to provide interim project reports to council staff. Details of interim project report requirements will be provided on confirmation of successful funding application.

Final reporting

On completion of the project, you must advise the Kāpiti Coast District Council Sustainability Advisor Communities, and provide a final report within 2 months of the completion of the project. Details of what final report requirements will be provided on confirmation of successful funding application.

Funding recipients who do not provide satisfactory interim or final reports within required timeframes will not be eligible for future funding.

Assessment of applications

Applications will be initially assessed by a panel of Council officers from the Sustainability and Resilience team, along with other relevant teams (eg Community Engagement, Economic Development, Parks and Open Spaces, etc). Applications will then be presented to the Climate and Environment Subcommittee (CES). The CES will make recommendations to the Strategy, Operations and Finance Committee (SOF). The CES and SOF are elected panels of council members, iwi representatives, and community board members. The SOF will convene and grant funds as per Council's Governance Structure and Delegations for the 2022-2025 Triennium (click [here](#) for more information on this).

Other conditions

Council reserves the right to:

- revisit the Climate Action Grant application criteria and process in advance of each annual funding round
- conduct site visits of successful applicants' projects, or use them for promotional purposes. Applicants will be notified in advance of any proposed visits.
- suspend and refuse further grant payments if, in our opinion, the grantee wilfully or through neglect causes the project to fail; the Councils' decision is final and will be no rights of appeal or review, and no right to compensation or damages of any nature.

If the project fails or finishes early for any reason, then the Council may require any equipment purchased with Grant money to be transferred to the Council for reallocation to another project.

Council staff who can help

If you have any questions or would like to discuss your project or application further, please the Kapiti Coast District Council [Sustainability Advisor Communities, details](#) or email us at XX@kapiticoast.govt.nz.



Climate Emergency Action Framework

1. Framework Validation

- 1.1 The Kapiti Coast District Council Climate Emergency Action Framework was adopted at a meeting of the Kapiti Coast District Council held on 29 July 2021, after completion of a public consultation process as part of the Long-term Plan 2021–41.

2 Vision

- 2.1 The vision at the heart of the Climate Emergency Action Framework is a thriving, vibrant and strong Kāpiti that has reduced its carbon footprint significantly, transitioned to a low-carbon future, and prepared for challenges and opportunities that come from responding to the climate crisis.

3 Objectives

- 3.1 The Framework's primary objective is to establish a common aim and set of principles to embed considerations of climate change mitigation, adaptation, sustainability and resilience across the organisation.
- 3.2 The Framework will guide Council decision-making to ensure consistent practices, embed sustainability across Council, provide a platform to raise awareness about existing workstreams, and provide a platform to agree plans and priorities for future work.
- 3.3 The objectives and principles proposed in the Framework align with the community outcomes of the Long-term Plan 2021–41 and are based on feedback Council has been receiving from the community for the past several years.
- 3.4 Additional information on Council's current and future climate change-related workstreams will follow the development of this Framework.

4 Principles

- 4.1 Council demonstrates strong and effective leadership on climate change mitigation and adaptation to support Toitū Kāpiti and give effect to the climate change emergency; this includes a commitment to act in the face of uncertainty using the best scientific information available.
- 4.2 Council honours Te Tiriti o Waitangi and its partnership with mana whenua. Ngāti Raukawa ki te Tonga, Ātiawa ki Whakarongotai, and Ngāti Toa Rangatira will be involved as partners in Council's climate change response and any projects that arise from this Framework to ensure a mana enhancing partnership is nurtured throughout.
- 4.3 Council will meet all of its climate change-related statutory obligations.

- 4.4 Decision making is inclusive, transparent, and based on ongoing collaboration and consultation with the wider community, businesses, social service organisations, and key sectors from industry and science.
- 4.5 Decision making will acknowledge the depth of knowledge that Ngāti Raukawa ki te Tonga, Ātiawa ki Whakarongotai, and Ngāti Toa Rangatira hold in terms of climate change and the value of māramatanga (lessons learned through centuries of kaitiakitanga, manaakitanga, and whanaungatanga). Council will draw on this knowledge during the decision-making process to reflect the value of māramatanga and the expertise that mana whenua have in this area.
- 4.6 Decision making will consider:
 - 4.6.1 Best practice guidance and recommendations
 - 4.6.2 Costs and benefits, including broader co-benefits to the four well-beings
 - 4.6.3 Level of risk, particularly if an action is not taken
 - 4.6.4 Urgency of any issues at hand
 - 4.6.5 How effectively a proposed action will address any issues at hand
 - 4.6.6 Avoiding any actions that might worsen inequity or compromise future generations
 - 4.6.7 Promotion of actions that will allow mana whenua to act as kaitiaki, supporting them to create sustainable practices that they can implement within their rohe
 - 4.6.8 Mana whenua advice, community feedback, and potential alignment with neighbouring councils
 - 4.6.9 Long-term effectiveness of proposed actions, regardless of current or future trends or pressures.
- 4.7 Sustainability, resilience, and climate change-related work is integrated and coordinated across Council.
- 4.8 Council takes opportunities to participate in government reforms of national policy and legislation – particularly in relation to climate change mitigation, adaptation and the Resource Management Act (RMA).
- 4.9 Council advocates for policies and programmes that support the Toitū Kāpiti vision, and actively canvasses for funding opportunities.
- 4.10 Council looks for and takes opportunities to lead, facilitate and empower iwi-led and other community-led projects and initiatives that aim to build sustainability, resilience, and green innovation.

8.5 LGFA DRAFT STATEMENT OF INTENT 2023-26 AND 2022-23 HALF-YEAR REPORT

Kaituhi | Author: **Jing Zhou, Acting Chief Financial Officer**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 The purpose of this report is to provide the Strategy, Operations and Finance Committee with the Local Government Funding Agency (LGFA) Draft Statement of Intent 2023-26 (draft SOI) and their half year report to 31 December 2022.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required.

TE TUKU HAE PAPA | DELEGATION

- 3 The Council's Strategy, Operations and Finance Committee has the authority to consider this report.

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Strategy, Operations and Finance Committee notes the contents of LGFA's draft SOI and half year report to 31 December 2022.

TŪĀPAPA | BACKGROUND

- 4 The LGFA was incorporated in 2011 with the primary objective of optimising the debt funding terms and conditions for participating local authorities. This includes providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets.
- 5 The LGFA issues bonds to wholesale and retail investors and on-lends the funds raised to participating local authorities (PLAs) with borrowing needs. The quality of the LGFA's credit rating and the liquidity created by issuing homogenous local authority paper, ensures that participating councils can raise funds on better terms than if they were issuing in their own name.
- 6 In 2012, Kāpiti Coast District Council (the Council) became a principal shareholding local authority¹ in the LGFA. The LGFA meets the Local Government Act (LGA) 2002 definition of a Council Controlled Organisation (CCO) and as a shareholder in a CCO, the Council must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of the Council's desired outcomes.
- 7 As a CCO, the LGFA must deliver to its shareholders a draft SOI on or before 1 March each year. The LGFA board must consider any comments from its shareholders in relation to the draft SOI and deliver a final SOI on or before 30 June.
- 8 The Council's monitoring obligations are assisted by the Shareholders' Council whose role is to represent all the shareholders and ensure that all individual shareholder views are heard. The Shareholders' Council comprises five to ten appointees from the council shareholders, and one from the Crown.

¹ principal shareholding local authorities are those which invest capital in the LGFA and are expected to receive a return on that capital.

HE KŌRERORERO | DISCUSSION

He take | Issues

9 LGFA has issued its draft SOI.

10 Strategic priority areas, and the objectives and performance targets that sit within each area, are summarised on the following table:

Strategic priorities	Objectives	Performance targets
Governance, capability and business practice	<ul style="list-style-type: none"> • Best practice corporate governance • Model ethical behaviour • Achieve objectives and performance targets • Ensure cost effective products • Be a good employer 	<ul style="list-style-type: none"> • Comply with foundation and treasury policies • Maintain LGFA credit rating equal to NZ Govt • Operating income >\$19.3m • Operating expenses <\$9.5m
Optimising financial services for local government	<ul style="list-style-type: none"> • Interest savings relative to alternative sources • Offer flexible products • Deliver operational best practice • Certainty of access to debt markets 	<ul style="list-style-type: none"> • Share of LG long term debt >80% • Total lending to borrowers >\$16.41bn • Survey of borrowers value add >85% • Successfully refinance 100% existing loans • Meet 100% borrower lending requests
Environmental and social responsibility	<ul style="list-style-type: none"> • Assist sector to achieve sustainability objectives • Improve LGFA sustainability outcomes 	<ul style="list-style-type: none"> • Comply with H&S act • Maintain Toitu carbon zero certification • Meet reductions in carbon plan • Increase GSS and CAL lending book • Issuance of LGFA bonds under SFF • Ensure annual report complies with GRI standards • Meet all mandatory climate reporting standards
Effective management of loans	<ul style="list-style-type: none"> • Monitor and review each Participating Borrower's financial position and financial headroom under LGFA policies • Analyse finances at Council group level where appropriate and report to shareholders 	<ul style="list-style-type: none"> • Review 100% of borrowers financial position • Meet each borrower at least annually • Three waters debt transition plan in place by 30 June 2024
Industry leadership and engagement	<ul style="list-style-type: none"> • Take proactive role to enhance depth of LG market • Assist LG sector with significant matters e.g. 3 waters • Maintain productive relationships with central government • Support councils in development of reporting on climate change 	<ul style="list-style-type: none"> • Report on actions underway

11 The following points regarding the draft SOI are worth noting. Firstly, the draft SOI, including financial forecasts, assumes that there are no implications for LGFA from the Three Waters Reform Programme. The LGFA are awaiting further information relating to the establishment of the Water Services Entities (WSEs); how WSEs are intending to structure their borrowing;

how the transition of revenue and debt will occur between LGFA council members and WSEs, and the impact on future council borrowing intentions from the Three Waters Reform Programme. The final SOI in June 2023 will be updated to incorporate any announcements/legislation relating to the Three Waters Reform Programme.

- 12 The second is that LGFA has assumed a modest narrowing in lending margins as more councils and CCOs take up the Climate Action Loan (CAL) products and LGFA undertake more Green, Social and Sustainability (GSS) lending to councils' and CCOs.
- 13 Thirdly, the draft SOI performance targets are similar to the previous SOI. There is greater focus on sustainability with a target for new CALs, a greater focus on assisting councils with GHG emission reporting and assistance with the transition of the Three Waters related debt from councils to the WSEs.
- 14 Lastly, while surpluses of approximately \$8-10m per annum are forecast for the draft SOI period, LGFA remains cautious in placing too much emphasis on the year two (2024-25) and year three (2025-26) forecasts given that \$6.6 billion of LGFA bonds and \$5.8 billion of Council and CCO loans are maturing over the three-year draft SOI forecast period. Assumptions regarding the amount and timing of refinancing and interest rates have a meaningful impact on financial projections.

	2023/24 \$M (draft SOI)	2024/25 \$M (draft SOI)	2025/26 \$M (draft SOI)
Total operating income	19.3	18.5	18.1
Operating expenses	9.5	9.8	10.2
Net profit	9.8	8.7	7.9
Total LG borrowing	18,419	19,262	19,914

- 15 The draft SOI and Half Year Report to 31 December 2022 are attached as Appendix 1 and 2 to this report. Subject to availability, LGFA Officials will be invited to present to the Strategy, Operations and Finance Committee.

Ngā kōwhiringa | Options

- 16 There are no options to consider with this report.

Tangata whenua

- 17 There are no tangata whenua considerations arising from this report.

Panonitanga āhuarangi | Climate change

- 18 There are no climate change considerations within this report.

Ahumoni me ngā rawa | Financial and resourcing

- 19 There are no financial considerations within this report.

Ture me ngā Tūraru | Legal and risk

- 20 There are no legal considerations arising from the matters in this report.

Ngā pānga ki ngā kaupapa here | Policy impact

- 21 In accordance with the LGA 2002, the Council has provided information on all of its CCOs in its 2021/41 Long Term Plan.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

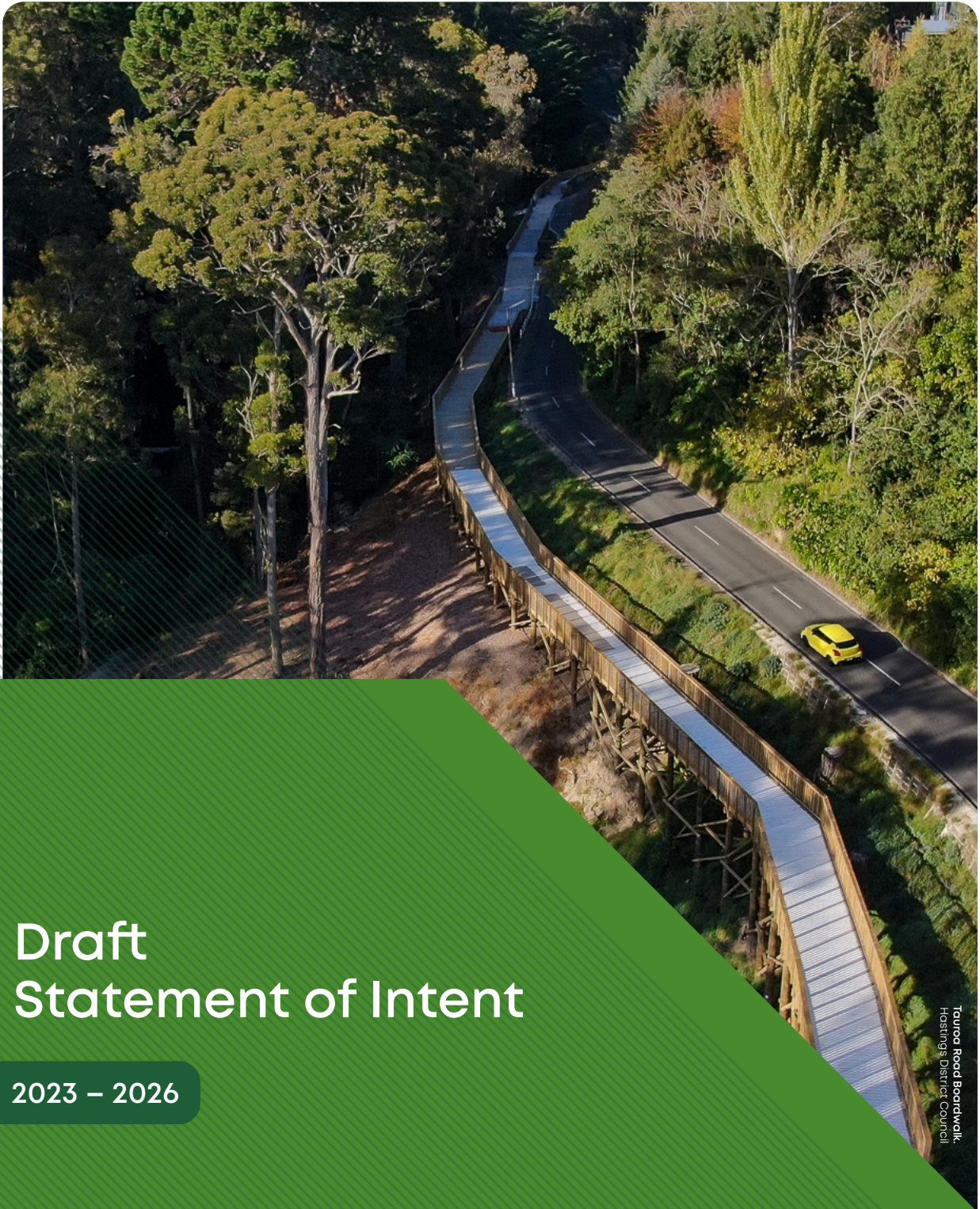
22 An engagement plan is not needed for this report to be considered.

Whakatairanga | Publicity

23 There are no publicity considerations.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. LGFA Draft Statement of Intent 2023-2026 [↓](#)
2. LGFA Half-year Report to 31 December 2022 [↓](#)



Draft Statement of Intent

2023 – 2026

Tairua Road Boardwalk
Hastings District Council

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 2023 to 30 June 2026. 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 draft SOI, including financial forecasts, assumes that there are no implications for LGFA from the proposed Three Waters Reform Programme. We are awaiting further information relating to the establishment of the Water Services Entities (WSEs); how WSEs are intending to structure their borrowing; how the transition of revenue and debt will occur between our council members and WSEs, and the impact on future council borrowing intentions from the proposed Three Waters Reform Programme. The final SOI in June 2023 will be updated from this draft to incorporate any future announcements/legislation relating to the proposed Three Waters Reform Programme and will include a statement if there have been any material changes to our forecast assumptions as a consequence.

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 either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to participating borrowers that have entered into required relevant 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, incidentally 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

We act with integrity E pono ana mātau	We are customer focused E arotahi ana mātau ki te kiritaki	We strive for excellence E whakapau kaha mātau kia hiranga te mahi	We provide leadership He kaiārahi mātau	We are innovative He auaha mātau
We are honest, transparent and are committed to doing what is best for our customers and our company.	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.	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.	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.	To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.

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 2023-2026.

The financial performance targets are focused on the 2023-2024 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
LGFA will:	
Demonstrate best practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice 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.
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	2023-2024 target
Comply with the Shareholder Foundation Policies 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
LGFA's total operating income for the period to 30 June 2024	> \$19.3 million
LGFA's total operating expenses for the period to 30 June 2024	< \$9.5 million

Optimising financing services for local government

Objectives	How we measure our performance
LGFA will:	
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	2023-2024 target
Share of aggregate long-term debt funding to the Local Government sector	> 80%
Total lending to Participating Borrowers	> \$16,410 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
LGFA will:	
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand. Green, Social & Sustainability (GSS) loan applications from councils are appraised by the LGFA Sustainability Committee, with approved loans monitored for ongoing compliance.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions and formalised processes to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions.

Performance targets	2023-2024 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 borrowers enter into GSS loans Three new borrowers enter into CALs
Issuance of LGFA Bonds under Sustainable Funding Framework	Issue Sustainable Funding Bonds
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
LGFA will:	
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. Participating borrowers are required to complete annual compliance certificates by the end of November each year.
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	Number of participating borrowers visited in a year
Assist a smooth transition of Three Water Related loans if the Three Waters Reform Programme progresses during the financial year for a 1 July 2024 implementation date	By 30th June 2024, LGFA will endeavour to facilitate a successful transition of existing council Three Water related loans to the Water Services Entities

Performance targets	2023-2024 target
Review each Participating Borrower's financial position	100%
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested	100%
Three Waters debt transition plan in place by 30 June 2024	100%

Industry leadership and engagement

Objectives	How we measure our performance
LGFA will:	
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 proposed Three Waters Reform Programme.	Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.
Maintain productive relationships with central government representatives.	Report back on the alignment of LGFA and council's climate and emissions reporting requirements Report back in how we are helping smaller council's understand future reporting requirements.
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	

8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2026 are:

Comprehensive income \$m	Jun 24	Jun 25	Jun 26
Net Interest income	17.9	17.1	16.7
Other operating income	1.3	1.3	1.3
Total operating income	19.3	18.5	18.1
Approved Issuer Levy	0.3	0.3	0.3
Issuance & onlending costs	3.8	3.9	4.0
Operating overhead	5.4	5.6	5.9
Issuance and operating expenses	9.5	9.8	10.2
P&L	9.8	8.6	7.9

Financial position (nominals) \$m	Jun 24	Jun 25	Jun 26
Liquid assets portfolio	2,008	2,125	1,934
Loans to local government	16,410	17,137	17,980
Other assets	-	-	-
Total Assets	18,419	19,262	19,914
Bonds on issue (ex Treasury stock)	17,305	18,021	18,676
Bills on issue	600	600	600
Borrower notes	357	388	415
Other liabilities	-	-	-
Total Liabilities	18,262	19,009	19,691
Capital	25	25	25
Retained earnings	96	103	109
Dividend	(2)	(2)	(2)
Shareholder equity	119	126	132
Ratios	Jun 24	Jun 25	Jun 26
Liquid assets/funding liabilities	11.4%	11.5%	10.1%
Liquid assets/total assets	10.9%	11.0%	9.7%
Net interest margin	0.11%	0.10%	0.09%
Cost to income ratio	49.3%	53.3%	56.5%
Return on average assets	0.05%	0.04%	0.04%
Shareholder equity/total assets	0.6%	0.7%	0.7%
Shareholder equity + BN/total assets	2.6%	2.7%	2.7%
Asset growth	5.6%	4.6%	3.4%
Loan growth	5.7%	4.4%	4.9%
Return on equity	8.8%	7.2%	6.2%
Capital ratio	12.9%	13.4%	13.7%

Due to rounding, summary numbers presented in these financial forecasts may not add up precisely to the reported totals. The above forecasts assume a gross bond issuance programme of \$3.20 billion (FY24), \$3.20 billion (FY25) and \$3.15 billion (FY26) based upon term lending to councils of \$2.78 billion (FY24), \$2.90 billion (FY25) and \$3.0 billion (FY26).

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 proposed Three Waters Reform and the impact on councils.

Councils prepared their 2021-31 Long Term Plans (and borrowing forecasts) on the assumption that proposed Three Water Reform was not progressing and we have made the same assumption with our forecasts. LGFA projects it could have between \$5 billion to \$6 billion of loans to councils in June 2024 that are related to Three Waters. There have been no final decisions regarding the transfer mechanism for assets, liabilities and revenue from councils to the proposed Three Water entities. We intend to provide an update to stakeholders on implications for LGFA as further information becomes available.

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 2.00% over the medium term.

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

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, and will include the following information:

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

Half Yearly Report

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

- Directors' commentary on operations for the relevant six-month period.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

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

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrower's (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- 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 in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

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

Shareholder Meetings

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

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

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 lending and/or investment policies as approved by the Board and/or Shareholders.

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

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.

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.

The financial statements as at 30 June 2022 include estimates and judgements of the potential impact of COVID-19 and the proposed Three Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as well as the outcome of proposed Three Waters Reform Programme on the local government sector.



31 December 2022
HALF YEAR REPORT

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

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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: The Green Corridors programme enhances areas of native bush along streams, provides a place for wildlife to thrive, improves water quality, and creates open green spaces from the Tararua Ranges to the Manawatū River.
Palmerston North City Council
Contents photo: Tauroa Road Boardwalk.
Hastings 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 2022

The six-months to December presented a challenging period for financial markets, with LGFA's operating performance over this period subdued due to the volatile markets. Despite the difficult conditions, LGFA continued to deliver value to members and our investor base while meeting our financial targets. Highlights over the period included launching our new Climate Action Loan product for members and being awarded the KangaNews New Zealand Debt Issuer of the year.

Financial and Operational Performance

LGFA's total interest income for the six-month period to December 2022 of \$312.9 million was a 68.4% increase over the 2021 comparable period (\$185.9 million), while net operating profit of \$1.1 million for the six-month period decreased 81.3% on the 2021 comparable period (\$5.9 million).

Net operating profit was significantly lower than the comparable period a year ago due to the sharp rise in interest rates combined with increased holdings of liquid assets. This outcome was expected and forecast in our Statement of Intent (SOI) last year. Both net interest income and operating profit were slightly ahead of the SOI forecast and we are forecasting an improvement in financial performance in the second half of the financial year.

Expenses have been managed under the SOI budget over the past six months. Lower fees relative to budget for the NZ Debt Management standby facility and lower NZX and legal fees relating to issuance were positive. These savings were offset by higher legal costs relating to considering the implications from the proposed Three Waters Reform, the development of new sustainability initiatives, including related consultancy costs.

The financial strength of LGFA was affirmed by Fitch Ratings who maintained our domestic currency credit rating at AA+ in October 2022. Our AAA rating from S&P Global Ratings was affirmed in March 2022 and remains the same as the New Zealand Government.

Borrowing activity

LGFA issued \$1.76 billion of bonds over the past six months and outstandings now total \$17.84 billion (including \$1.10 billion of treasury stock) across 11 maturities ranging between 2023 to 2037. The average term of our bond issuance during the six months at 4.37 years was significantly shorter than the prior year period.

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.

The performance of LGFA bonds over the past six months has been soft with LGFA bond spreads to New Zealand Government Bonds (NZGBs) and spreads to swap in general moving wider in line with global high grade markets. Spreads widened between 3 basis points (bps) and 25 bps to NZGB and between 7 bps to 12 bps to swap over the six-month period. The inclusion of the NZGBs into the World Government Bond Index was also positive for the performance of NZGBs relative to LGFA bonds. Outright yields on LGFA bonds rose between 157 bps (2024 maturity) and 75 bps (2033 maturity) over the six-month period.

LGFA was voted by market participants as the KangaNews New Zealand Debt Issuer of the Year award for 2022 and we want to acknowledge their support.

It is also pleasing to observe the increased participation by offshore investors over the past six months as NZD-denominated investments have become relatively

more attractive for investors. We estimate that offshore investors have increased their holdings of LGFA bonds over the past six months by \$638 million to a record \$5.09 billion (or 30.1% of LGFA bonds on issue), while domestic institutional and retail investors hold 33.2%, domestic banks 28.2% and the Reserve Bank 8.5%.

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. Over the past six months, we added two councils and two Council-controlled organisations (CCOs) as members, with Dunedin City Council and Environment Southland joining as guarantors and Westland Holdings and Dunedin City Treasury joining as CCOs. Total membership is now 77 out of the 78 councils in New Zealand and three CCOs.

Long-dated lending to council and CCO members over the six-month period was \$1.82 billion provided to 51 members. This was the second highest amount lent over a rolling six-month period and was just below the amount of loans made during the six-month period to September 2020. Our estimated market share of total council borrowing of 89% was above forecast and the third highest annual average on record. The average tenor of long-dated borrowing by councils of 5.6 years over the six-month period was in line with prior periods.

Short-dated lending for terms less than 12 months continues to be supported by councils. As at 31 December 2022, LGFA had \$493 million of short-term loans outstanding to 30 council and CCO members.

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 the Central Government-led initiatives relating to the proposed Three Waters Reform Programme and the Future for Local Government Review.

LGFA is assisting on an as-required basis, both Central Government and our council members, as they work through the proposed Three Waters Reform Programme. The Government's proposed Three Water Reform Programme will be the largest change to the local authority sector in recent years.

LGFA continues to assist the local government sector-led initiative in developing a Ratepayer Financing Scheme that may provide some financial relief to ratepayers.

**New Zealand
Issuer of the Year
for 2022**

KANGANEWS
AWARDS
2022

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

New products and initiatives

We launched Green, Social and Sustainable (GSS) lending in October 2021 and over the past six months have approved three further projects as being eligible for GSS loans, bringing the number to five loans across five councils. As at 31 December 2022 we have undertaken \$101 million of GSS Loans to three councils. We launched Climate Action Loans (CALs) for councils and CCOs in December 2022. A CAL provides a discounted loan margin to those councils with a Greenhouse Gas Emission Reduction Plan in place and who are meeting their targets.

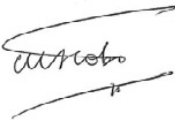
Increasing focus on sustainability

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 Toitu Envirocare, actively marketing our GSS loan product and establishing CALs. We reviewed the Climate Change Emergency Declarations and responses by Councils and a copy of the report is available on our website: [Review of Climate Emergency Declarations and Responses by Councils](#)

Acknowledgments

The Agency's work cannot be implemented without the support of our staff, fellow directors, Shareholders Council, New Zealand Debt Management (NZDM) and Central Government, all of whose efforts should be acknowledged. John Avery, one of LGFA's foundation directors, retired in November 2022, and we would like to take this opportunity to sincerely thank John for his invaluable contribution to LGFA since 2011.

We believe LGFA's future remains positive and look forward to working with all stakeholders.



Craig Stobo
Chair



Mark Butcher
Chief Executive



Pedestrian bridge, Waikanae River, Otaihangā Domain
Kapiti Coast District Council. Photo by Mark Coot

Performance against objectives

Ko ngā whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance for the first half of the financial year against the objectives and performance targets set out in the LGFA Statement of Intent 2022-23 (SOI)

2022-23 Objectives and performance targets

LGFA objectives and performance targets for 2022-23 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 quarters' ended September and December 2022 are available on the LGFA website.

Governance, capability and business practice

LGFA is committed to best practice corporate governance to ensure its long-term sustainability and success.

Objectives	Our performance to 31 December 2022
Demonstrate best practice corporate governance.	<p>LGFA is committed to demonstrating best practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.</p> <p>Our 2022 Annual Report, released on 30 August 2022, is the most recent report with commentary on our compliance with the NZX Code.</p>
Set and model high standards of ethical behaviour.	<p>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.</p>
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	<p>LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial performance targets for the six months to 31 December is summarised below under our performance targets.</p>
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	<p>LGFA is committed to being a good employer and we report our employment practices annually in our Annual Report.</p> <p>Our 2022 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.</p>

Performance targets	2022-2023 target	Our performance to 31 December 2022
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 upgraded our long-term foreign currency credit rating to AA+ on 16 September 2022. S&P Global Ratings affirmed our domestic currency credit rating at AAA in February 2022.
LGFA's total operating income for the period to 30 June 2023.	> \$12.2 million.	✓ On target to meet by 30 June 2023. \$5.651 million as at 31 December 2022.
LGFA's total operating expenses for the period to 30 June 2023.	< \$9.4 million.	✓ On target to meet by 30 June 2023. \$4.542 million as at 31 December 2022.

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																																								
Provide interest cost savings relative to alternative sources of financing.	<div><div>Comparison to other high-grade issuers - secondary market spread to swap (bps)</div><table><tr><th>Year</th><th>LGFA</th><th>Supranational, sovereign and agency issuers (Average)</th><th>Bank (Average)</th></tr><tr><td>2023</td><td>10</td><td>15</td><td>20</td></tr><tr><td>2024</td><td>15</td><td>20</td><td>35</td></tr><tr><td>2025</td><td>20</td><td>25</td><td>40</td></tr><tr><td>2026</td><td>25</td><td>30</td><td>60</td></tr><tr><td>2027</td><td>30</td><td>35</td><td>75</td></tr><tr><td>2028</td><td>35</td><td>35</td><td></td></tr><tr><td>2029</td><td>40</td><td>30</td><td></td></tr><tr><td>2030</td><td></td><td>45</td><td></td></tr><tr><td>2031</td><td></td><td>45</td><td></td></tr></table><div>Source: LGFA</div></div>	Year	LGFA	Supranational, sovereign and agency issuers (Average)	Bank (Average)	2023	10	15	20	2024	15	20	35	2025	20	25	40	2026	25	30	60	2027	30	35	75	2028	35	35		2029	40	30		2030		45		2031		45	
Year	LGFA	Supranational, sovereign and agency issuers (Average)	Bank (Average)																																						
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BNZ (AA-)	Westpac Bank (AA-)																																								
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	<div>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.</div> <ul style="list-style-type: none">Over the six months to 31 December 2022, our members borrowed \$1.82 billion in 163 long term loans across maturity dates ranging between 2023 and 2033, with December quarter lending being the second highest on record.As at 31 December 2022 there were 45 short term loans totaling \$497 million.As at 31 December 2022, standby facilities totalled \$682 million across 13 members.																																								
Deliver operational best practice and efficiency for lending services.	<div>Over the six months to 31 December 2022, LGFA operations staff successfully:</div> <ul style="list-style-type: none">settled 842 new trades with a gross value of \$9.97 billion,processed 6,067 cash flows with a gross value of \$15.0 billion, andrate set 4,305 existing trades. <div>There were no LGFA settlement errors over the six months.</div>																																								
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	<div>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 to 31 December 2022, we issued \$1.76 billion of primary bonds and secondary market turnover totalled \$5.14 billion. Secondary market turnover of \$3.1 billion over the December quarter was at the second highest on record.</div>																																								

Performance targets	2022-2023 target	Our performance to 31 December 2022
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	✓ 89% as at 31 December 2022 (compared to a historical average of 75% since 2012).
Total lending to Participating Borrowers.	> \$15,004 million	✓ On target to meet by 30 June 2023. \$15,751 million as at 31 December 2022.
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 2022 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	✓ 100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	✓ 100%



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.

Objectives	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	<p>Over the six months, we approved GSS loans to Hutt City Council for the Naenae swimming pool, Whangarei District Council for the Civic Centre, and approved our first eligible project for social lending for Christchurch City Council’s Ōtautahi Community Housing Trust.</p> <p>In total, to date we have approved five GSS loans with a combined approved value of \$543 million, with \$101 million of loans drawn down to date.</p> <p>On 1 December 2022, we launched Climate Action Loans (CALs) which provides councils with a discounted loan margin if they have implemented a Greenhouse Gas Emission Reduction Plan and meet their emission reduction targets.</p> <p>LGFA completed research on which New Zealand councils declared a climate emergency over 2019-2020 (16 out of 78), their subsequent responses and any opportunities for LGFA. A copy of our report is available from our website: Review of Climate Emergency Declarations and Responses by Councils</p>

Improve sustainability outcomes within LGFA.	In 2021, LGFA directors committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year. We are currently working on translating this target into annual carbon reduction plan targets.
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Performance targets	2022-2023 target	Our performance to 31 December 2022
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 11 October 2022.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	✘ We are currently working on translating this target into annual carbon reduction plan targets.
Increase our GSS lending book.	Two new participating borrowers enter into GSS loans.	✔ Three new participating borrowers approved for GSS lending.
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	✔ 2022 Annual Report prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).
Meet all mandatory climate reporting standards.	100%	✔ Voluntarily comply with GRI standards (core option). Undertaking development work on meeting Climate Related Disclosure requirements.

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. LGFA manages its assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	How we measure our performance
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 all of our members with debt outstanding at June 2022 and no council has requested that they be measured on a group basis. Some certificates have been provided based upon unaudited financial statements given the delays in providing final audit signoff due to audit shortages.</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.	We met with 30 borrowers over the six months and are on target to meet with all members by 30 June 2023.

Performance targets	2022-2023 target	Our performance to 31 December 2022
Review each participating borrower’s financial position under LGFA policies.	100%	✔ On target to meet by 30 June 2023.
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	✔ On target to meet by 30 June 2023.

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	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.	<p>This year we have introduced two new webinars for members:</p> <ul style="list-style-type: none">• LGFA Quarterly Update• An Economic and Financial Market Update by BNZ <p>These inaugural webinars were well attended by participants and will be formalised as ongoing quarterly events.</p> <p>Over the six months we met with Treasury, the National Transition Unit and Policy teams at DIA (and their advisers) regarding proposed Three Waters Reform, working actively on issues relating how to the transition of council debt on 1 July 2024, as well as the borrowing options for the Water Services Entities (WSEs) following transition. The Water Services Legislation Bill was introduced to Parliament in December and, in consultation with key stakeholders, we are considering the contents of the Bill and what potential role LGFA could play under the proposed Three Waters Reform Programme.</p> <p>LGFA has provided input into the Ratepayer Financing Scheme (RFS) project managed by a group of councils with advice from Cameron Partners. If successful, the RFS could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.</p> <p>We are continuing work on initiatives to reduce compliance and documentation requirements for members when they borrow.</p> <p>Met with Chair of the Review into the Future for Local Government.</p>
Assist the local government sector with significant matters such as COVID-19 response and the proposed Three Waters Reform Programme.	
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	



Bay of Plenty Regional Oil Spill Response Team training exercise in Tauranga Harbour.
Bay of Plenty Regional Council

Financial statements

Nga taukī pūtea

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Statement of comprehensive income

For the six months ended 31 December 2022 in \$000s

	Note	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Interest income		312,883	185,886
Interest expense		307,904	176,709
Net interest income	4	4,979	9,178
Other operating income	5	671	526
Total operating income		5,651	9,704
Operating expenses	6	4,542	3,769
Net operating profit		1,108	5,935
Total comprehensive income		1,108	5,935

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 or issue on 24 February 2023.


Statement of changes in equity

For the six months ended 31 December 2022 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 July 2021		25,000	69,744	94,744
Net operating profit			10,673	10,673
Total comprehensive income for the year			10,673	10,673
Transactions with owners			-	-
Dividend paid on 3 September 2021			(857)	(857)
Equity as at 1 July 2022		25,000	79,559	104,560
Net operating profit			1,108	1,108
Total comprehensive income for the year			1,108	1,108
Transactions with owners			-	-
Dividend paid on 2 September 2022			(1,218)	(1,218)
Unaudited closing balance as at 31 December 2022	17	25,000	79,450	104,450



Craig Stobo, Director
Board Chair



Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of financial position

As at 31 December 2022 in \$000s

	Note	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Assets			
Financial assets			
Receivables		1,895	360
Cash and bank balances		64,921	158,033
Cash pledged as collateral		337,009	76
Marketable securities		1,312,958	1,491,148
Deposits		594,359	462,866
Derivatives in gain		77,470	94,767
Loans	8	15,751,420	14,041,908
Non-financial assets			
Prepayments		1,150	852
Other assets	9	112	156
Total assets		18,141,294	16,250,167
Equity			
Share capital	16	25,000	25,000
Retained earnings		79,450	79,560
Total equity		104,450	104,560
Liabilities			
Financial liabilities			
Payables and provisions	10	95,576	45,066
Bills	11	636,949	562,803
Bond repurchases	12	108,077	31,671
Derivatives in loss		1,717,879	1,206,175
Bonds	13	15,146,187	14,015,862
Borrower notes	14	331,468	283,180
Non-financial liabilities			
Other liabilities	15	708	850
Total liabilities		18,036,844	16,145,607
Total equity and liabilities		18,141,294	16,250,167

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 2022 in \$000s

	Note	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Cash Flow from Operating Activities			
Cash applied to loans	8	(1,639,024)	(1,427,636)
Interest paid on bonds issued		(228,725)	(215,363)
Interest paid on bills issued		(10,088)	(1,591)
Interest paid on borrower notes		(131)	(212)
Interest paid on bond repurchases		(1,738)	(254)
Interest received from loans		224,165	76,952
Interest received from cash & cash equivalents		2,396	1,031
Interest received from marketable securities		13,570	5,624
Interest received from deposits		5,897	2,206
Net interest on derivatives		2,276	136,753
Cash proceeds from provision of standby facilities		671	526
Payments to suppliers and employees		(5,317)	(3,927)
Net cash flow from operating activities	18	(1,636,047)	(1,425,888)
Cashflow from Investing Activities			
Purchase of marketable securities		206,657	(594,958)
(Purchase)/maturity of deposits		(462,937)	(185,743)
Purchase of plant and equipment		-	-
Net Cashflow from Investing Activities		(256,280)	(780,701)
Cash flows from financing activities			
Cash proceeds from bonds issued	13	1,477,890	2,096,802
Cash proceeds (outflows) from bills issued		74,146	(75,367)
Cash proceeds (outflows) from bond repurchases		76,195	158,143
Cash proceeds from borrower notes		41,598	35,509
Dividends paid		(1,218)	(857)
Cash applied to derivatives		130,604	(25,240)
Net cash flows from financing activities		1,799,215	2,188,991
Net (Decrease) / Increase in Cash		(93,112)	(17,599)
Cash, cash equivalents at beginning of year		158,033	391,835
Cash, cash equivalents at end of year		64,921	374,236

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 24 February 2023.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2022 and are to be read in conjunction with the annual report for the year ended 30 June 2021.

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 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.

The financial statements as at 31 December 2022 include estimates and judgements of the proposed Three Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is

noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as

well as the outcome of proposed Three Waters Reform Programme on the local government sector.

4. Net interest income

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Interest income		
Cash and cash equivalents	4,098	1,036
Marketable securities	18,342	4,259
Lease liability	16	-
Deposits	9,668	3,129
Derivatives	-	90,015
Loans	280,759	87,447
Fair value hedge ineffectiveness	-	-
Total interest income	312,883	185,886
Interest expense		
Bills	10,088	1,591
Bond repurchase transactions	1,949	319
Lease liability	-	5
Derivatives	66,245	-
Bonds	224,425	173,439
Borrower notes	5,196	1,355
Total interest expense	307,904	176,709
Net interest income	4,979	9,178

5. Other operating income

As at 30 June 2022, LGFA had provided credit standby facilities totalling \$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 2022	Unaudited six months ended 31 December 2021
Standby facilities fee income	671	526
Total other operating income	671	526

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 2022	Unaudited six months ended 31 December 2021
Issuance and on-lending expenses		
Approved issuer levy ¹	343	325
Rating agency fees	333	324
NZDM facility fee	652	250
Legal fees - issuance	205	225
NZX	367	390
Trustee fees	55	51
Regulatory, registry, other fees	106	68
	2,062	1,633
Other operating expenses		
Information technology	341	399
Consultants	127	95
Directors fees	213	212
Insurance	47	43
Legal fees	156	51
Other expenses	230	136
Auditors' remuneration		
Statutory audit	55	55
Advisory services	-	-
Personnel	1,312	1,145
	2,481	2,135
Total operating expenses	4,542	3,769

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 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 six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Hedging instruments - interest rate swaps	329,876	520,010
Hedged items attributable to the hedged risk	(329,876)	(520,010)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds, 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 2022		Audited as at 30 June 2022	
	Short-term loans ¹	Loans	Short-term loans	Loans
Ashburton District Council	7,064	79,152	12,048	78,898
Auckland Council	-	3,629,211	-	3,413,415
Bay of Plenty Regional Council	25,465	167,970	25,651	167,941
Buller District Council	-	20,027	-	20,015
Canterbury Regional Council	-	75,366	4,018	75,214
Carterton District Council	-	14,772	-	14,762
Central Hawkes Bay District Council	1,011	28,168	2,024	20,107
Central Otago District Council	10,083	5,050	5,024	-
Christchurch City Council	-	2,285,660	2,017	2,036,724
Clutha District Council	7,547	37,590	5,532	32,394
Far North District Council	-	71,895	-	71,822
Gisborne District Council	-	111,572	-	86,095
Gore District Council	8,573	35,263	6,035	29,631
Greater Wellington Regional Council	-	636,734	-	576,343
Grey District Council	3,944	26,781	3,980	26,717
Hamilton City Council	-	726,508	-	633,049
Hastings District Council	-	275,067	-	237,990
Hauraki District Council	-	52,432	-	43,212
Hawkes Bay Regional Council	-	46,141	-	37,992
Horizons Regional Council	11,942	49,831	11,984	49,771
Horowhenua District Council	21,187	131,653	11,001	127,395
Hurunui District Council	8,073	34,307	8,033	30,147
Hutt City Council	-	303,302	-	256,607
Invercargill City Council	36,004	68,763	12,845	68,725
Invercargill City Holdings Ltd	18,469	68,438	22,076	68,354
Kaikoura District Council	-	5,341	-	5,331
Kaipara District Council	-	44,425	-	44,229
Kapiti Coast District Council	-	257,151	-	256,128
Kawerau District Council	-	2,005	-	-
Mackenzie District Council	2,018	8,080	10,002	-
Manawatu District Council	11,570	77,919	11,559	77,725
Marlborough District Council	47,553	107,324	37,325	100,289
Masterton District Council	-	56,244	-	50,260
Matamata-Piako District Council	-	45,907	-	38,191
Nelson City Council	-	171,371	-	140,581
New Plymouth District Council	10,084	216,117	-	170,350
Northland Regional Council	-	14,148	-	14,147
Opotiki District Council	-	9,067	-	7,073

1. As at 31 December 2022, \$2,415 million of loans are due to mature within 12 months. This comprises all short-term loans and \$1,922 million of loans.

in \$000s	Unaudited as at 31 December 2022		Audited as at 30 June 2022	
	Short-term loans ¹	Loans	Short-term loans	Loans
Otago Regional Council	26,793	73,682	66,715	48,443
Otorohanga District Council	-	4,028	-	4,028
Palmerston North City Council	-	213,980	-	187,872
Porirua City Council	-	178,148	-	172,335
Queenstown Lakes District Council	55,703	401,978	50,275	241,015
Rangitikei District Council	-	19,158	-	19,157
Rotorua District Council	53,600	275,679	43,112	245,298
Ruapehu District Council	8,037	29,588	8,020	29,557
Selwyn District Council	-	85,725	-	75,343
South Taranaki District Council	-	113,060	-	112,566
South Waikato District Council	4,954	34,294	4,874	34,171
Southland District Council	-	16,900	-	16,899
South Wairarapa District Council	-	26,631	-	26,537
Stratford District Council	-	32,359	6,027	26,299
Taranaki Regional Council	3,963	19,632	-	14,587
Tararua District Council	2,013	55,670	-	51,244
Tasman District Council	24,295	235,580	24,193	198,190
Taupo District Council	-	171,208	-	125,522
Tauranga City Council	-	761,621	-	648,528
Thames-Coromandel District Council	-	73,665	-	73,365
Timaru District Council	29,108	152,022	28,724	136,516
Upper Hutt City Council	-	95,766	-	91,421
Waikato District Council	-	110,947	-	95,454
Waikato Regional Council	-	25,202	-	25,120
Waimakariri District Council	-	171,473	-	170,903
Waimate District Council	-	3,534	-	-
Waipa District Council	26,030	154,231	25,530	124,377
Wairoa District Council	-	11,102	-	10,062
Waitaki District Council (WD)	6,903	31,201	4,491	20,583
Waitomo District Council	4,027	24,160	4,017	24,092
Wellington City Council	-	1,195,968	-	967,101
West Coast Regional Council	-	11,396	3,761	6,616
Western Bay Of Plenty District Council	-	70,687	-	70,366
Westland District Council	-	30,050	-	29,933
Westland Holdings Ltd	-	2,405	-	-
Whakatane District Council	-	108,433	-	86,396
Whanganui District Council	7,544	99,907	7,523	99,522
Whangarei District Council	9,947	183,505	9,972	182,813
Fair value hedge adjustment	-	(43,416)	-	(36,332)
Total loans	493,505	15,257,915	478,385	13,563,522

9 . Other assets

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Right-of-use lease asset	112	156
Total other assets	112	156

10. Payables and provisions

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Loans/purchases to be advanced	95,000	44,000
Trade creditors	185	800
Credit provision	139	161
Other provisions	252	105
Total payables and provisions	95,576	45,066

11. Bills

Unaudited as at 31 December 2022 in \$000s	Face value	Unamortised premium	Accrued interest	Total
13 January 2023	145,000	(139)	-	144,861
2 February 2023	25,000	(78)	-	24,922
10 February 2023	80,000	(337)	-	79,663
17 February 2023	20,000	(107)	-	19,893
28 February 2023	50,000	(348)	-	49,652
10 March 2023	70,000	(538)	-	69,462
15 March 2023	50,000	(436)	-	49,564
20 March 2023	52,000	(504)	-	51,496
5 April 2023	25,000	(265)	-	24,735
12 April 2023	20,000	(234)	-	19,766
18 April 2023	15,000	(191)	-	14,809
10 May 2023	15,000	(245)	-	14,755
7 June 2023	25,000	(522)	-	24,478
14 June 2023	50,000	(1,106)	-	48,894
Total bills	642,000	(5,051)	-	636,949

Audited as at 30 June 2022 in \$000s	Face value	Unamortised premium	Accrued interest	Total
7 July 2022	15,000	-	(4)	14,996
13 July 2022	70,000	-	(30)	69,970
19 July 2022	35,000	-	(33)	34,967
4 August 2022	25,000	-	(33)	24,967
10 August 2022	80,000	-	(167)	79,833
19 August 2022	20,000	-	(60)	19,940
30 August 2022	50,000	-	(201)	49,799
9 September 2022	68,000	-	(296)	67,704
14 September 2022	100,000	-	(538)	99,462
19 September 2022	27,000	-	(120)	26,880
6 October 2022	25,000	-	(148)	24,852
9 November 2022	25,000	-	(238)	24,762
7 December 2022	25,000	-	(329)	24,671
Total bills	565,000	-	(2,197)	562,803

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 2022, \$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 2022	Audited as at 30 June 2022
15 April 2023	4,054	
15 April 2024	-	1,456
15 April 2025	9,512	6,773
15 April 2026	893	5,395
15 April 2027	35,962	-
15 May 2028	-	-
20 April 2029	15,416	7,390
15 May 2031	8,223	-
14 April 2033	-	4,566
15 May 2035	-	818
15 April 2037	34,017	5,272
Total bond repurchases	108,077	31,671

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 2022 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 April 2023	1,830,000	9,127	21,568		
15 April 2024	2,108,000	862	10,164		
15 April 2025	2,409,000	(45,646)	14,196		
15 April 2026	2,055,000	(52,395)	6,605		
15 April 2027	1,881,000	78,421	18,138		
15 May 2028	1,373,000	(59,559)	4,011		
20 April 2029	1,562,000	(60,236)	4,699		
15 May 2031	1,000,000	(42,471)	2,921		
14 April 2033	1,350,000	34,731	10,255		
15 May 2035	400,000	2,096	1,558		
15 April 2037	770,000	(25,117)	3,300		
Total bonds	16,738,000	(160,188)	97,415	(1,529,039)	15,146,187

Audited as at 30 June 2022 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 April 2023	1,830,000	25,117	21,175		
15 April 2024	1,998,000	5,625	9,458		
15 April 2025	1,679,000	(13,379)	9,714		
15 April 2026	1,815,000	(31,599)	5,728		
15 April 2027	1,751,000	85,460	16,577		
15 May 2028	1,270,000	(53,384)	3,650		
20 April 2029	1,362,000	(21,893)	4,019		
15 May 2031	850,000	(19,801)	2,443		
14 April 2033	1,290,000	43,486	9,622		
15 May 2035	400,000	2,166	1,533		
15 April 2037	730,000	(12,837)	3,072		
Total fixed interest	14,975,000	8,962	86,989	(1,185,774)	13,885,177
Floating rate notes					
14 October 2022	130,000	(7)	692	-	130,684
Total bonds	15,105,000	8,955	87,681	(1,185,774)	14,015,862

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 2022	Audited as at 30 June 2022
Lease liability	112	156
Accruals	596	694
Total other liabilities	708	850

16. Share capital

As at 31 December 2022, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

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

17. Shareholder information

Registered holders of equity securities	As at 31 December 2022		As at 30 June 2022	
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%
Total	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 2022	Unaudited six months ended 31 December 2021
Net profit/(loss) for the period	1,108	5,935
Cash applied to loans	(1,639,024)	(1,427,636)
Non-cash adjustments		
Amortisation and depreciation	2,643	(3,955)
Working capital movements		
Net change in trade debtors and receivables	(378)	13
Net change in prepayments	(298)	(319)
Net change in accruals	(98)	73
Net Cash From Operating Activities	(1,636,047)	(1,425,888)

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 8, 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

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Office hours

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

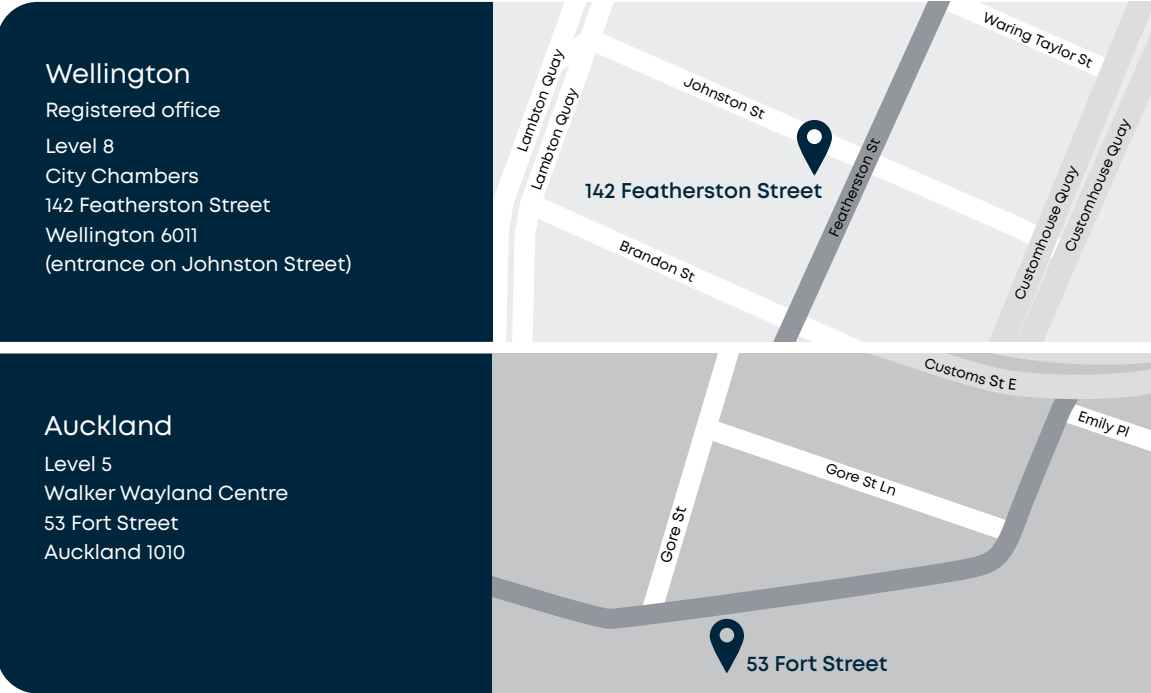
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9 TE WHAKAŪ I NGĀ ĀMIKI | CONFIRMATION OF MINUTES

9.1 CONFIRMATION OF MINUTES

Author: Jessica Mackman, Senior Advisor, Democracy Services

Authoriser: Janice McDougall, Group Manager People and Partnerships

Taunakitanga | Recommendations

That the minutes of the Strategy, Operations and Finance meeting of 9 March 2023 be accepted as a true and correct record.

APPENDICES

1. Confirmation of Minutes - 9 March 2023 [↓](#)

STRATEGY, OPERATIONS AND FINANCE COMMITTEE MEETING
MINUTES

9 MARCH 2023

MINUTES OF THE KĀPITI COAST DISTRICT COUNCIL
STRATEGY, OPERATIONS AND FINANCE COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBER, GROUND FLOOR, 175 RIMU ROAD, PARAPARAUMU
ON THURSDAY, 9 MARCH 2023 AT 9.39AM

PRESENT: Mayor Janet Holborow, Cr Martin Halliday, Cr Sophie Handford, Cr Rob Kofoed, Cr Liz Koh, Huriwai Paki (via Zoom), Cr Jocelyn Prvanov, Cr Kathy Spiers, Kim Tahiwī, Cr Nigel Wilson

IN ATTENDANCE: Darren Edwards, Simon Black, Bede Laracy, Richard Mansell, Sean McKinley, Glen Olsen, Jennifer Allan, Jo Bryan, Steve Cody, Stephen Cross, Steffi Haefeli, Jessica Mackman, Sean Mallon, Janice McDougall, Mike Mendonça, Hamish McGillivray, Kris Pervan, Fiona Story, Sarah Wattie, Anita Williams

WHAKAPĀHA | APOLOGIES: Deputy Mayor Lawrence Kirby, Cr Shelly Warwick

LEAVE OF ABSENCE: There were none.

1 NAU MAI | WELCOME

The Chair, Councillor Handford, welcomed everyone to the meeting.

2 KARAKIA A TE KAUNIHERA | COUNCIL BLESSING

The Chair read the Council blessing.

3 WHAKAPĀHA | APOLOGIES

APOLOGY

COMMITTEE RESOLUTION SOF2023/8

Moved: Cr Martin Halliday

Seconder: Cr Kathy Spiers

That the apology received from Deputy Mayor Lawrence Kirby and Cr Shelly Warwick be accepted.

CARRIED

**4 TE TAUĀKĪ O TE WHAITAKE KI NGĀ MEA O TE RĀRANGI TAKE |
DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA**

Community Board Member, Bede Laracy and Councillor Handford declared an interest in Our Vision for Raumati (Item 8.1).

STRATEGY, OPERATIONS AND FINANCE COMMITTEE MEETING
MINUTES

9 MARCH 2023

5 HE WĀ KŌRERO KI TE MAREA MŌ NGĀ MEA E HĀNGAI ANA KI TE RĀRANGI TAKE | PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA

There were none.

6 NGĀ TAKE A NGĀ MEMA | MEMBERS' BUSINESS

- (a) Leave of Absence – there were none.
- (b) Matters of an Urgent Nature – there were none.

7 HE KŌRERO HOU | UPDATES

There were none.

8 PŪRONGO | REPORTS

8.1 DEVELOPING KĀPITI DISTRICT'S STRATEGIC DIRECTION - A VISION AND BLUEPRINT FOR THE FUTURE (2054 AND BEYOND)

Jo Bryan, Strategy Manager, introduced the report which was taken as read.

Kris Pervan, Group Manager Strategy and Growth, and Jo Bryan answered questions from elected members and mana whenua representatives.

COMMITTEE RESOLUTION SOF2023/9

Moved: Mayor Janet Holborow
Seconder: Cr Jocelyn Prvanov

Agree to the proposed approach to develop the district's strategic direction, as set out in paragraphs 12 to 27, including planned release of a new community vision to 2054 and beyond, and an accompanying blueprint for change. Note that further discussion on each element will occur sequentially with Council over the next 6-8 months, with further elements implemented through to 2024/25.

CARRIED

8.2 NATIONAL POLICY STATEMENT OF URBAN DEVELOPMENT - QUARTER TWO MONITORING REPORT

Hamish McGillivray, Manager Research & Policy, introduced the paper and took the paper as read.

Hamish McGillivray and Kris Pervan, Group Manager Strategy and Growth, answered questions from elected members and mana whenua representatives.

COMMITTEE RESOLUTION SOF2023/10

Moved: Cr Nigel Wilson
Seconder: Cr Kathy Spiers

That the Committee receives and notes the findings of the NPS-UD monitoring report for Quarter

STRATEGY, OPERATIONS AND FINANCE COMMITTEE MEETING
MINUTES

9 MARCH 2023

2 as attached as Attachment 1 of this report.

CARRIED

9 TE WHAKAŪ I NGĀ ĀMIKI | CONFIRMATION OF MINUTES

9.1 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION SOF2023/11

Moved: Cr Kathy Spiers

Seconder: Cr Nigel Wilson

That the minutes of the Strategy, Operations and Finance meeting of 9 February 2023 be accepted as a true and correct record.

CARRIED

**10 TE WHAKAŪNGA O NGĀ ĀMIKI KĀORE E WĀTEA KI TE MAREA |
CONFIRMATION OF PUBLIC EXCLUDED MINUTES**

There were none.

Kim Tahiwi closed the meeting with karakia.

The Rautaki, Whakahaere, me te Ahumoni | Strategy, Operations and Finance Committee meeting closed at 10.48am.

.....
HEAMANA | CHAIRPERSON

**10 TE WHAKAŪNGA O NGĀ ĀMIKI KĀORE E WĀTEA KI TE MAREA |
CONFIRMATION OF PUBLIC EXCLUDED MINUTES**

Nil

11 PURONGO KĀORE E WĀTEA KI TE MAREA | PUBLIC EXCLUDED REPORTS**RESOLUTION TO EXCLUDE THE PUBLIC****PUBLIC EXCLUDED RESOLUTION**

That, pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987, the public now be excluded from the meeting for the reasons given below, while the following matters are considered.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Kāpiti Airport Activity	Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Section 48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

12 CLOSING KARAKIA