



RANGITIKEI
DISTRICT COUNCIL
Making this place home.

ORDER PAPER

FINANCE/PERFORMANCE COMMITTEE MEETING

Date: Thursday, 2 April 2026
Time: following Risk/Assurance Workshop
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: Cr Fi Dalgety

Membership: Cr Dave Wilson
HWTM Andy Watson
Cr Paul Sharland
Cr Diana Baird
Cr Jeff Wong

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Locations:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none; vertical-align: top;"> <u>Marton</u> Head Office 46 High Street Marton </td> <td style="width: 33%; border: none; vertical-align: top;"> <u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls </td> <td style="width: 33%; border: none; vertical-align: top;"> <u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape </td> </tr> </table>	<u>Marton</u> Head Office 46 High Street Marton	<u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls	<u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape
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Notice is hereby given that a Finance/Performance Committee Meeting of the Rangitīkei District Council will be held in the Council Chamber, Rangitīkei District Council, 46 High Street, Marton on Thursday, 2 April 2026 at following Risk/Assurance Workshop.

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AGENDA

1 Welcome / Prayer

2 Apologies

3 Public Forum

4 Conflict of Interest Declarations

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of Order of Business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt as a late item at this meeting.

6 Follow-up Action Items from Previous Meetings

6.1 Follow-Up Action Items form Finance/Performance Committee Meetings

Author: Kezia Spence, Governance Advisor

1. Reason for Report

1.1 There are no current follow up actions for the Finance/Performance Meeting.

2. Decision Making Process

2.1 Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision-making provisions do not apply.

Recommendation

That the report Follow-up Action Items from Finance/Performance Committee Meetings be received.

ITEM 7.1

7 Chair's Report

7.1 Chair's Report - April 2026

Author: Fiona (Fi) Dalgety, Councillor

1. Reason for Report

1.1 A verbal or tabled report may be provided during the meeting.

Recommendation

That the Chair's Report – April 2026 be received.

8 Reports for Information

8.1 Finance Snapshot - February 2026

Author: Warren Pedley, Manager Finance and Partnerships

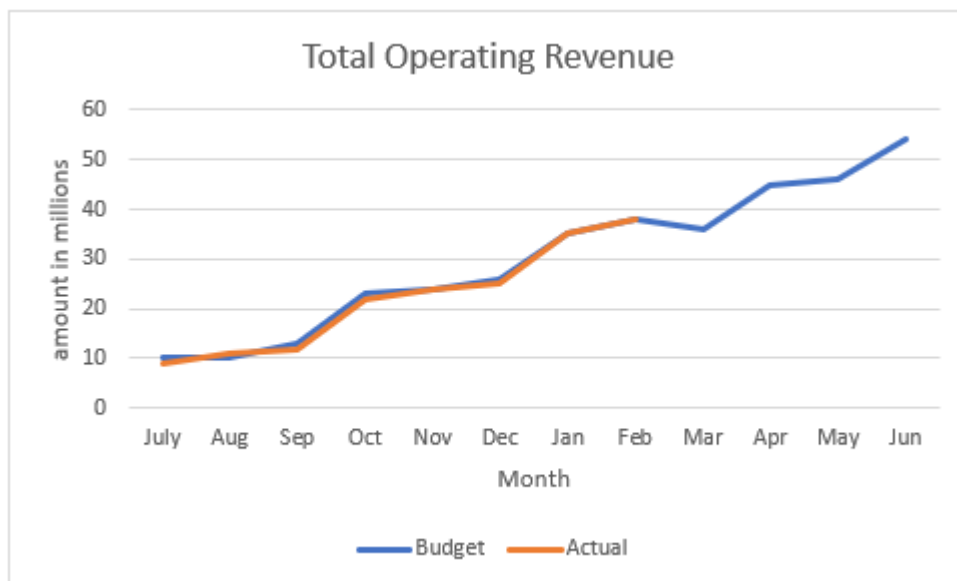
Authoriser: Leanne Macdonald, Group Manager - Corporate Services

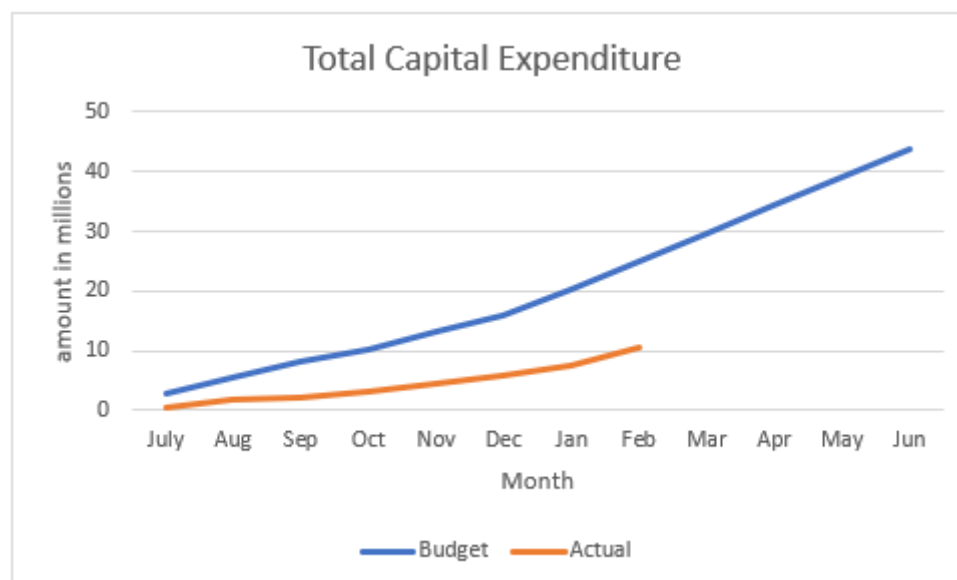
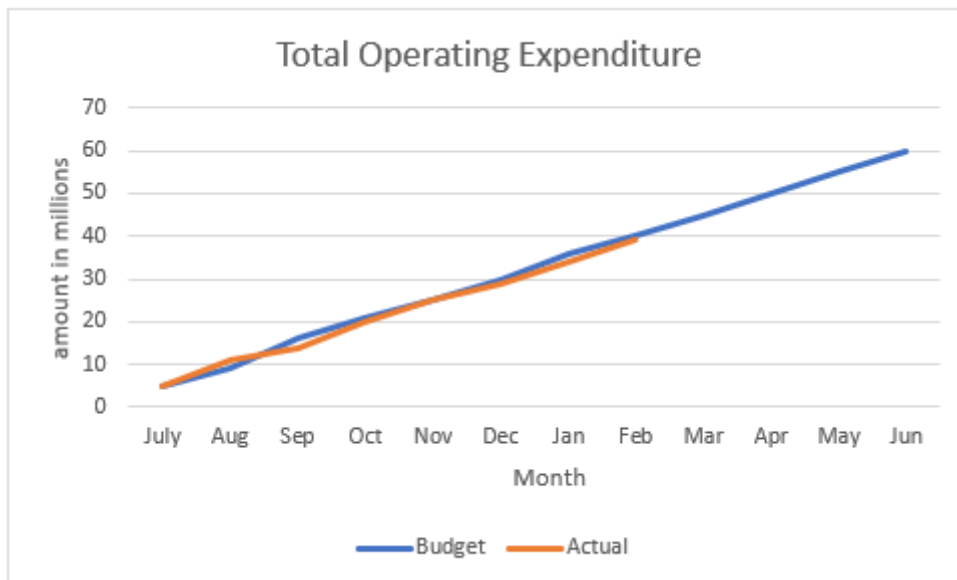
1. Reason for Report

- 1.1 The purpose of this report is to provide Council with the management accounts and related commentary as at 28 February 2026, for both the operational and capital activities against the 2025/26 Annual Plan.

2. Whole of Council Financial Performance

- 2.1 The attached Whole of Council Performance Report highlights budget variances that are best considered ‘at Group level’ in the individual accompanying Group Financial Summary Reports.
- 2.2 As at 28 February 2026, the overall surplus is \$1.86m ahead of budget for the same period. Total Operating Revenue is also ahead budget by \$81k, and overall operating expenditure is under budget by \$1.8m.
- 2.3 The following trend line graphs for Operational Revenue, Operational Expenditure and Capital Expenditure.





2.4 The attached Group Financial Summary Reports provide commentary on operational budget variances typically more than \$100k. Council will be able to see where the revenue and costs differ to budget through the activity detail.

3. Capital Expenditure

3.1 The attached summary shows capital budget variances split by function with the larger budgets (>\$500k) for projects being shown separately. The capital programme was originally approved as part of the 2025/26 Annual Plan at \$39.6m. Subsequently revised to \$43m to include carry forwards as approved by Council in September 2025 and subsequent council resolutions approved to date. As part of the budgeting for 2026/27, the capital programme for 2025/26 was reviewed and revised down to a forecast spend of \$32.3m. To date, expenditure totals \$10.4m (being 24.1% of the revised full year budget).

3.2 Commentary regarding many of these capital budgets is provided in the Projects Update Report that is reviewed at Council Meetings and previously at Assets/Infrastructure Committee Meetings.

4. Investments

4.1 Council's current liquidity position as at 28 February 2026 is as follows:

4.1.1 Current Assets

• Bank/Deposits	\$ 13.8m
• Receivables	\$0.9m
• Prepayments	\$0.8m
• Total	\$15.5m

4.1.2 Current Liabilities

• Payables	\$ 1.6m
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Net Current Treasury Position **\$ 13.9m**

5. Borrowing

5.1 The following table shows the Council's external debt at \$54m (unchanged since 30 June 2025) for the period ended 28 February 2026. It also shows the interest rate along with the annual cost of interest, (noting that the annual cost is an estimate based on the current interest rate applicable to the short-term commercial papers council has borrowed against and this also excludes the impact of hedging).

Total External Debt

Amount Borrowed	Settled Date	Maturity Date	Fixed Rate of Interest	Annual Interest Cost
\$ 3m	10/05/2019	15/04/2029	3.12%	\$ 94k
\$ 5m	8/02/2022	14/04/2033	3.68%	\$184k
\$11m	14/04/2022	15/04/2027	4.17%	\$459k
\$ 5m	27/04/2023	15/05/2028	5.10%	\$255k
\$ 7m	12/06/2023	15/05/2028	5.30%	\$371k
\$ 9m	15/04/2024	15/04/2026	5.62%	\$506k
\$ 4m	4/06/2024	20/04/2029	5.55%	\$222k
\$ 5m	19/02/2026	19/05/2026	2.70%	\$136k
\$ 5m	27/02/2026	27/05/2026	2.69%	\$131k
\$54m				\$2.36m

5.2 Council's LTP reflected that debt is budgeted to remain within its Debt Ceiling and Debt Limit throughout the term of the LTP (the Debt Ceiling is Council's maximum debt it can access from LGFA; less a self-imposed amount of at least \$4m to \$5m lower than the Debt Ceiling, to allow for unforeseen costs).

- 5.3 The above table shows the annual cost of interest expense anticipated to be \$2.36m per annum (approx. \$196.6k per month), providing a current weighted average cost of funds of 4.35%. However, these costs are partially offset by the borrowed money earning interest income before it is used. Year to date (28 February 2026) this interest income amounted to \$237k.
- 5.4 The following table discloses Council's debt by activity. Council borrows to fund capital expenditure in accordance with the Revenue and Financing Policy.

Total Loans By Activity			
Activity	Internal Loans as at 30/06/2025 \$000	External loans allocated as at 31/01/2026 \$000	Total Loans as at 31/12/2025 \$000
Roading and Footpaths	2,755	11,500	14,255
Water Supplies District Urban	13,540	5,000	18,540
Total for Water Supplies	13,540	5,000	18,540
Wastewater/ Sewerage Disposal	411	24,300	24,711
Stormwater Drainage	1,597	400	1,997
Community and Leisure Assets			
Real Estate	307		307
Swim Centres	641		641
Civil defence	8		8
Community Housing	161		161
Public Toilets	641		641
Cemeteries	272		272
Libraries	509		509
Halls	1,952	5,580	7,532
Domains	25	6,500	6,525
Total Community & Leisure Assets	4,516	12,080	16,596
Waste Transfer Stations	49	320	369
Other Activities			
Community Leadership			-
Environment & Regulatory Services			-
Community Wellbeing			-
Forestry	4		4
Business Units	8	400	408
Total other activities	12	400	412
Totals	22,880	54,000	76,880

- 5.5 Internal borrowing has occurred over many years where surplus cash is used to fund these activities before resorting to borrowing externally. In essence Council's treasury function acts as an internal bank. The interest charged to the activities, becomes income to the Treasury, offsetting the external charge. This means that overall Council only discloses the external borrowing costs in the Comprehensive Revenue and Expenditure Statement.

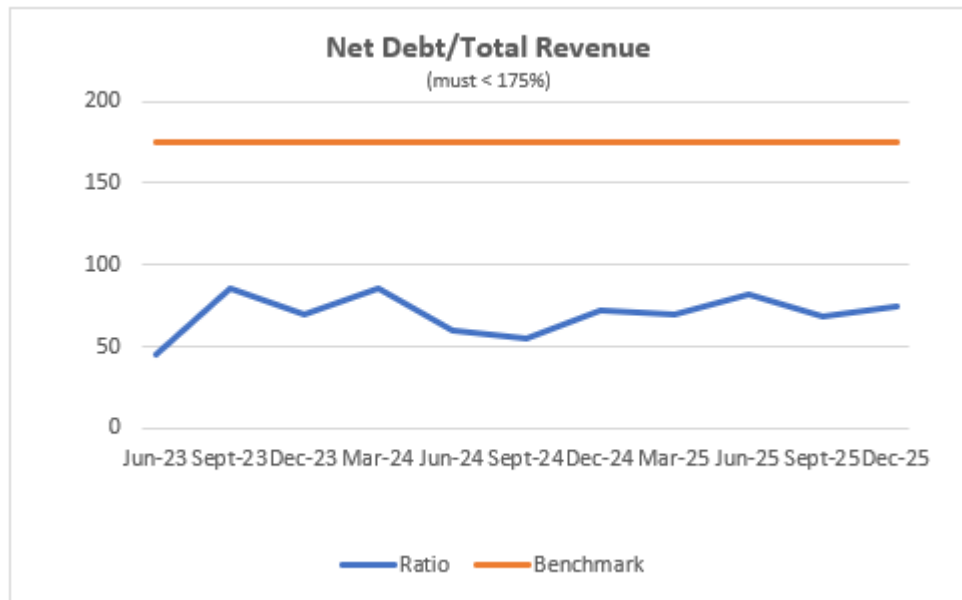
6. Borrowing Ratios

6.1 Council’s Long-Term Plan 2024-34 (pages 152 and 153) includes two Liquidity Ratio Benchmarks set by the LGFA. Incorporating the figures above, Council’s YTD performance in relation to these benchmarks is as follows (note these ratios are currently included in a more detailed report that is provided to each Risk and Assurance Committee).

6.2 Net Debt/Total Revenue must not exceed 175%:

- Debt \$54.0m
- Bank \$13.8m
- Corporate Bonds \$1.2m
- Notional Net Debt \$39.0m
- YE Revenue \$56.0m

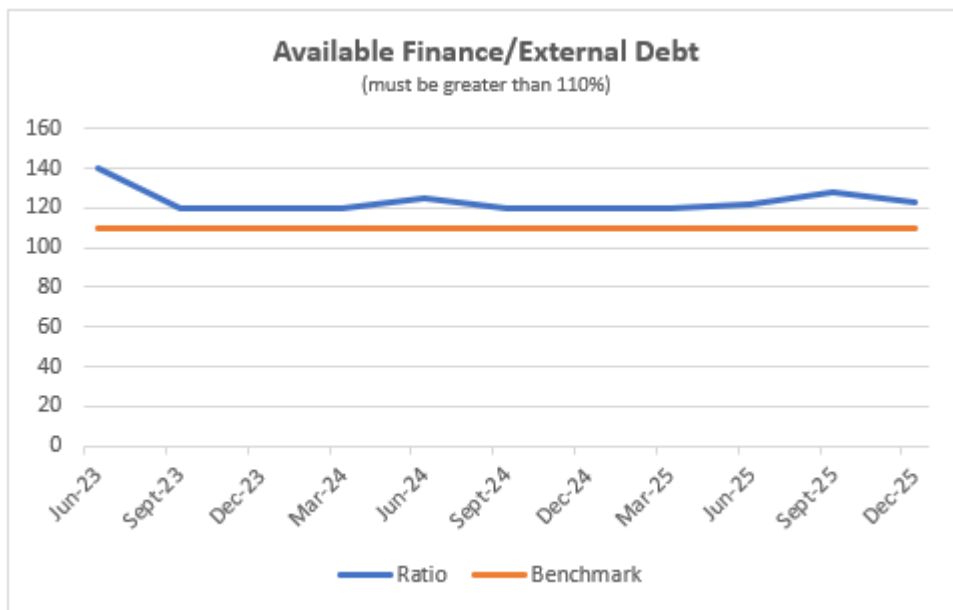
Net Debt/Total Revenue 70%



6.3 External debt plus committed facilities plus Liquid Assets (available finance) divided by external debt must be greater than 110%:

- External Debt \$54.0m
- Bank/Deposits \$ 13.8m
- Available Finance \$67.8m

Available Finance divided by External Debt 125%



Note: Council's 2024/25 Annual Report includes similar trend analyses for the past 5 year-ends (Page 112).

6.4 Sustainability

Sustainability**Balance Budget Ratio** **98%**

Operating Revenue YTD	\$38.0m
Operating Expenditure YTD	\$38.8m

This is a Prudential Benchmark reported under the Local Government (Financial Reporting and Prudence) Regulations 2019. Operating Revenue should be equal or more (i.e., over 100%) to meet this benchmark. Operating revenue is described above. Operating expenditure includes depreciation and excludes losses on revaluations, increases in landfill after-care provisions and loss on derivatives if applicable.

Net Debt to projected revenue (LGFA covenant) **70%**

Total net borrowing	\$39m
Total projected operating revenue	\$56m

This is also a prudential benchmark set in our Treasury Policy and also a LGFA Covenant maximum of 175%. Net debt is defined as external borrowing less cash in the bank.

Net Interest to rates revenue (LGFA covenant) **4.9%**

Net Interest YTD	\$ 1.3m
Rates Revenue YTD	\$ 26.4m

This is also a prudential benchmark set in our Treasury Policy. Our set limit is 25% of rates revenue. Net interest is Interest paid less interest received.

Interest to operating revenue (LGFA covenant) **3.4%**

Net Interest	\$ 1.3m
Operating revenue	\$37.9m

This is also a prudential benchmark set in our Treasury Policy. Our set limit is 20% of operating revenue.

Liquidity benchmark (LGFA covenant) **125%**

External Debt plus cash	\$67.8m
External debt	\$54.0m

This is also a prudential benchmark set in our Treasury Policy. Our set limit is greater than 110%. This benchmark is calculated by dividing external debt plus cash by external debt.

Attachments:

1. Finance Snapshot Report - February 2026 [↓](#)

Recommendation

That the report Finance Snapshot - February 2026 be received.

Whole of Council

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(37,998)	(37,917)	81	0%	(56,285)
Subsidies and Grants	(8,238)	(7,731)	507	7%	(15,145)
Other Revenue	(3,028)	(3,433)	(405)	-12%	(5,055)
Finance Revenue	(237)	(354)	(117)	-33%	(459)
Gains	(47)	0	47	100%	(53)
Rates	(26,447)	(26,399)	48	0%	(35,573)
Total Expense	38,833	40,617	1,784	4%	61,159
Other Expenses	16,077	16,703	626	4%	25,283
Personnel Costs	8,269	8,488	219	3%	12,728
Finance Costs	1,578	2,066	488	24%	3,100
Depreciation	12,896	13,360	464	3%	20,048
Losses	13	0	(13)	-100%	0
Grand Total	835	2,700	1,865	69%	4,874

Variances > \$100k: Comment

Commentary provided in the following Group Summaries.

Corporate Services and Support

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(595)	(533)	62	12%	(691)
Other Revenue	(87)	(10)	77	776%	(15)
Finance Revenue	(237)	(354)	(117)	-33%	(459)
Gains	(47)	0	47	100%	(53)
Rates	(8,454)	(8,398)	55	1%	(11,135)
Rate Apportionment	8,229	8,229	(0)	0%	10,972
Total Expense	(391)	(202)	189	-93%	(303)
Other Expenses	1,778	2,349	571	24%	3,525
Personnel Costs	6,090	6,513	423	7%	9,766
Finance Costs	(537)	(243)	293	121%	(365)
Depreciation	672	496	(176)	-35%	744
Overhead Allocation	(8,406)	(9,317)	(911)	-10%	(13,973)
Losses	13	0	(13)	-100%	0
Grand Total	(986)	(735)	251	34%	(994)

Variances > \$100k: Comment

- Finance Revenue is under budget reflecting lower interest rates.
- Other Expenses are under budget, reflecting timing differences in planned expenditure for both information services licence fees and contractor costs
- Personnel Costs are under budget, reflecting open vacancies yet to be filled and budget for some positions being paid directly from other council activities instead of through support overheads, (notably 3 Waters and Regulatory Services), with no impact at a total council level
- Finance Costs are under budget, reflecting underspends in the capital programme reducing the requirement for borrowed funds along with more favourable interest rates than planned.
- Depreciation is over budget and it is offset by favourable budget variances across other council activities (historic fleet purchases are still showing against the fleet cost centre)
- Overhead allocation is under budget, reflecting the lower than planned operational costs to date as mentioned above which get reallocated across the various council activities below

Community

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(4,813)	(5,107)	(294)	-6%	(9,412)
Subsidies and Grants	(541)	(706)	(165)	-23%	(3,460)
Other Revenue	(475)	(605)	(130)	-21%	(891)
Finance Revenue	0	0	0	0%	0
Gains	(1)	0	1	100%	0
Rate Apportionment	(3,796)	(3,796)	(0)	-0%	(5,061)
Total Expense	5,482	5,595	113	2%	8,442
Other Expenses	1,794	2,128	334	16%	3,240
Personnel Costs	78	81	4	4%	122
Finance Costs	448	468	20	4%	702
Depreciation	1,682	1,571	(111)	-7%	2,358
Overhead Allocation	1,480	1,347	(133)	-10%	2,021
Losses	0	0	0	0%	0
Grand Total	668	488	(180)	-37%	(970)

Variances > \$100k: Comment

- Subsidies and Grants are under budget which is principally a timing issue mainly with Better off Funding
- Other Revenue is under budget due to rental income from land and buildings being lower than planned to date. In addition, the "Swimming for All" grant has not been received as a result of the ongoing closure of the Marton Pool.
- Other Expenses is under budget reflecting costs being lower than planned with the closure of Marton Pool
- Depreciation is over budget as it is offset by an under budget in Parks and Reserves as previous Parks and Reserves used to fall under Community - Domains
- Overhead Allocation is over budget

Community Leadership

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(2,183)	(2,146)	37	2%	(2,867)
Other Revenue	(56)	(20)	36	182%	(32)
Rates	(52)	(51)	1	1%	(68)
Rate Apportionment	(2,076)	(2,076)	0	0%	(2,768)
Total Expense	1,706	1,913	206	11%	2,873
Other Expenses	795	816	21	3%	1,228
Depreciation	0	0	0	0%	0
Overhead Allocation	912	1,097	185	17%	1,645
Grand Total	(477)	(234)	243	104%	6

Variances > \$100k: Comment

Regulatory Services

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(2,495)	(2,784)	(289)	-10%	(3,971)
Other Revenue	(1,276)	(1,566)	(289)	-18%	(2,346)
Rate Apportionment	(1,219)	(1,219)	0	0%	(1,625)
Total Expense	2,413	2,643	230	9%	3,965
Other Expenses	290	445	155	35%	668
Personnel Costs	1,130	1,085	(44)	-4%	1,627
Depreciation	12	47	35	74%	71
Overhead Allocation	981	1,066	84	8%	1,598
Grand Total	(82)	(141)	(59)	-42%	(7)

Variances > \$100k: Comment

- Other Revenue is under budget with consent fee revenue being lower than planned to date.
- Other Expenses is under budget reflecting lower volumes favourably impacting both licence fees and contractor costs

Roothing and Footpaths

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(15,584)	(14,924)	660	4%	(22,235)
Subsidies and Grants	(7,451)	(6,845)	606	9%	(11,442)
Other Revenue	(95)	(120)	(24)	-20%	(179)
Rates	(8,038)	(7,960)	78	1%	(10,613)
Total Expense	17,245	17,809	564	3%	26,889
Other Expenses	6,518	6,181	(337)	-5%	9,442
Personnel Costs	(0)	0	0	100%	0
Finance Costs	392	373	(19)	-5%	559
Depreciation	7,632	8,015	383	5%	12,027
Overhead Allocation	2,704	3,241	537	17%	4,860
Losses	0	0	0	0%	0
Grand Total	1,661	2,885	1,224	42%	4,654

Variances > \$100k: Comment

- Subsidies and Grants is over budget principally driven by a timing issue caused by the straight-line profiling of the Roothing programme plan for budgeting purposes versus the actual completion of rooding works.
- Other Expenses is over budget reflecting timing differences in planned expenditure along with the unbudgeted costs incurred for the February storm recovery (which is also favourably impacting Subsidies and Grants revenue).
- Depreciation is under budget due to the revaluation of rooding assets being lower than planned which results in a lower level of depreciation
- Overhead allocation, under budget reflecting the lower than planned operational costs to date.

Rubbish and Recycling

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(2,186)	(2,406)	(220)	-9%	(3,299)
Subsidies and Grants	(244)	(178)	66	37%	(240)
Other Revenue	(704)	(1,013)	(309)	-31%	(1,440)
Rates	(1,089)	(1,066)	24	2%	(1,421)
Rate Apportionment	(149)	(149)	0	0%	(199)
Total Expense	2,117	2,244	127	6%	3,367
Other Expenses	1,524	1,613	90	6%	2,421
Finance Costs	10	2	(8)	-508%	2
Depreciation	58	54	(4)	-8%	81
Overhead Allocation	524	575	51	9%	862
Grand Total	(70)	(162)	(92)	-57%	68

Variances > \$100k: Comment

- Other Revenue is under budget with Waste Transfer revenues being lower than planned to date. This is offset by other expenses being lower than planned reflecting the cost to council for disposal also being lower than planned.

Parks and Reserves

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(1,068)	(1,056)	12	1%	(1,417)
Subsidies and Grants	(2)	(2)	0	22%	(3)
Other Revenue	(76)	(65)	11	18%	(95)
Rate Apportionment	(989)	(989)	(0)	-0%	(1,319)
Total Expense	666	833	168	20%	1,250
Other Expenses	228	283	55	19%	425
Finance Costs	8	6	(1)	-24%	9
Depreciation	21	129	108	84%	194
Overhead Allocation	408	415	7	2%	622
Grand Total	(402)	(223)	179	81%	(167)

Variances > \$100k: Comment

Depreciation is under budget as it is offset by an over budget in Community

Water, Sewerage & Stormwater

Activity Report For the Period Ending 28 February 2026	YTD Actuals	YTD Budgets	YTD Variance	YTD Percentage Variance	2025/2026 Annual Plan
	\$000	\$000	\$000		\$000
Total Revenue	(9,073)	(8,960)	113	1%	(12,393)
Other Revenue	(258)	(35)	223	637%	(58)
Finance Revenue	0	0	0	0%	0
Rates	(8,814)	(8,924)	(110)	-1%	(12,336)
Total Expense	9,594	9,780	186	2%	14,676
Other Expenses	3,151	2,888	(263)	-9%	4,333
Personnel Costs	972	808	(164)	-20%	1,213
Finance Costs	1,257	1,461	204	14%	2,192
Depreciation	2,818	3,048	230	8%	4,573
Overhead Allocation	1,397	1,576	180	11%	2,364
Grand Total	522	821	299	36%	2,283

Variances > \$100k: Comment

- Other Revenue is over budget as rent has been received on the land bought for Marton to Bulls waste water project. Rent received covers the previous year and year to date.
- Other Expenses is over budget reflecting higher than budgeted expenditure on repairs to the rural water schemes and higher electricity rates.
- Personnel Cost is over budget due to overtime and allowances paid, exceeding the savings from current vacancies. This is largely off set by savings in Corporate Services and Support for other water support overhead.
- Finance Costs – under budget reflecting underspends in the capital programme reducing the requirement for borrowed funds along with more favourable interest rates than planned
- Depreciation is under budget due to the revaluation of water assets being lower than planned which results in a lower level of depreciation
- Overhead allocation, under budget reflecting the lower than planned operational costs to date as mentioned above which get reallocated across the various council activities below

Rangitikei District Council
Capital Expenditure Summary
For the period ending 28 February 2026

2025/26 Annual Plan	Function / Project	2025/26 YTD Actuals February	2025/26 YTD Budgets February	2025/26 YTD Variance February	YTD Percentage Budget	2025/26 Revised Budget	2025/26 Full Year Forecast
2,332,942	Corporate Services and Support	561,253	1,447,790	886,537	24.83%	2,260,739	2,590,739
2,160,346	Information Services	261,952	1,273,344	1,011,392	13.71%	1,310,000	1,310,000
11,300,647	Community	1,731,866	4,378,074	3,246,208	15.20%	11,393,574	7,270,382
931,211	Domains	184,033	674,674	490,641	17.82%	1,032,803	982,803
680,211	4410170630. Taihape Grandstand	34,625	457,928	423,303	4.39%	633,573	633,573
7,085,034	Halls	662,658	2,866,144	2,203,486	3.32%	7,113,336	2,903,370
4,000,000	4090174504. Taihape Town Hall and Library Rr	224,458	1,539,530	1,315,072	5.61%	3,938,584	1,600,000
3,000,000	4090174505. Marton Building Design & Constn	411,046	1,201,814	790,768	13.68%	3,005,442	1,200,000
2,858,211	Swim Centres	452,501	1,191,406	738,905	15.73%	2,875,389	2,675,389
2,700,000	4000170613. -103 New Roof and insulation for	406,085	1,080,000	673,915	15.04%	2,700,000	2,500,000
7,855,086	Roading and Footpaths	5,021,161	5,864,930	843,769	52.86%		9,194,049
668,051	Non-Subsidized Rooding	3,243	527,410	518,161	1.01%	6,000,000	603,046
7,187,035	Subsidized Rooding	5,011,911	5,337,520	325,609	58.38%	6,000,000	8,585,003
493,375	70100780. Unsealed Road Metaling & Rehabili	307,400	365,096	57,696	54.34%	565,728	565,728
1,890,218	70100781. Sealed Road Pavement Rehabilitatio	1,920,823	1,255,004	(665,819)	102.17%	1,873,933	1,873,933
385,000	70100782. Drainage Renewals (213)	523,558	603,400	73,842	60.28%	878,468	878,468
617,500	70100783. Structures Components Replacemei	164,900	430,420	325,520	21.28%	775,009	775,009
2,562,305	70100787. Sealed Road Surfacing (212)	1,750,571	1,345,376	195,405	57.63%	3,037,652	3,037,652
17,824,713	Water, Sewerage & Stormwater	3,041,245	12,550,554	9,509,309	15.34%	19,826,918	13,004,947
2,763,120	Stormwater	243,743	2,052,454	1,802,711	7.36%	3,394,242	1,998,416
603,078	6050177203. Bredins Line New Outfall	7,702	401,380	394,278	1.28%	602,850	346,066
511,000	6050177207. Hunterville Network Upgrade	68,525	340,664	272,139	13.41%	511,000	307,062
313,800	6050177208. Marton Skerman St Upgrade	64,308	613,200	548,892	6.39%	319,800	1,033,807
5,210,177	Waste Water - Sewerage	875,796	3,853,218	2,977,422	13.79%	6,343,462	4,550,680
766,500	6070176204. Wastewater Reticulation	121,590	686,790	565,200	3.40%	1,293,870	1,300,000
1,440,430	6070176206. Marton to Bulls Centralization Pi	431,935	355,486	463,551	34.50%	1,425,364	1,425,364
301,051	6070177108. Taihape Wastewater Treatment Pl	21,366	531,766	570,400	2.44%	874,237	300,000
1,165,625	6070177111. Rotana Complete Upgrade	8,517	765,430	756,913	0.75%	1,130,675	100,000
3,307,383	Water - District	1,881,972	6,273,434	4,391,462	13.78%	3,512,301	5,884,938
7,450,003	6060174503. Marton Water Strategy	678,734	4,360,072	4,281,338	3.13%	7,430,203	2,200,000
750,000	6060176401. Water Supply Renewals	767,725	515,720	(252,005)	36.31%	737,160	2,400,000
39,556,422	Grand Total	10,425,421	25,006,946	14,581,525	24.11%	43,233,326	32,338,153

The above summary shows capital budget variances split by function with the larger budgets (>\$500k) for projects being shown separately. The capital programme was originally approved as part of the 2025/26 Annual Plan at \$39.6m. Subsequently revised to \$43m to include carry forwards as approved by Council in September 2025 and subsequent council resolutions approved to date. As part of the budgeting for 2026/27, the capital programme for 2025/26 was reviewed and revised down to a forecast spend of \$32.3m. To date, expenditure totals \$10.4m (being 24.1% of the revised full year budget).

8.2 Fee Waiver - 01 July 2025 to 31 December 2025**Author:** Leanne Macdonald, Group Manager - Corporate Services**Authoriser:** Carol Gordon, Chief Executive**1. Reason for Report**

1.1 In accordance with Schedule 3 Section 15 of Council's Delegations to Positions Policy, to report to Finance/Performance Committee any fee waivers relating to building consents, liquor licensing fees, hire of Council facilities or similar fee waiver requests.

2. Context

2.1 S15 of Council's Delegation states that, the Chief Executive (CE) has delegation:

In conjunction with the Group Manager – Corporate Services, to waive up to \$2,000 for requests for fee waivers relating to building consents; liquor licensing fees; hireage of Councils facilities (parks, halls); or similar minor requests. Any waiver and amount are recorded and available for audit purposes and reported to the Finance / Performance Committee on a quarterly basis.

Due to the timing of the elections, the quarterly report for July to 30 September 2025 was delayed and combined with the final quarter of 2025.

3. Discussion and Options Considered

3.1 The CE waived 18 sets of fees totalling \$6,512 for the period 01 July 2025 to 31 December 2025.

3.2 The top four waivers were for the Bulls & District Community Trust "Arts for Art Sake" (\$1,331), the Hunterville Huntaway Festival (\$890), All Points Camping Club NZ (\$890) and the RDC Youth HQ (\$585).

21.07.25	Marion Junction Primary School	Memorial Hall	Basketball training for Term 3 to September 2025	330.00
18.08.25	RDC – Youth HQ	Memorial Hall	Use of top floor Memorial Hall 3 days a week to run Youth HQ for 3-month trial (50% waiver of costs)	585.00
21.08.25	Marion & District Budget Services	Memorial Hall	Social Services Expo – 23 August	155.00
29.08.25	South Makirikiri School	Marion Park	9 school rugby tournament – 5 September	255.00
05.09.25	Rachael Lovelock	Memorial Hall	Kids Market Day – morning of 6 September	160.00
10.09.25	Bulls & District Community Trust	Te Matapihi	Pink Ribbon Event 9 October	117.00
12.09.25	Te Kōtuku Hauora	Memorial Hall	Car seat checks	100.00
21.10.25	Marion Rotary Club	Village Green	Application fee for exempt building work - to erect Christmas Tree	360.00

23.10.25	Mangaweka School	Mangaweka Hall	School Art Exhibition 25 October	155.00
11.11.25	Huntermville Huntaway Festival	Huntermville Domain	Shemozzle 1 December	890.00
11.11.25	All Points Camping Club of NZ	Bulls Domain	CampFest March 2026	890.00
25.11.25	Bulls & District Community Trust	Te Matapihi Hall	Art for Arts Sake (June/July) 2026 – 14 days	1,331.00
28.11.25	Taihape Dressage Group	Kokako Hall	Taihape Dressage Christmas Champs	305.00
3.12.25	Sport Whanganui	Marton Park	Ki o Rahi Community Event – 16 January	230.00
		Taihape Domain	Ki o Rahi Community Event – 22 January	230.00
		Bulls Domain	Ki o Rahi Community Event – 15 January	230.00
8.12.25	Mangaweka School	Mangaweka Hall	End of Year Prizegiving	100.00
19.12.25	Taihape Vintage Car Club	Huntermville Domain	Car Club Picnic 1 January	89.00
				\$6,512.00

ITEM 8.2

4. Financial Implications

4.1 Total cost of the waivers equates to \$6,512.00. However, this does not account for any additional spend (if any) that may occur in the district due to the events.

5. Conclusion

5.1 It is Council practice to permit the Chief Executive to use their discretion to waive fees when the situation is appropriate. For transparency these fees are subsequently reported to the Finance/Performance Committee, typically, on a quarterly basis.

6. Decision Making Process

6.1 This is a report for information, and no decision is required.

Recommendation

That the report Fee Waiver - 01 July 2025 to 31 December 2025 be received.

8.3 Debt Collection Update

Author: Lorraine Bergen, Manager Financial Services

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide Finance/Performance Committee with an update of Council's debt collection activity, as managed through MWLASS.

2. Context

- 2.1 MWLASS collects outstanding debt, primarily rating debt, for 40 Councils. The first page summarises the collection progress year-to-date.
- 2.2 For the 2025/26 year to 28 February 2026, MWLASS has collected \$600.6k for Rangitikei District Council and currently has 342 active files that they manage on our behalf.
- 2.3 Of the 342 files sitting with MWLASS, 163 have been paid in full, 145 are actively managed and the remaining are work in progress, either seeking more information, Māori land, legal action, mortgagee process or in default.
- 2.4 When MWLASS exhaust all options for finding a resolution with the property owners to meet their legal obligations, or the property has been deemed abandoned, MWLASS will commence legal action on behalf of the District Council (and often the Regional Council). This is a last resort however.
- 2.5 Year to date Council has initiated court proceedings for declaring two parcels of land abandoned.
- 2.6 The Department of Internal Affairs (DIA), provides financial assistance to low-income homeowners to help reduce the cost of their local council rates through the Rates Rebates scheme – rebate is currently \$805 per annum. Council administers the scheme on behalf of DIA. For year to date to March 2026, 568 claims totalling \$461k have been processed.

3. Discussion and Options Considered

- 3.1 No options are required.

4. Financial Implications

- 4.1 MWLASS charges a flat collection fee of 10% for all debt collected, except for the mortgagee process. If a single payment is received from a mortgagee demand, MWLASS charges a fixed fee of \$40 + GST. MWLASS also on-charge direct costs such as court fees, which can be covered (in part or in full) upon the successful sale of a property.

5. Impact on Strategic Risks

- 5.1 Council will not be able to be able to meet the funding of its operational and capital programme if revenue budgeted within Long Term Plans and Annual Plans is not collected.

6. Strategic Alignment

6.1 This aligns to our Financial Strategy as part of the long-term planning.

7. Mana Whenua Implications

7.1 Mana Whenua implications are considered as part of long-term planning and also considered under the Local Government (Rating) Act 2002.

8. Climate Change Impacts and Consideration

While not specific to the activity of collecting rates, climate change impacts are considered as part of developing the Long-Term Plan.

9. Statutory Implications

9.1 Council has a responsibility to collect the rates adopted as part of setting rates annually and ensuring rate payers meet their obligations under the Local Government (Rating) Act 2002 to pay their annual property rates.

10. Conclusion

10.1 This is a regular report for information that officers present to ensure Council is aware of the ongoing debt collection process.

11. Decision Making Process

11.1 The level of significance is low as this is a report for information only.

Attachments:

1. **MWLASS Debt Collection Summary 28 February 2026** [↓](#)

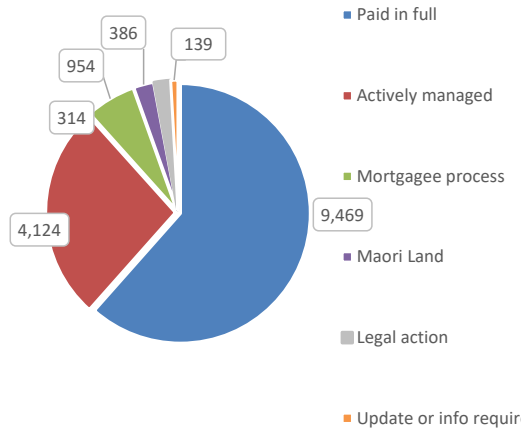
Recommendation

That the report Debt Collection Update be received.

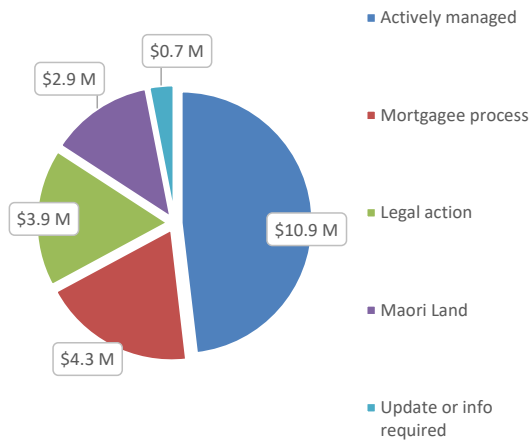
Dashboard

28-Feb-26

Summary of all files 15,386



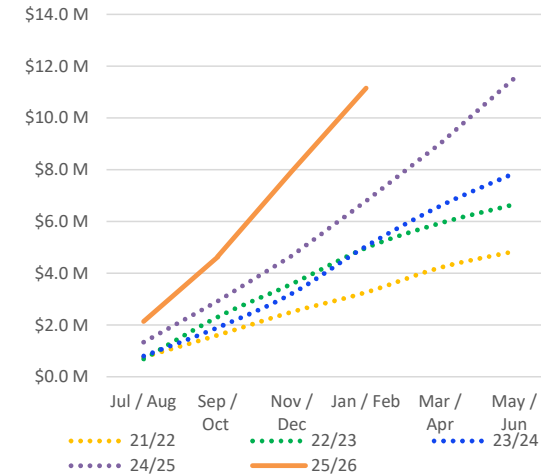
Summary of active files \$22.7 M



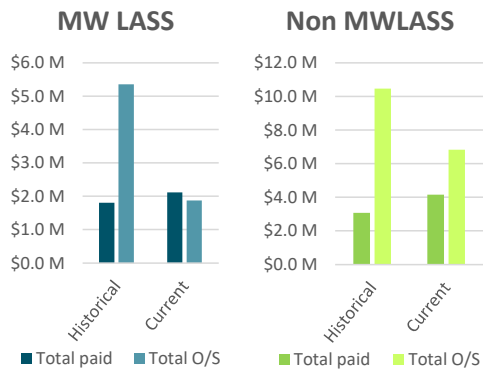
MW LASS

Total collected YTD \$11.2 M

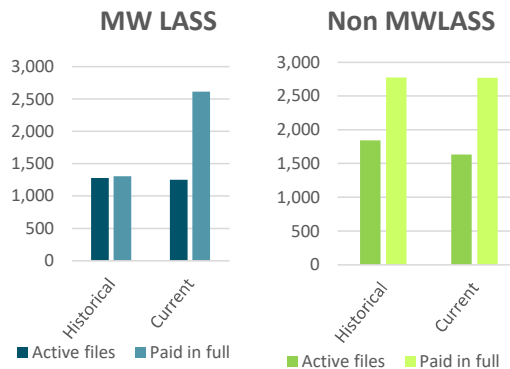
Payment Comparison



Debt Overview



File Overview



Comments:

DMC have collected \$11.2M this financial year. The team have now collected as much as the full last FY with 4 months to go this FY. There is still a large volume of mortgagee demands to be paid and there is still Councils loading new debt.

DMC have now had 8,270 new files loaded so far this financial year totaling \$14.8M. 42% of new debt loaded has been paid in full.

386 legal files are being managed and 91 have been closed. Payments of \$1.1M can be attributed to legal files.

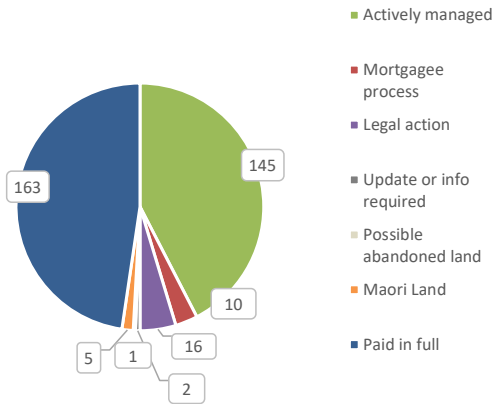
Dashboard

28-Feb-26

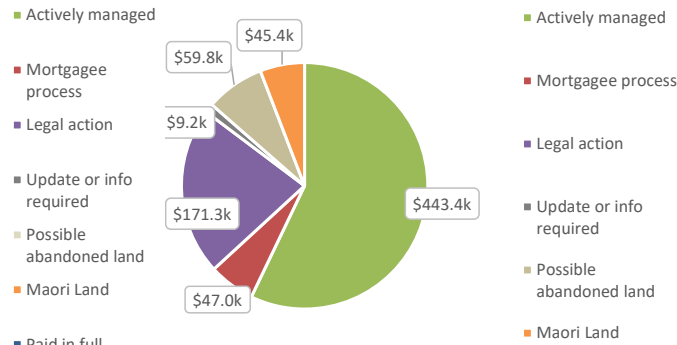
Debt Type (Multiple Items)



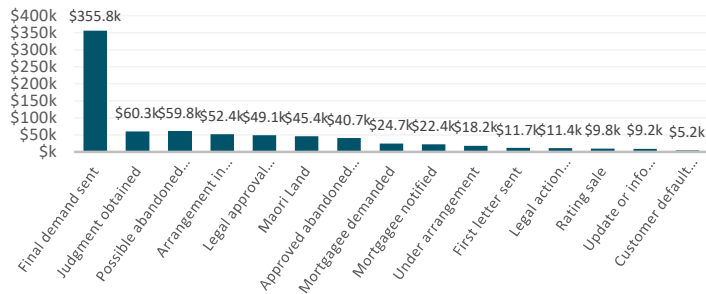
Summary of all files **342**



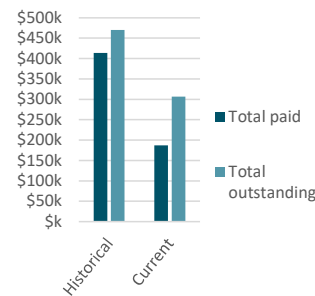
Summary of active files **\$ 776.2k**



Status of active files



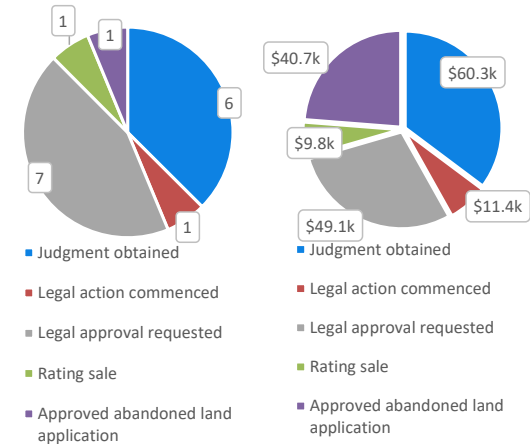
Debt Overview



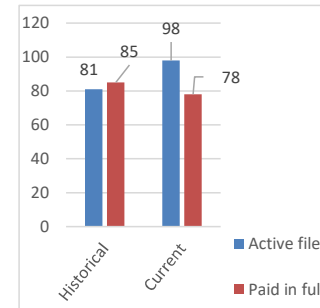
Rangitikei District Council

Total collected YTD \$ 600.6k

Summary of legal files



File Overview



8.4 LGFA - General Information

Author: Lorraine Bergen, Manager Finance

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

1.1 To provide the Finance/Performance Committee with New Zealand Local Government Funding Agency (LGFA) draft Statement of Intent (SOI) for 2026-2029.

1.1 The covering letter provides a high-level summary of areas of focus and points worth noting.

1.2 This draft SOI and letter are tabled for information purposes.

2. Discussion and Options Considered

Highlights identified include –

2.1 SOI assumes that LGFA will commence lending to water CCO's in 2027 as the Local Water Done Well programme is implemented.

2.2 Profitability is expected to be strong with net profit averaging \$25.4m per annum over the three-year period.

2.3 Gross bond issuance has been assumed to increase year on year and reach \$5.84b by the end of year 3.

2.4 Overall LGFA's focus remains on sustainability, assisting councils to implement Local Water Done Well, stakeholder engagement, meeting financial targets, and monitoring sector credit quality.

3. Financial Implications

3.1 There are no financial implications to Council.

4. Impact on Strategic Risks

4.1 There is no strategic risk associated with the receiving of this report.

5. Strategic Alignment

5.1 Receiving updates, including quarterly and annual reports as well as statements such as this from LGFA aligns to meeting our Financial Strategy.

6. Mana Whenua Implications

6.1 No implications associated with receiving this report.

7. Climate Change Impacts and Consideration

7.1 There are no climate change impacts and considerations from receiving this report.

8. Statutory Implications

8.1 LGFA is meeting their Statutory Obligations by sharing reports of this nature with their shareholders/stakeholders.

9. Conclusion

- 9.1 This is a draft Statement of Intent 2026-2029 from LGFA for the Finance/Performance Committee to receive.
- 9.2 Once feedback has been considered by the LGFA board a final version of the SOI will be provided to shareholders, by 30 June 2026.

10. Decision Making Process

- 10.1 No decision is required.

Attachments:

1. **LGFA - Draft Statement of Intent 2026-2029** [↓](#)
2. **LGFA - Covering letter dated 27 February 2026 - Draft Statement of Intent 2026-2029**
[↓](#)

Recommendation

That the report LGFA – General Information, including the Draft Statement of Intent 2026-2029 and covering letter be received.



2026 – 2029

Statement of Intent (Draft)



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 2026 to 30 June 2029.

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

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

2. Nature and scope of activities

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

In August 2024, LGFA confirmed that it will provide financing to support water CCOs established under Local Water Done Well.

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

LGFA only lends to members that have completed 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.

The LGFA Board has agreed subject to receiving shareholder approval to support the development tfo the Ratepayer Assistance Scheme (RAS).

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.



Cover: The Amberley Beach Proactive Relocation Project. **Hurunui District Council**

Above: Papa Rererangi i Puketapu Solar Farm, the first project financed under our GS Renewable Energy category. **New Plymouth District Council**

4. Our values Ō mātau uara

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

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

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

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

6. Strategic priorities

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

Governance, capability, and business practice

LGFA is committed to 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 its members. 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 member'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.



Upgrading of the seawall at The Strand. Tauranga City Council

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2026-2029.

The financial performance targets are focused on the 2026-2027 year and, as applicable, are based on the financial forecasts outlined in section 8.

Governance, capability, and business practice

Objectives	How we measure our performance
Demonstrate best-practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
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 Report, Half Year Report and Climate-Related Disclosures.
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	2026-2027 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2027.	>\$48.8 million.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2027.	<13.3 million.

Optimising financing services for local government

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

Performance targets	2026-2027 target
Share of aggregate long-term debt funding to the Local Government sector. The market share excludes entities who are ineligible for borrowing from LGFA e.g. water entities not financially supported by their parent councils.	> 80%
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
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, and to encourage a reduction in greenhouse gas emissions and increase climate-resilience amongst borrowers. We do this through the development of lending products such as Green, Social & Sustainability (GSS) loans and Climate Action Loans (CALs). This objective will be measured by the number of new GSS loans and the number of new members eligible for CALs.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions, increasing our resilience to climate change, and managing our climate-related risks and opportunities. To do this effectively, climate change considerations will be embedded into our governance, strategy and risk management functions.

Performance targets	2026-2027 target
Health and Safety.	No notifiable incidents.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.
Develop a LGFA carbon management policy.	LGFA carbon management policy completed.
Increase our GS lending book and Climate Action Loans.	Two new GS loans undertaken and two new borrowers enter into CALs.
Develop a sustainable financing option for the water sector.	The new sustainable financing product is utilised by water entities.
Enhance our insight into climate-related risks through council lending.	Climate change is incorporated into LGFA's credit risk assessments.

Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies. Analyse finances at the Council group level where appropriate and report to shareholders.	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. Member councils are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	Number of members visited in a year.
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA will be able to ensure the successful transition of existing council water-related loans to Water CCOs (if requested by a council).

Performance targets	2026-2027 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions. Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA. Provide the opportunity for a Council or CCO staff member to enhance their governance understanding and skills through the LGFA Future Director Programme.
Support the local government sector with the transition to the Local Water Done Well Reforms by assisting with the development options for the Water Services Delivery Plans and communicating our requirements (lending, financial covenants, reporting), as well as loan pricing guidance, implementation considerations and views on best practice.	Report on our sector-wide engagement and initiatives with assisting members' transition to the Local Water Done Well Reforms.

Performance targets	2026-2027 target
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs.
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Nine meetings across stakeholders.
Support councils with Local Water Done Well by providing timely and responsible advice for on-boarding water CCOs.	On-boarding process is underway for all water CCOs who have requested it.
Provide a governance opportunity for a council or CCO staff member under the LGFA Future Director Programme.	One Future Director appointed for an 18 month term.



The Amberley Beach Proactive Relocation Project. Hurunui District Council

8. Financial forecasts

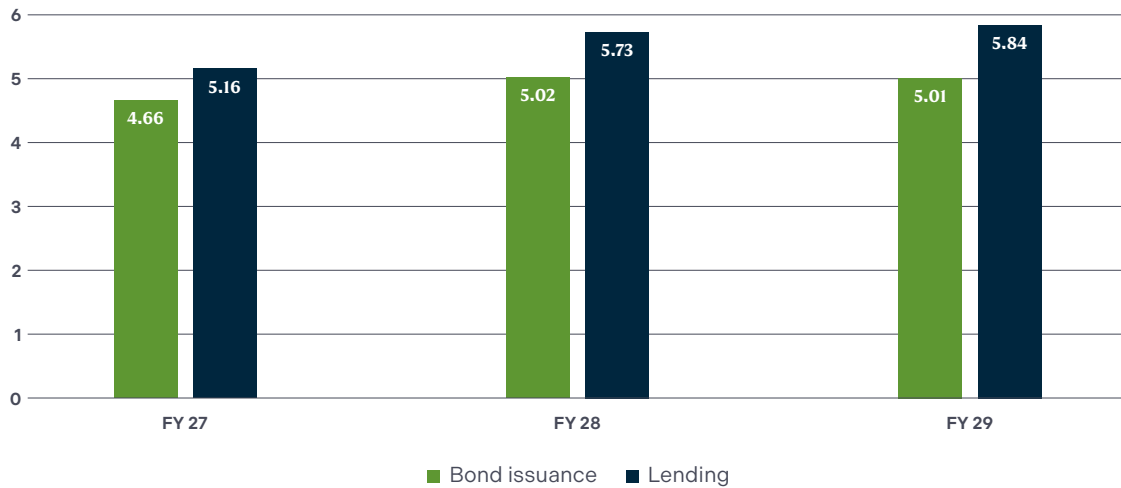
LGFA's financial forecasts for the three years to 30 June 2029:

Summary comprehensive income \$m	Jun 27	Jun 28	Jun 29
Net interest income	46.9	45.9	47.9
Other operating income	1.9	1.9	1.9
Total income	48.8	47.8	49.8
Operating expenses ¹	21.6	23.3	25.2
Net profit	27.2	24.5	24.6
Financial position \$m	Jun 27	Jun 28	Jun 29
Liquid assets portfolio	5,042	5,279	6,791
Loans	25,134	26,463	26,748
Other assets	-	-	-
Total assets	30,176	31,742	33,539
NZD bonds on issue (ex Treasury stock)	17,000	17,726	18,434
FCY bonds on issue	10,242	10,779	11,952
Bills & ECP on issue	1,844	1,844	1,844
Borrower notes	879	1,030	1,139
Other liabilities	-	-	-
Total liabilities	29,965	31,378	33,368
Capital	25	25	25
Retained earnings	166	189	212
Dividend	(2)	(2)	(2)
Shareholder equity	189	212	235
Ratios	Jun 27	Jun 28	Jun 29
Liquid assets/funding liabilities	17.9%	17.9%	21.5%
Liquid assets / total assets	16.7%	16.6%	20.2%
Net interest margin	0.19%	0.17%	0.18%
Cost to income ratio	44.3%	48.7%	50.6%
Return on average assets	0.09%	0.08%	0.07%
Shareholder equity/total assets	0.6%	0.7%	0.7%
Shareholder equity + BN/total assets	3.5%	3.9%	4.1%
Asset growth	9.4%	5.2%	5.7%
Loan growth	5.9%	5.3%	1.1%
Return on equity	16.6%	13.0%	11.6%
Capital ratio	17.7%	19.6%	20.5%

1. Operating Expenses include Approved Issuer Levy (AIL)

The following graph shows the volumes for the assumed bond issuance programme and lending to councils over the forecast period.

Forecast gross issuance and lending volumes over 3-year period (\$billion)



Note: The forecasts include consideration that LGFA will provide financing to support water CCOs established under Local Water Done Well. However, there is a level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the timing of the establishment of water CCOs and the impact on councils.

Our council lending and LGFA bond issuance forecasts include LGFA lending to the proposed water CCOs if they meet our qualifying criteria for membership. We have assumed we will not be lending to financially independent water CCOs such as Watercare as they are unlikely to meet the qualifying criteria. As at the date of release, there have been no Water Services Delivery Plans approved and no final decisions made regarding the transfer mechanism for assets, liabilities and revenue from each council to the proposed water organisations.

Ratepayer Assistance Scheme

LGFA is supporting the development of the Ratepayer Assistance Scheme (RAS) that will assist ratepayers with the ability to defer rates, enter property improvement loans and spread the payment of development contributions (or levies) over a long time horizon. LGFA has committed to financially contribute to the RAS business case in the 2024-25 FY. If the business case is supportive and the RAS proceeds then (subject to shareholder approval), LGFA will consider taking a shareholding, providing a debt facility, providing support services, investing in preference shares (akin to the LGFA Borrower Notes) and managing the RAS debt issuance programme. The LGFA participation in RAS has not been factored into the above financial forecasts.

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 seven directors with six 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.

Climate-Related Disclosures

By 30 September each year, the Company will produce Climate-Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

The Climate Standards require the Company to disclose climate-related information across the following four thematic areas:

- Governance
- Strategy
- Risk management
- Metrics and targets.

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.
- Unaudited 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 Borrowers (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. A Statement of accounting policies is attached to this SOI.

[Not included in draft. To be included in final release version]



27 February 2026

Dear Shareholder

Draft Statement of Intent 2026-2029

Please find attached a copy of our draft Statement of Intent (SOI) for 2026-2029.

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

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

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

For our shareholders we are focused on

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

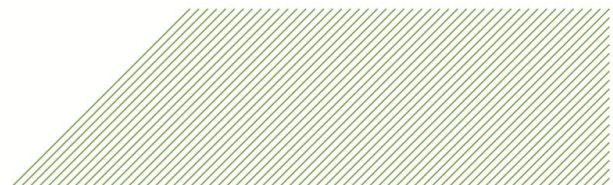
For our guarantors we are focused on

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

The following points regarding the draft SOI 2026-29 are worth noting:

- This draft SOI, including financial forecasts covers the financial years 2026-29 (FY27), 2027-28 (FY27) and 2028-29 (FY29).
- The SOI forecasts assume that LGFA will commence lending to water CCOs in FY 27 as the Local Water Done Well Programme is implemented. There is however a high level of uncertainty regarding the amount and timing of lending to the water CCOs.
- Profitability is expected to be strong with projections for Net Profit of \$27.2 million, \$24.5 million, and \$24.6 million over the three years. However, we remain cautious in placing too much emphasis on the second year (FY28) and third year (FY29) forecasts given we have \$9.3 billion of LGFA bonds and \$12.2 billion of council and CCO loans maturing over the three-year SOI forecast period. This is because assumptions regarding the amount and timing of loan refinancing and interest rates have a material impact on financial projections.

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lgfa.co.nz



- We are assuming gross bond issuance of \$4.66 billion (FY27), \$5.02 billion (FY28) and \$5.01 billion (FY29) based on council gross borrowing of \$5.16 billion (FY27), \$5.73 billion (FY28) and \$5.84 billion (FY29).
- Issuance and operating expenses including Approved Issuer Levy (AIL) are forecast to be approximately \$3.2 million higher in FY27 and \$2.9 million higher in FY28 compared to the previous SOI. This is due to increased AIL paid to the New Zealand Government on our increased foreign currency issuance, as well as increased operating costs to accommodate expected growth in the business.
- The proposed SOI performance targets are similar to the previous SOI. The focus remains on sustainability, assisting councils to implement Local Water Done Well, stakeholder engagement, meeting the financial targets, and monitoring the credit quality of the sector.

If you have any questions or wish to provide comments by 1 May 2026 then please feel free to contact myself or any member of the Shareholders Council. The LGFA board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2026.

Yours sincerely



Mark Butcher
Chief Executive

8.5 QV Report - March 2026**Author:** Lorraine Bergen, Manager Financial Services**Authoriser:** Leanne Macdonald, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide the Finance/Performance Committee with data provided by QV.
- 1.2 Officers provide this data in response to a prior request from members of the Committee. Officers have previously noted that certain market transactions cause apparent anomalies in some of the data included in the attached and emphasise that this raw information should not be used for any decision making.
- 1.3 Any queries arising from the following data will need to be passed to QV for a response.
- 1.4 Note that the data included in the following mini report is 'live' data so is current as of 25 March 2026.
- 1.5 Since the last report in October 2025 - Total Capital Values increased by \$15m and Total Rating units increased by 17.
- 1.6 Since 1 July 2025, 182 Building Consents and 55 Subdivisions were completed; and 337 Sales were processed.

Attachments:

1. **QV Monthly Report - 25 March 2026** [↓](#)

Recommendation

That report QV Report - March 2026 be received.



RANGITIKEI
DISTRICT COUNCIL

TOTAL CAPITAL VALUE	\$8,095,255,710	SINCE 1 JULY 2025	+0.22%
TOTAL LAND VALUE	\$5,351,033,100		+0.02%
TOTAL RATING UNITS	8,910		+19
RATING VALUATION	01 August 2023	NEXT RATING VALUATION	01 August 2026

Report Centre

- Building Consents Listing
- Upcoming Consents Value
- Objections Listing
- Outstanding Objections
- Subdivisions Listing

QV Insights

We offer a wide variety of reports and commentary to help you analyse your local property market.

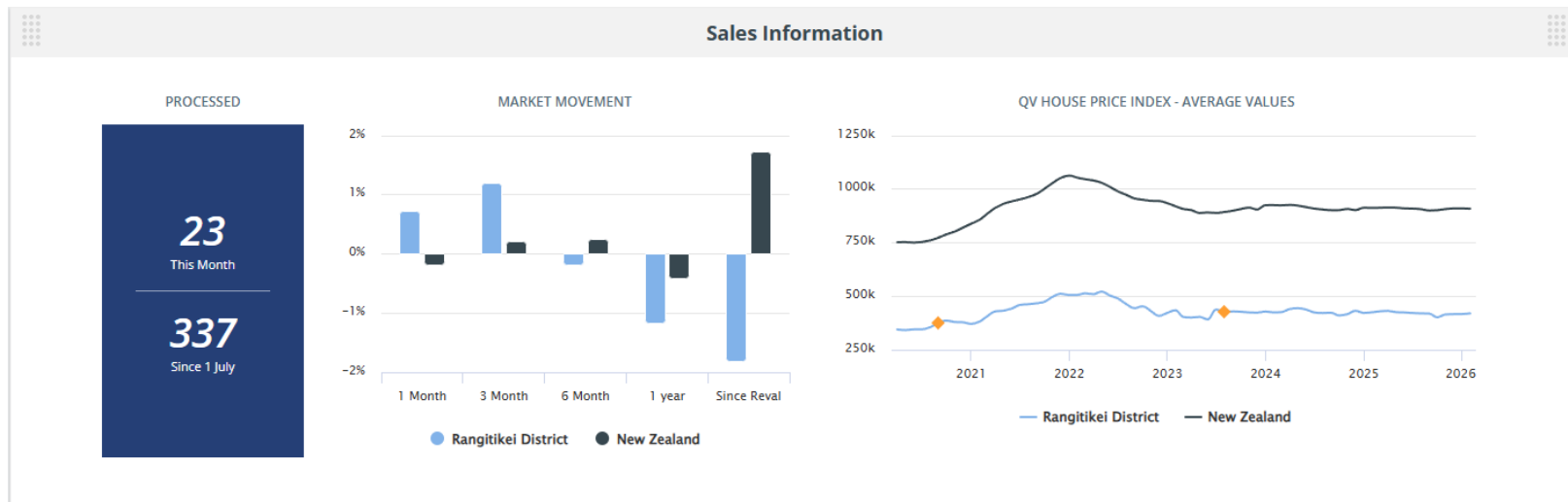
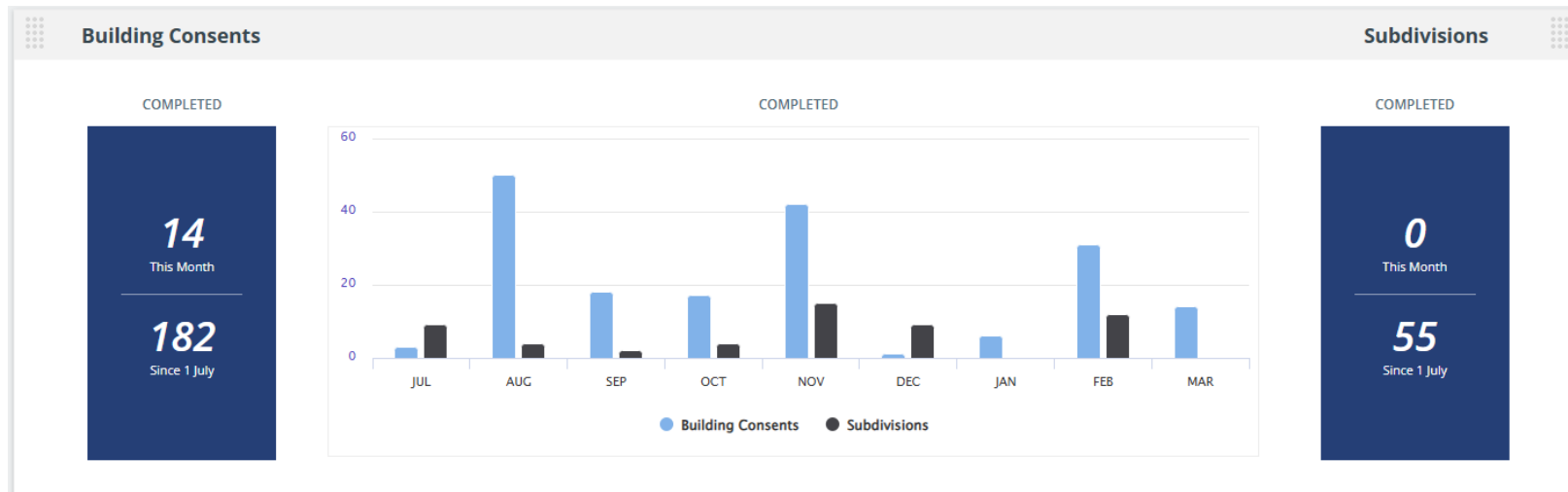
[More Reports](#)

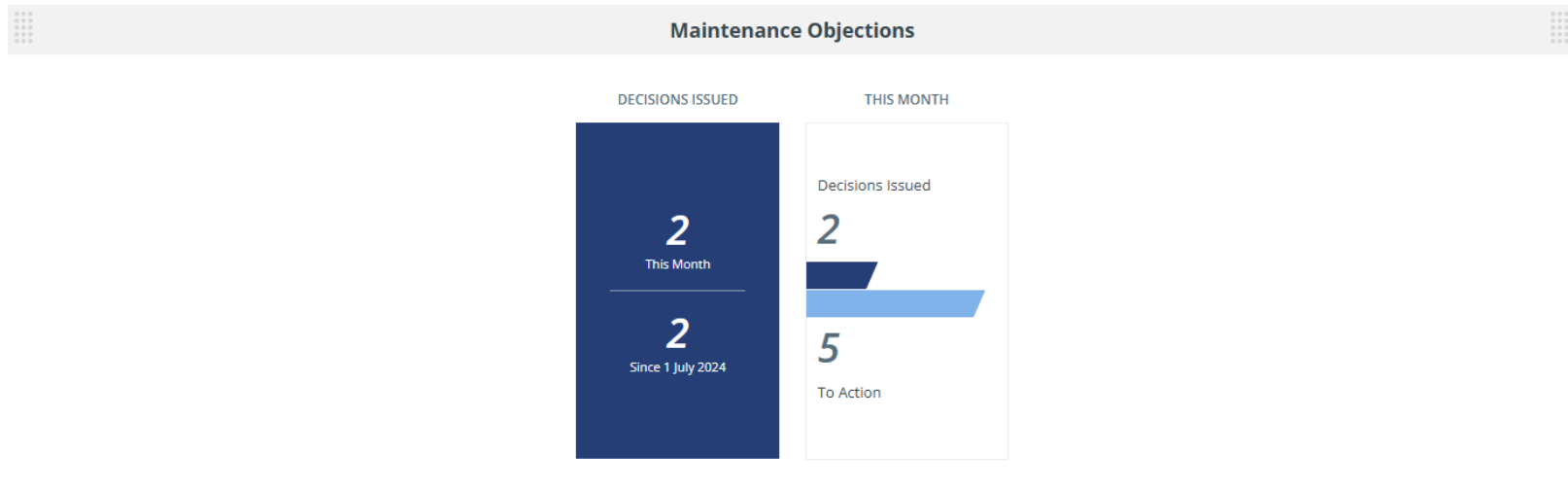
[More Analysis](#)

Your QV Contacts

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9 Meeting Closed