

Media Release

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Local Government Funding Agency approves Council for funding

The New Zealand Local Government Funding Agency has confirmed Kaipara District Council is now able to join the agency. This means that Council will be able to borrow at lower, more competitive rates than it has been able to previously.

Until now, the Agency has viewed the Council's situation, especially with the legal actions that it has been dealing with, as a lending risk to its members, Commissioner Chair John Robertson says.

"We are delighted the Agency has accepted our application to join. It is a real vote of confidence that Kaipara District Council is on a sound financial footing with a strong organisation fit for the future.

"It is also good news for ratepayers because it means lower borrowing costs, which provides the Council with room to move when considering options for future infrastructure investment and rating levels."

Mr Robertson says it is too soon to say how the lower interest rates on borrowing will translate into future planning for the Council and ratepayers, except that it will have direct monetary benefits and savings.

"We are now preparing our Annual Plan which will be updated for this decision. After the October elections the new Council will also review the financial strategy which will lead into the new Long Term Plan. Clearly the lower borrowing cost will benefit ratepayers in the short and long term."

The Local Government Funding Agency, which has an AA+ credit rating, was established in 2011 as a limited liability company. Thirty councils and the Government are shareholders. All councils which borrow from the Agency have to comply with strict terms around financial securities, policies and covenants.

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