

Have your say on Council plans to be part of a new funding agency

Summary of information

Proposal to enable Wellington City Council to invest in the Local Government Funding Agency.

Summary Statement of Proposal to amend the investment and liability management policies contained in the Wellington City Council's Long Term Council Community Plan 2009-19 and to invest in the Local Government Funding Agency.

Wellington City Council is proposing to join with the Government and other local authorities to establish a new funding body – the New Zealand Local Government Funding Agency Limited (LGFA). This is your opportunity to have a say.

The LGFA is being set up so local authorities can borrow money more cheaply. Legislation setting out how the agency will work is currently before Parliament.

The benefits for Wellington City Council in participating in the LGFA are expected lower borrowing costs estimated between \$37,000 and \$75,000 in 2013 rising to between \$369,000 and \$739,000 in 2019. The Council also expects to benefit from having access to another source of debt funding.

The Council is proposing to join the LGFA as an establishment shareholder, along with the Government and eight other local authorities. To do so, we will be required to make an initial capital contribution. This is expected to be between \$1.4 and \$2.3 million. The Council will be required to enter into guarantees for obligations of the LGFA and other Councils. A call on this guarantee will only occur if the numerous safeguards put in place to prevent an LGFA default fail. This is highly unlikely to happen.

To participate in the LGFA the Council is required to amend the Investment and Liability Management policies set out in its Long Term Council Community Plan 2009-19.

The Council has agreed in principle to participate in the LGFA. We want to hear your views before we make a final decision.

Where to go for more information

A full statement of proposal (which sets out among other things, an analysis of the costs and benefits of participating in the LGFA) is available from:

- the Council Service Centre, 101 Wakefield Street
- Wellington City libraries
- Wellington.govt.nz (select the Have Your Say link, and go to Public Input).

You can also phone us on 499 4444 or email lgfa@wcc.govt.nz for more information.

How to make a submission

You can make a written submission online at Wellington.govt.nz. Alternatively, Freepost submission forms are available from our website, the Council Service Centre, Wellington City libraries, or by calling the Council on 499 4444.

Submissions can be posted, emailed, faxed or delivered to the addresses listed on the submission form.

Please let us know if you would like to make an oral submission by ticking the box on your submission form.

The closing date for submissions is 5pm, 22 July 2011.