

What is Council's current debt figure?

\$245M

How much interest is paid per year?

Please refer to the Forecast Cashflow Statement on p. 115 of the 2024-34 Long Term Plan (LTP) for the current and forecast interest payments. The link to the LTP is here: https://www.timaru.govt.nz/_data/assets/pdf_file/0020/910505/Timaru-District-Council-Long-Term-Plan-2024-34-FINAL.pdf

Who is the debt lodged with?

Our debt is lodged with Local Government Funding Authority (LGFA).

Against what assets are these debts secured?

As per Council's Treasury Management Policy, our borrowings are secured against the Rate Revenue, not the assets. Below are snippets of the relevant sections. The link to the full policy is here:

https://www.timaru.govt.nz/_data/assets/pdf_file/0004/901642/Treasury-Management-Policy-adopted-1-July-2024.pdf

7. Local Government Funding Agency Limited

7.1. Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent in considers necessary or desirable:

- 7.1.1. Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- 7.1.2. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- 7.1.3. Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- 7.1.4. Subscribe for shared and uncalled capital in the LGFA; and
- 7.1.5. Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over Council's rates and rates revenue.

13. Provision of Security

- 13.1. For its general borrowing programme, Council offers security under its debenture trust deed, which is a charge over all rates.
- 13.2. In exceptional circumstances, security may be offered by providing a charge over Council assets for which approval by Council is specifically required.