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LGOIMA

When releasing responses to previous LGOIMA requests, names and contact details of individual requestors will be withheld to protect their privacy.

Information requested by the media, lobby groups, public sector organisations and MPs will always be published, while information specific to an individual or their property will not generally be published.

Request from:	Private Individual
Information requested:	Council Loan Information
Response by:	Simon Bastion, Chief Executive

07 March 2022

Private Individual

Via Email:

Dear Private Individual

Official information request for Council loan information

I refer to your official information request dated 28 February 2022 for Council loan information.

You have asked for the following information:

- 1) With talk around one of the council's subsidiary companies looking at taking out a 17 million door loan I would like to ask the Mayor directly on liability should any loan be defaulted on due to insufficient funds to furnish those loans? Those we have now or those we may take out in the future?**

This will be answered by Westland Holding Limited.

- 2) Are any loans taken out by subsidiary companies of the council also part of the council liabilities?**

Currently no, however under the Local Government Funding Agency, Council will be a guarantor.

- 3) Is any potential default of council loans covered by insurance and if so what is the present annual and ongoing cost of this insurance policy to the ratepayers?**

There is no insurance cover for loan default.

- 4) Should any further loans be taken out how would that affect this cost?**

Not applicable.

- 5) How are any loans we currently have affected by interest rises or are the interest rates set permanently for the duration of current loans?**

Council uses a mix fixed rate loans and floating rate loans. Council uses derivatives to hedge the impact of increasing interest rates.

- 6) In dollar and percentage terms what amount of incoming money presently payed by rate payers through the rating system is used to furnish these loans?**

The information can be found in Council's Long Term Plan on the Council website here: <https://www.westlanddc.govt.nz/news-and-events/posts/long-term-plan-2021-2031/>

- 7) **Should we get into a situation where the council is unable to furnish its liability to pay what is owed and rate increases are so high that citizens start to default on their rates what has the council put up as security to cover the liability of these loans?**

There are set limits that Council can borrow up to which are well below the position where Council may default. The Local Government Funding Agency has several mechanisms in place if a Council was to default.

- 8) **If it is an asset based security what would those assets be?**

Loans are not secured by Council assets.

- 9) **Would it be council owned buildings, parks, water infrastructure, sewerage infrastructure where do the liabilities stop? If required would those assets include ratepayer assets as the council is a structure put in place to manager the infrastructure on behalf of the ratepayers.**

Not applicable, loans are not secured by assets

There is no charge in supplying this information to you.

Council has adopted a Proactive Release Policy and accordingly may publish LGOIMA responses on the Council Website at <https://www.westlanddc.govt.nz/lgoima-responses>.

The collection and use of personal information by the Westland District Council is regulated by the Privacy Act 2020. Westland District Council's Privacy Statement is available on our website [here](#)

If you wish to discuss this decision with us, please feel free to contact Mary-anne Bell, Senior Administration Officer at LGOIMA@westlanddc.govt.nz, 03 756 9091.

Sincerely,



Simon Bastion | Chief Executive

SB/MB