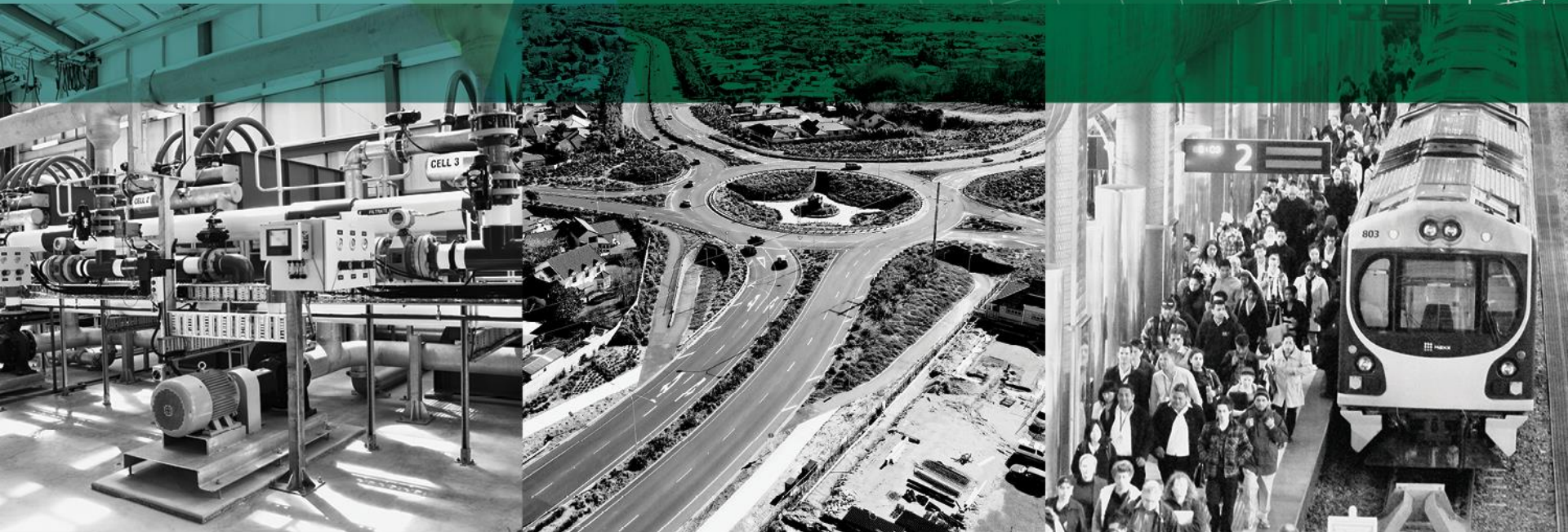


STAKEHOLDER SURVEY 2016



SURVEY METHODOLOGY

Councils were asked to rate LGFA using the following scale:

- Somewhat satisfied
- Neither satisfied or dissatisfied
- Somewhat satisfied
- Very satisfied
- Not applicable

The scoring was calculated as follows:

- Very dissatisfied = 1
- Somewhat satisfied = 2
- Neither satisfied or dissatisfied = 3
- Somewhat satisfied = 4
- Very satisfied = 5
- Not applicable = void response

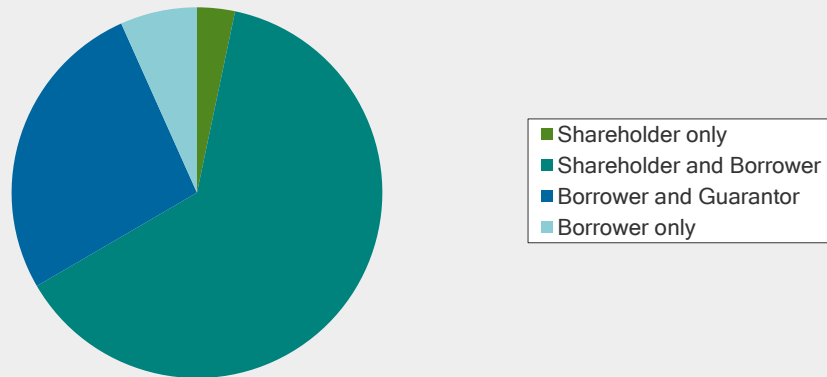


SURVEY RESPONDERS

Please identify yourself from one of the following categories:

Answer Options	Response Percent	Response Count
Shareholder only	3.3%	1
Shareholder and Borrower	60.0%	18
Borrower and Guarantor	30.0%	9
Borrower only	6.7%	2
answered question		30
skipped question		0

Please identify yourself from one of the following categories:



QUESTIONS

How would you rate LGFA in meeting your borrowing requirements?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	0	29	1	5.00	30

Additional Comments:

- With both CP and bespoke lending now, we have full flexibility in borrowing.
- Flexible, responsive.
- Great liquidity, experienced staff. Bespoke start & end dates have added real flexibility, as has the new 2025 tranche.
- Happy with the addition of the April 25's. We look forward to the addition of the 33's.

How satisfied are you with the pricing that LGFA has provided to your Council?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	3	26	1	4.90	30

How satisfied are you with the Weekly Pricing Update?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	6	22	2	4.79	30

Additional Comments:

- Having the full base lending and credit margins included now makes it a lot easier to understand the full cost. Previously this had to be done manually and could be quite time consuming trying to find/remember the margins applicable to us.
- We do not need this weekly but it does not cause any problems for us.
- It's a good idea, but I don't personally use it.
- This is a great new addition.

How satisfied are you with the bespoke lending product?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	1	2	20	7	4.83	30

Additional Comments:

- A great option.
- Again another option which provides flexibility for us.
- We used this only once and it worked well that time.
- Good to have option though.

Are you satisfied with the new short term lending product?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	1	7	12	10	4.55	30

Additional Comments:

- Have not used it, but looks got and well-priced. Admin looks manageable. Would be good if one would only need to do the required paperwork maybe once a year.
- We use it a lot as a replacement for CP with banks and have found it much cheaper. Our only issue/concern is regarding the short time frames in which to complete trades. We receive the term sheet at ~11am. After that we need 2 authorised senior leadership team members to sign the Computershare notice (which at times is challenging with their calendars) and then have two banking signatories approve the payment within the bank. Sometimes coordinating 5 people within a specified 2-3 hours can cause us some delay in getting payments through which then means we end up getting chased for payment etc.
- Although we haven't used the facility yet, we appreciate the ability to do so, and plan to in the future.
- Satisfied with opportunity but at this point, due to particular debt arrangements, have not utilised it yet. Plan to do so soon.
- Provides another option which is useful.
- Looks very good but we have not used it yet.
- Don't use it but looks to be a great product for the smaller Councils.
- We hope that the documentation will substantially reduce after our one experience when borrowing \$2m for 3 months 6 months ago.
- Excellent source of WC support & funding as required. However, the same paperwork format as the longer-dated deals is an active dis-incentive to use.
- Significant benefit to our organisation.
- Good rates which have helped drive the market down too much paper work!

How likely are you to borrow between 2027 and 2033 if we were to introduce a new LGFA 2033 bond in the coming year?

Very unlikely	Unlikely	Unsure at this stage	Likely	Very likely	Not applicable	Rating Average	Response Count
3	1	11	11	4	0	3.40	30

Additional Comments:

- Currently too costly - margins too high
- Will be price dependant.
- Without knowing what credit margins will be in the next year or so, it is hard to say. If credit margins were low enough I think there would likely be some demand from us. Maybe between \$5-10m.
- Only if the spread cost was reasonable ... too wide presently.
- Great idea, but timing may be a little early for our needs. Our expected borrowing requirement has shrunk considerably so volumes over the coming year will be relatively limited. I would tend to fill up the 2025 tranche before moving to 2033.
- We have a very strong preference for long dated borrowings.

How satisfied are you with the borrowing communication and documentation process?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	2	1	7	19	1	4.48	30

Additional Comments:

- Would be good if the amounts for the security stock certificate would be supplied about one week before the settlement date - 5th working day.
- Can be complex initially.
- Russell McVeagh can sometimes be a bit slow to get documentation through. No issues with LGFA communication.
- Was a little bit tricky sorting out what needed to be done first time but logical once done and should be fine moving forward.
- Good communication offset by concern over the amount of documentation for short term loan we made.
- Paperwork is always an issue, but routine and good LGFA staff support makes it as easy as can be hoped for in the circumstances. Comms, reminders, and post-tender info are all excellent.
- As a regular borrower having to wait for Russell McVeagh to confirm that information provided in the stock issuance certificate is frustrating at times. Particularly with their constant turnover of staff. It would be nice if the process could be sped up due to the signing of documents and the availability of CE etc.

How satisfied are you with the settlement process?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	6	23	1	4.79	30

Additional Comments:

- As discussed in regards to short term lending, the settlement process can get a bit tight in terms of timeframes.
- Well-established & clear.

How satisfied are you with Russell McVeagh as agent for tender compliance requirements for LGFA?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	2	2	11	13	1	4.25	29

Additional Comments:

- Lawyers need to gain the understanding that documents will be signed before the settlement date, but dated the settlement date. Somehow they think / insist that this all happens in the morning of the settlement date.
- No issues.
- Can sometimes be slow/late to provide information.
- Helpful with sorting the paperwork for the first time.
- OK but appears bureaucratic.
- A little formal & long-winded on occasion, but they provide better business continuity & cost than trying to do it yourself.

How satisfied are you with the Statement of Intent Process?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	1	3	4	15	7	4.43	30

Additional Comments:

- Comparatives against the old SOI and explanations are not provided.
- Too early to assess yet.

How satisfied are you with the information presented in the LGFA Annual and Half Year Reports?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	1	5	20	4	4.73	30

Additional Comments:

- Key measures & relevant additional information are presented clearly.
- Too early to assess yet.

If you attended the Annual General Meeting in November 2015, how satisfied were you with the process and content?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	5	7	18	4.58	30

Additional Comments:

- It would be nice to have a formal count of votes at the next AGM, particularly with regards to Director fees.

If you attended the Borrowers and Shareholders Day, how satisfied were you with the day?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	2	15	13	4.88	30

Additional Comments:

- Very informative day. Some of the technical LGFA information was probably not needed though.
- Great day, great presentations.
- Good range of topics & a good balance between sit-down and mingling. Poor PwC's "yeah, er, what he said" position presenting second was (unintentionally?) amusing. The general discussion was interesting, but LGFA's was more so.
- The most recent one was very specific and targeted.
- Good feedback received from attendee

How satisfied are you with LGFA's website as a resource?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	3	15	9	3	4.22	30

Additional Comments:

- At times the tender history spreadsheet is out of date.
- To date I have not really found the need to refer to the website very often.
- Haven't yet used.
- I rarely look at it (and haven't recently), but have generally been able to find what I'm after with little difficulty.

How professional are LGFA staff?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	0	30	0	5.00	30

Additional Comments:

- Very helpful (2 separate comments)
- Very easy to deal with - competent, professional, but not too up-tight.
- Highly professional, always engaged and easily accessible.
- All are excellent

How responsive are LGFA staff to your questions or requests?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	0	30	0	5.00	30

Additional Comments:

- Mark, Neil and Jane are outstanding and always available to help.
- Very responsive & helpful.
- Respond promptly
- Very prompt and always helpful at answering rookie questions.

How satisfied are you with the level of contact from LGFA? e.g. are the annual visits of value and presentations of high quality content?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	4	25	1	4.86	30

Additional Comments:

- Annual visits are good.
- I'm sure if we requested a bespoke visit or one-off presentation, LGFA would oblige.
- Only visited once but that ok as I am close to the organisation.
- We hope that the outdoor meeting becomes an annual event.
- Happy to see you at our organisation.

What is your overall assessment of LGFA's staff performance?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	0	30	0	5.00	30

How satisfied are you with the performance of the Shareholders Council and the value they add?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	2	9	7	12	4.28	30

Additional Comments:

- There is a limited return on our shareholding.
- My short tenure to date means I've not been able to establish a view yet.
- Too early for us.

How satisfied are you with the information you receive from the Shareholders' Council?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	3	10	5	12	4.11	30

Additional Comments:

- Last year, I was not on the mailing list. There has been an improvement on receiving information.
- My short tenure to date means I've not been able to establish a view yet.
- Too early for us.

How satisfied are you with the performance of the LGFA Board of Directors?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	8	6	12	4	4.15	30

Additional Comments:

- Conflicted – Mike T here.
- My short tenure to date means I've not been able to establish a view yet.
- My perception is the BoD are supporting Mark and his team and providing them with the resource they require to move the business forward. There has been a noticeable step change since Mark Butcher (CEO) commenced.
- Too early for us.

How satisfied are you in general as a shareholder?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	1	0	3	16	10	4.70	30

Additional Comments:

- The SOI shows a much larger increase in equity then the SOI for 2015/16, however the Dividend is kept unchanged. I would like to see this more managed like corporate listed companies handle their dividends - stable or increasing every year. The pay-out ratio of 15% is relatively low.
- The level of dividends.
- Well done team - keep up the excellent work.

How satisfied are you in general as a borrower?

Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
0	0	0	1	28	1	4.97	30

Other Feedback

What other areas or products would you like LGFA to focus on in future?

Answer Options	Response Count
<i>answered question</i>	7
<i>skipped question</i>	23

Comments:

- Interest rate swaps, term deposits
- LOC, Swaps etc.
- Happy with current offerings.
- None - stick to the knitting
- None - stick to the core reason for establishment
- Taking short term deposits, but heard at update day that not on the agenda for now and understood why.
- Assisting Councils in their credit rating process.

Other Feedback

Any general comments you would like to add regarding LGFA?

Answer Options	Response Count
<i>answered question</i>	6
<i>skipped question</i>	24

Comments:

- You have done a great job again.
- Keep up the good work (2 separate comments)
- Continued focus on upcoming maturities and global financial stability issues
- Ability for borrowing councils to request their tender requirements online. Online access to view debt issuance data to complete Trustee compliance obligations.

COMPARISON TO 2015 SURVEY

Question (Sorted by Highest Rating Average)	Rating Average	Rating Average	Rating Average	Change
	2016	2015	2014	from 2015
What is your overall assessment of LGFA's staff performance?	5.00	5.00	4.90	0.00
How professional are LGFA staff?	5.00	4.97	4.95	0.03
How would you rate LGFA in meeting your borrowing requirements?	5.00	4.96	4.71	0.04
How responsive are LGFA staff to your questions or requests?	5.00	4.89	4.61	0.11
How satisfied are you in general as a borrower?	4.97	4.96	5.00	0.01
How satisfied are you with the pricing that LGFA has provided to your Council?	4.90	4.79	4.65	0.11
If you attended the Borrowers and Shareholders Day, how satisfied were you with the day?	4.88	4.93	4.69	-0.05
How satisfied are you with the level of contact from LGFA? e.g. are the annual visits of value and presentations of high quality content?	4.86	n.a.	n.a.	n.a.
How satisfied are you with the bespoke lending product?	4.83	n.a.	n.a.	n.a.
How satisfied are you with the settlement process?	4.79	4.68	4.63	0.11
How satisfied are you with the Weekly Pricing Update?	4.79	n.a.	n.a.	n.a.
How satisfied are you with the information presented in the LGFA Annual and Half Year Reports?	4.73	4.79	4.65	-0.06
How satisfied are you in general as a shareholder?	4.70	5.00	4.88	-0.30
If you attended the Annual General Meeting, how satisfied were you with the process and content?	4.58	4.71	4.71	-0.13
Are you satisfied with the new short term lending product?	4.55	n.a.	n.a.	n.a.
How satisfied are you with the borrowing communication and documentation process?	4.48	4.69	4.75	-0.21
How satisfied are you with the Statement of Intent Process?	4.43	4.56	4.55	-0.13
How satisfied are you with the performance of the Shareholders Council and the value they add?	4.28	4.62	n.a.	-0.34
How satisfied are you with Russell McVeah as agent for tender compliance requirements for LGFA?	4.25	4.54	4.40	-0.29
How satisfied are you with LGFA's website as a resource?	4.22	4.35	3.50	-0.13
How satisfied are you with the performance of the LGFA Board of Directors?	4.15	n.a.	n.a.	n.a.
How satisfied are you with the information you receive from the Shareholders Council?	4.11	4.58	n.a.	-0.47

COMPARISON TO 2015 - LARGEST CHANGE

Question (Sorted by Largest Rating Change)	Rating Average	Rating Average	Rating Average	Change
	2016	2015	2014	from 2015
How responsive are LGFA staff to your questions or requests?	5.00	4.89	4.61	0.11
How satisfied are you with the pricing that LGFA has provided to your Council?	4.90	4.79	4.65	0.11
How satisfied are you with the settlement process?	4.79	4.68	4.63	0.11
How would you rate LGFA in meeting your borrowing requirements?	5.00	4.96	4.71	0.04
How professional are LGFA staff?	5.00	4.97	4.95	0.03
How satisfied are you in general as a borrower?	4.97	4.96	5.00	0.01
What is your overall assessment of LGFA's staff performance?	5.00	5.00	4.90	0.00
If you attended the Borrowers and Shareholders Day, how satisfied were you with the day?	4.88	4.93	4.69	-0.05
How satisfied are you with the information presented in the LGFA Annual and Half Year Reports?	4.73	4.79	4.65	-0.06
If you attended the Annual General Meeting, how satisfied were you with the process and content?	4.58	4.71	4.71	-0.13
How satisfied are you with the Statement of Intent Process?	4.43	4.56	4.55	-0.13
How satisfied are you with LGFA's website as a resource?	4.22	4.35	3.50	-0.13
How satisfied are you with the borrowing communication and documentation process?	4.48	4.69	4.75	-0.21
How satisfied are you with Russell McVeah as agent for tender compliance requirements for LGFA?	4.25	4.54	4.40	-0.29
How satisfied are you in general as a shareholder?	4.70	5.00	4.88	-0.30
How satisfied are you with the performance of the Shareholders Council and the value they add?	4.28	4.62	n.a.	-0.34
How satisfied are you with the information you receive from the Shareholders Council?	4.11	4.58	n.a.	-0.47
How satisfied are you with the Weekly Pricing Update?	4.79	n.a.	n.a.	n.a.
Are you satisfied with the new short term lending product?	4.55	n.a.	n.a.	n.a.
How satisfied are you with the bespoke lending product?	4.83	n.a.	n.a.	n.a.
How satisfied are you with the level of contact from LGFA? e.g. are the annual visits of value and presentations of high quality content?	4.86	n.a.	n.a.	n.a.
How satisfied are you with the performance of the LGFA Board of Directors?	4.15	n.a.	n.a.	n.a.



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