



Stakeholder Survey

Survey Methodology

Councils were asked to rate LGFA using the following scale:

- Very dissatisfied
- Somewhat dissatisfied
- Neither satisfied nor dissatisfied
- Somewhat satisfied
- Very satisfied
- Not applicable

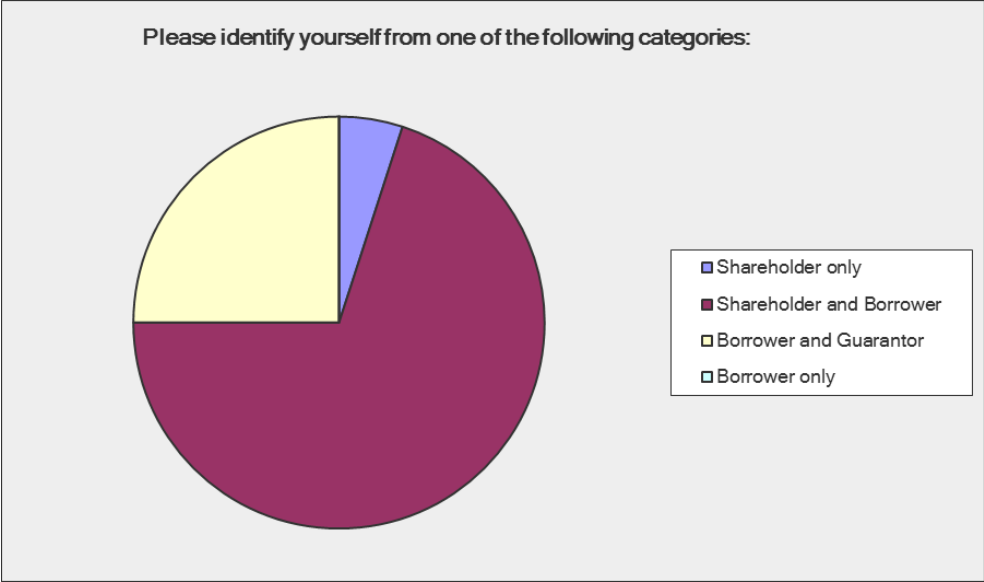
The scoring was calculated as follows:

- Very dissatisfied = 1
- Somewhat dissatisfied = 2
- Neither satisfied nor 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	5.0%	1
Shareholder and Borrower	70.0%	14
Borrower and Guarantor	25.0%	5
Borrower only	0.0%	0
<i>answered question</i>		20
<i>skipped question</i>		2



How would you rate LGFA in meeting your borrowing requirements?

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	4	16	1	4.71	22

- Very pleased to date with the two debt placements we have made.
- Only concern is that because the LGFA vehicle has been so successful in terms of take-up that we have ended up with the sector debt too concentrated in a few maturities and that this may result in demand or pricing issues when these maturities require refinancing. Have we created a significant credit and pricing risk for the sector and of course for the individual Council's in the sector?
- Access to funding in even years would be useful (i.e. 2020, 2022 etc).
- We are the Bay of Plenty Regional Council and have no current borrowing needs.
- LGFA is a significant source of borrowing for us, over the long term we see it providing a third of our borrowing requirements.
- Limited maturities on offer.
- Regular tenders, relatively straightforward process, and good volumes.
- The limited number of tenors may create concentration risk in future, but this should be manageable (and should be ameliorated as LGFA continues to add new long-dated tenors).
- Unclear at this stage whether the likely Council focus on long-dated tenors will have any supply consequences from investors (ie. will the demand stay high enough?).
- New LGFA tenors in between government tenors will only be useful if there is investor demand (risk that such tenors undermine pricing, as they are no longer obviously ""semi-fungible"" with government bonds)."
- The offering of CP in the future could be useful.
- A broader range of maturities would improve my satisfaction.

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

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	5	14	1	4.65	21

- Very pleased.
- Pricing is good but there is probably room for further fee cutting by LGFA
- Currently number of investors are offering to invest in Councils at margins slightly lower than LGFA is offering to Councils, being LGFA cost of funds + margin less than 25bps for A rated Councils.

How satisfied are you with the pre-tender communication and documentation process?

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	4	15	0	4.70	20

- Very proactive and clear, thanks!
- To know the next two tender dates at the same time would be useful - especially around year end.
- More forward guidance re issue dates, i.e. Tender dates going forward say 6 months in advance known with certainty, consider publishing them on your web site.

How satisfied are you with the pre-tender communication and documentation process?

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	4	15	0	4.70	20

- A bit of a mission first time round, fine the second time when familiar with the required processes.
- Generally good now that it has been done a few times. Very tight timeframes to respond to Russell McVeagh

How satisfied are you with the settlement process?

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	1	1	2	15	0	4.63	19

- Appears overly complicated, but it may get easier as familiarity with process grows.
- Ditto comment above.
- Never been any issues.
- A lot of paper work.

How satisfied are you with Computershare Investor Services Ltd as Registrar for LGFA Securities?

Answer Options	Very dissatisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	2	3	14	1	4.63	20

- No issues
- No issues. Relatively straightforward role performed effectively.

How satisfied are you with the NZDMO as outsourced settlement provider for LGFA?								
Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	9	9	0	4.42	19

- Pricing Time delays in getting the deals into NZClear can be frustrating. On occasion deals have been entered incorrectly.
- Had some issue with lack of confirmations - has improved.
- No issues although have to confirm all transactions.
- No issues. Relatively straightforward role performed effectively.

How satisfied are you with Russell McVeagh as agent for tender compliance requirements for LGFA?								
Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	1	2	5	12	0	4.40	20

- They seem to do a good job but it depends how much they charge LGFA as to whether it is value for money.
- The process of having Russell McVeagh to review and confirm floating debt balance is frustrating and delays processes.
- Very tight timeframes.
- No issues. Relatively straightforward role performed effectively.

How satisfied are you with the Statement of Intent Process?

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	7	12	0	4.55	20

- The letter of expectation and process involving the Shareholder Council appears to be working well
- Pro-forma to a large extent, but contains some useful information

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

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	5	14	0	4.65	20

- More detailed financial statements would be appreciated.
- Pro-forma to a large extent, but contains some useful information.

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

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	0	6	12	4.71	19

- Need to have dates confirmed sooner
- Did not attend

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

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	1	2	10	7	4.69	20

- Very informative and valuable day - encourage you to make these a regular occurrence, either annual or two-yearly.
- Very good to have a discussion and talk to the LGFA staff. Please keep up these days.

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

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	3	2	8	1	6	3.50	20

- The tender history data was not updated for some time.
- Haven't accessed this.
- Not updated soon enough.
- From a shareholder perspective I am surprised the annual reports etc are not published on the website.
- I have not used it.
- Have not used.
- Don't use very often.
- Reasonably well set-out. Reasonably easy to find data.

Do you find LGFA's website user friendly?								
Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	1	3	8	1	7	3.69	20

- Haven't accessed.
- Have not used.

How professional are LGFA staff?								
Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	0	1	19	0	4.95	20

- Can be difficult to get hold of.
- Excellent job. Clear, open & timely communication.

How responsive are LGFA staff to your questions or requests?								
Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	1	1	2	14	1	4.61	19

- Little slow at replying to requests.
- Already discussed with LGFA. Phil was slow to respond to requests and deliver on them - Refer Paper from SH Council.
- Have been delays with the CEO in the past but others are fine.

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

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not applicable	Rating Average	Response Count
	0	0	0	2	18	0	4.90	20

- Results have been good. Replies to request a little slow.
- Would be good to see them more.

How satisfied as a borrower from LGFA are you?

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not Applicable	Rating Average	Response Count
	0	0	0	0	19	1	5.00	20

- Rates have been good. Has put tension into the market. We have an effective limit of around \$10-15 million per maturity.
- Good liquidity, tenor & margin..

How satisfied as a shareholder of LGFA are you?

Answer Options	Very dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Very satisfied	Not Applicable	Rating Average	Response Count
	0	0	0	2	15	3	4.88	20

- Good shareholder communication and pleased that the dividend return is greater than expected.
- thought that LGFA Trustee questions of Council's and slowest in approving an alternative trustee lacked judgment. It did not appear to be in the interest of the shareholders. I was not sure how they had discharged an apparent conflict of interest.
- Key objectives met; risks adequately monitored & managed
- Need to reduce forecast retained earnings by reducing borrowing margins. This will ensure that Councils borrow from LGFA rather than other investors .

Other Feedback

What other areas would you like LGFA to focus on in future?	
Answer Options	Response Count
	7

- Good Commercial Paper, LoC etc.
- Ability to split maturities and more maturity options.
- Perhaps private placements so not so dependant on market conditions on day of tender. Maybe also commercial paper.
- See my SHC paper on this.
- Continuing to get the best value borrowing available.
- No suggestion.
- Valuation services for debt and interest rate swaps.

Borrowing for Year to June 2014

Number	Borrowing All Sources (\$ million)	Borrowing sourced from LGFA (\$ million)	Borrowing sourced from LGFA (%)
1	\$42.0	\$22.0	52.4%
2	\$13.5	\$13.5	100.0%
3	\$36.0	\$36.0	100.0%
4	\$28.0	\$14.0	50.0%
5	\$13.0	\$13.0	100.0%
6	\$8.3	\$49.0	590.4%
7	\$96.5	\$53.0	54.9%
8	\$138.0	\$25.0	18.1%
9	\$0.0	\$0.0	n.a.
10	\$46.5	\$35.0	75.3%
11	\$15.0	\$5.0	33.3%
12	\$35.0	\$30.0	85.7%
13	\$0.0	\$0.0	n.a.
14	\$16.2	\$8.0	49.4%
15	\$126.5	\$50.0	39.5%
16	\$94.0	\$51.0	54.3%
17	\$226.5	\$181.5	80.1%
18	\$73.0	\$46.0	63.0%
19	\$55.0	\$45.0	81.8%
20	\$110.5	\$110.5	100.0%
Total	\$1,173.5	\$787.5	67.1%
21	\$1,740.0	\$315.0	18.1%

Borrowing Intentions for Year to June 2015

Number	Borrowing All Sources (\$ million)	Borrowing sourced from LGFA (\$ million)	Borrowing sourced from LGFA (%)	Debt that is being re-financed (%)	Debt that is new (%)
1	\$13.0	\$13.0	100.0%	0%	100%
2	\$10.0	\$10.0	100.0%	50%	50%
3	\$28.0	\$20.0	71.4%	100%	0%
4	\$10.0	\$10.0	100.0%	0%	100%
5	\$11.0	\$11.0	100.0%	0%	100%
6	\$38.0	\$25.0	65.8%	0%	100%
7	\$49.0	\$50.0	102.0%	59%	41%
8	\$18.0	\$18.0	100.0%	100%	0%
9	\$0.0	\$0.0	n.a.	n.a.	n.a.
10	\$14.0	\$12.0	85.7%	80%	20%
11	\$32.0	\$10.0	31.3%	36%	64%
12	\$45.0	\$45.0	100.0%	66%	34%
13	\$0.0	\$0.0	n.a.	n.a.	n.a.
14	\$5.0	\$0.0	n.a.	47%	53%
15	\$75.0	\$75.0	100.0%	50%	50%
16	\$18.5	\$18.5	100.0%	54%	46%
17	\$250.0	\$200.0	80.0%	12%	88%
18	\$20.0	\$20.0	100.0%	35%	65%
19	\$7.5	\$7.5	100.0%	100%	0%
20	\$90.0	\$40.0	44.4%	100%	0%
Total	\$734.0	\$545.0	74.3%	43.1%	56.9%
21	\$1,600.0	\$500.0	31.3%	40%	60%