

20 August 2018

Dear [REDACTED]

Local Government Official Information and Meeting Act (LGOIMA) request for information about information on DCC Group debt

I am writing in response to your official information request received 2 July 2018 regarding information on debt structures and credit ratings of Dunedin City Council (DCC) and Dunedin City Treasury Ltd (DCTL).

We have sought the information requested from DCTL. Set out below are the answers to your questions.

1. Could I have a copy of the paperwork which supports one of the bonds and one of the notes which are included in the list of bonds and notes which comprise the DCTL debt.

DCTL bonds and notes are supported by several documents. Please find attached the following:

- Floating Rate Note and Medium Term Note - Term Sheets
- The DCTL Multi Option Issuance Agreement
- Deed Polls for Promissory Notes, Floating Rate notes and Medium Term Notes

The following information is being withheld under section 7(b)(ii) to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information:

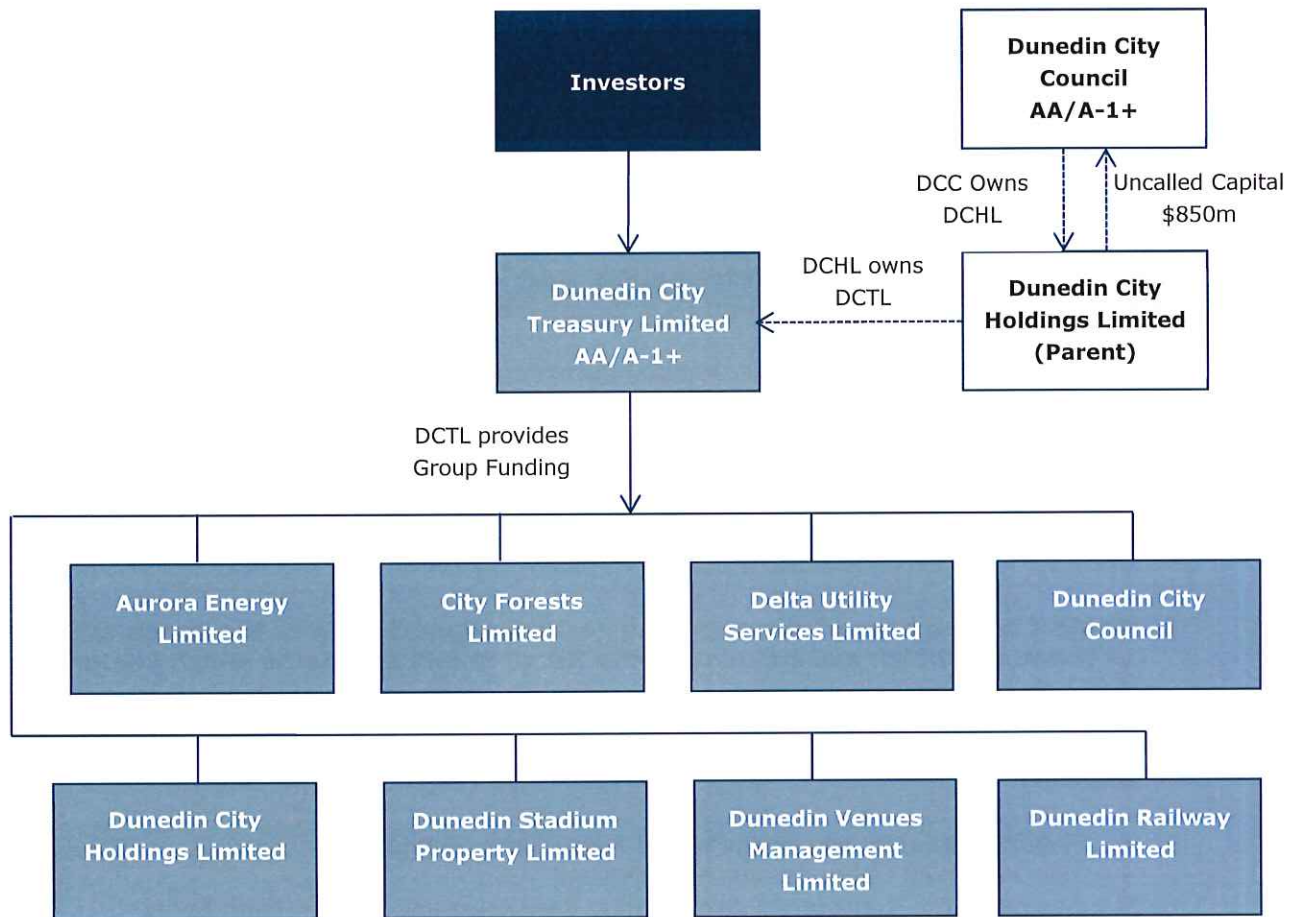
- Debenture agreement
- Registrar and Paying Agency Agreement

2. Apparently DCTL has an AA credit rating – or maybe the rating is DCC? Could you tell me who has the rating, and provide me with the document(s) which connects DCC with DCTL and DCHL such that any lenders to DCTL have a reasonable expectation of being repaid, whether through a demand to call up uncalled capital or howsoever it would happen.

DCTL and DCC are both rated AA (long term) and A-1+ (short term) by Standard & Poor's. The most recent Standard & Poor's Research Updates for DCC and DCTL, completed in December 2017, are attached for your information. The ratings on DCTL are equalized with those of the DCC, because Standard & Poor's consider extraordinary support by DCC to be almost certain, in accordance with their criteria on rating government-related entities.

The document referred to as part of the question is the Debenture Agreement, which is withheld is set out above.

The following diagram may be of interest, as it illustrates the structure of DCTL within the group.

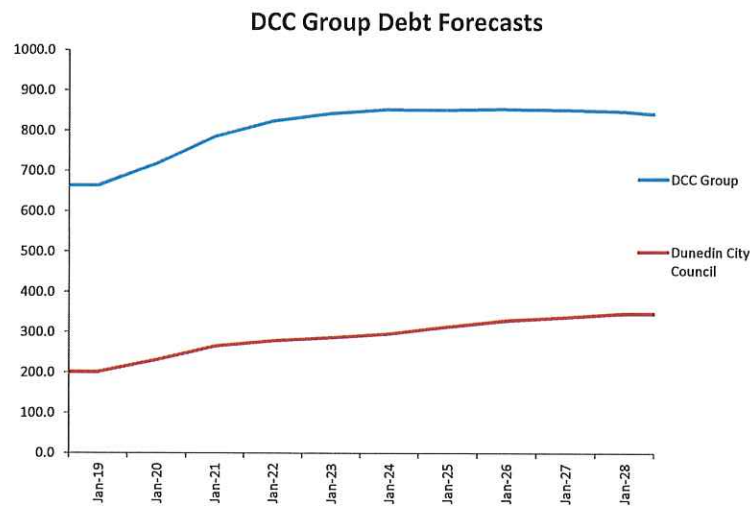


Dunedin International Airport Ltd is excluded from the above diagram as DCTL is not a provider of funding to the company.

3. Can I have the graph of DCC family debt extended out for the life of the new LTP please.

The following graph illustrates forecast DCC Group debt. It is important to note that DCC Group debt is unrelated to the DCC's 10 year plan (other than insofar as the DCC may borrow from DCTL to fund 10 year plan expenditure).

Graph 1 – Forecast DCC Group Debt as at 30 June 2018



As certain information has been withheld, you have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or by freephone 0800 802 602.

Yours sincerely

Sharon Bodeker
Team Leader Civic