



LGNZ ANNUAL REPORT 2021-22

Working together to achieve great things

*E hara taku toa i te toa takitahi, he toa takitini – my strength
is not as an individual, but as a collective.*

**We are.
LGNZ.**

Te Kāhui Kaunihera o Aotearoa.

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From the President

Tēnā koutou katoa.

The past 12 months have been tough on many fronts. The multiple reforms underway that will have an intergenerational impact coupled with constant Covid-19 disruptions have put pressure on our already overwhelmed sector.

This unique environment has caused us to rethink the way we work – to make sure that the raft of changes aren't just imposed on councils, but that we actually influence decisions that have wide ramifications for the sector and communities.

We recognise that to determinedly influence requires a consistent and constructive - but frequently robust and challenging - working relationship with others. It's about working together - with our members, central government, Iwi/Māori, businesses and industry groups - which is harder work than being oppositional, but it gets us further.

This deliberate approach has seen us lock in a number of wins for our sector, including successfully advocating for a delay in the emergency management bill and the formation of an independent working group on Three Waters governance and accountability, securing the largest MTFJ contract to date – money that goes directly into mainly rural communities - \$2.5 billion funding for the sector through the Heads of Agreement, and launching the new Vote 22 campaign, which aims to increase the diversity of candidates and voter turnout at this year's local body elections.

We cannot underestimate the pace and sheer volume of changes afoot. We have to be adaptable and flexible to meet these demands. Amid councils continuing to navigate through the challenges of a global pandemic, the sector is grappling with the Three Waters and Resource Management reform which will completely change the roles and responsibilities of local authorities.

On top of those two reforms, the Future for Local Government Review is in full swing. A new health system with locality functions is being implemented later this year, there's also significant climate change work, including the National Adaptation Plan and Emissions Reduction Plan, a new Waste Minimisation Strategy and the proposed reform of emergency management.

These reforms go to the heart the sector's relevance at a time when the Government of the day has a sweeping majority.

That's put our organisation in a unique position – a challenge we haven't faced in living memory. We have had to choose whether to lean into the challenge and work with you to ensure local democracy thrives in a modern progressive way – or allow it to slip away by wishing the change wasn't happening.

It was clear we needed a strong, future focused and ambitious purpose and vision for the organisation. In November, National Council endorsed LGNZ's new strategic direction - with a new purpose and vision to underpin its work over the next five years. The purpose is to be **local democracy's vision and voice** and LGNZ's bold new vision is **to create the most active and inclusive local democracy in the world.**

The new vision will be supported by four leadership pillars which underpin everything we do; connecting, advocating, developing and including.

National Council, and our new CE, Susan Freeman-Greene, along with her team have been putting the strategy in place. The new direction is paying dividends already and with many more gains for our communities ahead.

Our 2021/22 year has been a tough one – for New Zealand, for local government and for everyone in our space. But it's tough times that define who we are. It's challenges that create opportunities to innovate and thrive if we seize them.

A handwritten signature in blue ink, appearing to read 'S.A. Crosby'.

Stuart Crosby
President, LGNZ

From the Chief Executive

Kia ora koutou.

As we have faced into this unpredictable and disruptive year, we have reoriented your organisation around our new strategy. Our purpose and vision are integral to telling a compelling story about the critical role local government plays in New Zealand's democracy and how we support the sector bring that to life.

We've built the right capabilities in house to face into hard change, navigate policy complexities and drive advocacy that delivers for the sector. We've strengthened our ability to engage and communicate with members at a time when everyone's experiencing information overload. And we've shifted gears around the way we engage with the media and key decision makers. We want every New Zealander to understand the vital role of local government in creating the thriving communities we all live, work and play in – which means strong media liaison.

Part of our strategy also involves defining our key priorities, which as well as compelling story telling include building strong, beneficial partnerships across a broad spectrum of stakeholders, specifically Central Government, Iwi Māori and Taituarā. They also include making sure local voice is heard across all the key reforms; that we encourage and amplify members' voices. We're developing a broad diversity and inclusion framework; and we're supporting councils to build capability and deliver excellence.

Alongside the reforms, LGNZ is also influencing policy work that matters to our members, such as housing. We were involved in surveying members to identify concrete opportunities to increase housing stock as well as any barriers that require government intervention which can be removed easily. This was work done as part of the \$3.8 billion housing infrastructure fund.

It's just one example of the new and significant opportunities LGNZ has had to drive greater collaboration between central and local government. Initiatives like the housing infrastructure fund are test case for enhanced co-delivery with central government, particularly in the context of the Future for Local Government.

Other highlights this year include the largest Mayors' Taskforce for Jobs contract to date – money that goes directly into mainly rural communities – and launching the new Vote 22 campaign, which aims to increase both diversity of candidates and voter turnout at this year's local body elections. Our EQUIP arm has recruited new CEs for councils and we've provided support when it's needed most, including through sensitive situations.

I'm privileged to be leading LGNZ at this pivotal time in local government's history. LGNZ heads into our 2022/23 year with a clear strategic direction and an unwavering commitment to our members, who work so hard for communities across the motu. We're here for Mayors/Chairs, Chief Executives, elected members and other council staff when you most need us – don't hesitate to pick up the phone. I look forward to visiting more of your places and listening face-to-face in the coming year, as together we work towards a strong, thriving and resilient local government sector.



Susan Freeman-Greene
CE, LGNZ



By the numbers



99%

of New Zealand council are LGNZ members



5,055

media mentions



39

media releases published



11

CouncilMARK™ assessments completed



40

reform newsletters sent out to members



128

member newsletters keeping them up to date with latest thinking and issues



12

submissions on key policies



27

reform zooms held with Mayors/Chairs and CEs



11

FFLG workshops held



700

members hosted at the annual LGNZ conference in Blenheim July 2021



130

members attended the Te Maruata Conference hui



23

zone meetings supported



11

sector meetings hosted



67

councils as MTFJ members



1,450

exceeded our target to place people into jobs or training through MTFJ



77

councils accessed three waters technical experts to support their analysis



14

meetings with Ministers and the Prime Minister



6

working groups formed and supported



\$2.5b

three waters package agreed with the Crown for councils and their communities

01

OUR NEW STRATEGY

The turbulence of 2021 cemented the need for a whole new strategy for LGNZ – one that was clear and compelling and had the power to unite the sector behind a bold vision.

We also needed to ensure LGNZ was on the strongest footing possible to support our councils during a time of massive change and uncertainty.

LGNZ had to transform so we could help shape and catalyse that change on councils' behalf. We worked with TRA, an insights agency, to understand what was really important to our members and how we could best deliver for them. We heard loud and clear that councils wanted us to lead through the difficult times and face into challenges. They wanted us to support them with meaningful connection and development while advocating strongly for a robust and resilient local government sector, deeply founded in local democracy.

Our new purpose-driven strategy was tested and refined with National Council, Te Maruata, the Young Elected Members Committee, and many other leaders in the sector. It was based on the multiple conversations and engagements we had with Mayors, Chairs, elected members, CEs and council staff in all the zone and sector meetings throughout the year, along with email correspondence, research and the many zoom hui we held with the sector and our most important partners and stakeholders.

In November last year we shared our LGNZ strategy with the membership a simple and memorable new purpose and vision founded on four leadership pillars and six priority areas to hone our focus and drive our energy for the next five years. This new strategy helped us focus our limited resources and energy on six key priorities for the next 5 years.

We believe that to grow a great Aotearoa New Zealand, we need thriving local communities and a strong local government.

As an organisation, LGNZ supports and advocates for councils across New Zealand, ensuring the needs and priorities of their communities and residents are heard loud and clear at the highest levels of central government. We empower councils who know their communities best and support them to thrive – culturally, economically, socially and environmentally.

Guided by National Council, our focus is on creating a future-fit, proactive and inclusive local government sector – from policy development and advocacy, to supporting capability building through advice, consultancy and training.

Our new purpose is to be local democracy's vision and voice.

We will be curious, proactive and responsive to the needs of local government. We will advocate for our councils and be the champion for communities' needs. We'll look beyond the horizon, working to a timescale that's longer than the next election cycle. That means applying ourselves at the micro and macro levels to truly understand the issues that confront us today as well as anticipate those that will challenge us tomorrow.

Our vision is for Aotearoa New Zealand to be the most active and inclusive local democracy in the world.

This vision forces us to imagine a new reality for local government – one that gets its power, momentum, richness and influence from the participation of its communities. To get there, we must enable local government so that more Kiwis want to speak up, participate, stand for office, vote on what they care about, be educated and understand that the future is in their hands.

Our four new leadership pillars will guide us.

Our new strategy is guided by four leadership pillars that have the potential to reset and facilitate lasting positive change.

- 01 Whakamana // Advocate**
Be the source of credibility and authority for local government so we can champion and influence central government and our communities.
- 02 Whakahono // Connect**
Connect different players in our ecosystem to bring strength to the whole sector.
- 03 Whakauru // Include**
Ensure every New Zealander can participate, thrive and be represented by local government.
- 04 Whanake // Develop**
Create the right environment to build capability and enable our councils to excel.



Our priorities for the next 1-3 years are focused and impactful as we look to a more active and inclusive local democracy.

- 01 > Building capability in LGNZ so we're fit for purpose, sustainable and ready to deliver for our members.
- 02 > Aiming for strong mutually beneficial engagement and partnerships with central government, Iwi Māori and Taituarā.
- 03 > Ensuring local voice is heard on the important issues – three waters, resource management, housing, transport, climate change and the future for local government.
- 04 > Developing a broad diversity, equity and inclusion framework that grows awareness and understanding of local governance, Te Tiriti, encourages more diverse people to stand and creates safe spaces around the council table for people to thrive.
- 05 > Supporting councils to build capability and deliver excellence through a holistic overarching framework including development, CouncilMARK™ accreditation and consultancy.
- 06 > Building trust and confidence in local government through compelling storytelling, leveraging key programmes, such as MTFJ, and effective reputation management.

Whakamana | Advocate

We are local government's source of credibility and authority, and we influence others.

- > We are local democracy's vision and voice, making sure the sector's views are heard on the issues that matter.
- > When Ministers want to talk to local government, they come to us.
- > We dig deep into issues to create policy positions that reflect the national interests of the sector.
- > We steward the sector's reputation by working closely with media and influencers to share and champion local government stories every day.

We are a neutral, non-partisan organisation providing a forum for all members of local government to speak and be heard. As the largest collective of local government, we will always be heard by the Government of the day.

Through our network of connections we champion the things that matter most for the sector. Instead of many separate inputs we are one strong national voice, delivering a consistent message and impossible to ignore. Our relationships mean early involvement in policy development, where we take an evidence-based position to our advocacy, as informed by our members.

We provide media advice and coordination ensuring the public hears local government stories and understands its value so the reputation of the sector is enhanced.

We are the unashamed champions of local democracy.

What we achieved:

In a year marked by an avalanche of reform, we advocated for local voice to be heard loud and clear across the three major reforms: Three Waters, Resource Management, and the Future for Local Government Review and beyond. At the heart of our advocacy programme has been strong sector engagement, a desire to be at the table with central government to influence decision-making and informed and pragmatic policy positions that champion the needs of local communities.

Major reforms

Resource management

After more than 30 years, the Resource Management Act is to be repealed and replaced with the Natural and Built Environments Act, the Spatial Planning Act, and the Climate Adaptation Act. We've sought reform of the RMA for many years and are pleased that the Government has stepped up to the plate to deliver it. The reforms proposed are significant – and are intended to better protect the natural environment while better enabling the growth and development that our towns and cities need.

We've advocated strongly to influence the direction of the Resource Management reform – working with the Ministry for the Environment to identify key issues and opportunities to improve the current system. Thanks to our Heads of Agreement with the Crown, we were able to advocate strongly for and support the Local Government Steering Group. The group's

purpose is to provide a strategic advisory role across all aspects of the reform programme and it's making sure local views are taken into account – the sector's greatest concern with the reform.

As part of our extensive submission on the Natural and Built Environments Bill and presentation to the Environment Select Committee, we highlighted the impacts on local government, in particular issues with the influence centralisation will have on local voice and plans for transitioning to the new system. Our submission was informed by extensive legal advice (including commissioning an alternative governance model) and emphasised the importance of local communities retaining a strong voice in local place-making. We also developed a set of principles to underpin our work on the reform.

We've engaged widely with the sector across other aspects of the reform, including hosting a well-received Spatial Planning Symposium and commissioning extensive economic analysis on options for spatial planning. Our sector engagement is ongoing as we help our members to unpack what resource management reform entails and will mean for them and their communities.

Three Waters

Three Waters has been one of the more contentious reforms for the sector to grapple with. With a majority government in power, it was clear three waters reform would be pushed through. From the beginning, our position was to influence decisions from inside the tent throughout the process, to deliver the best possible outcome for the sector and our communities.

We engaged with the sector early to provide guidance on what the reforms could mean for councils and their communities through regular sector communication and workshops and provided a range of technical experts to advise and guide councils through the process.

While the sector acknowledges the need for change, there were issues with the proposed model from the beginning. We lobbied the government to establish the Three Waters Steering Committee to share the sector's concerns and to influence the shape of the proposals. Our new approach to working with Government, not always against it, saw us negotiate a \$2.5b package for the sector through the Heads of Agreement, along with \$1m for expert technical support for councils during the eight week feedback period in August and September.

This approach didn't preclude us from calling out issues with the Government's model.

We pushed for the formation of the independent Governance, Representation and Accountability Working Group – to interrogate the sector's key concerns in these areas. We also advocated for the establishment of the Rural Supplies Technical Working Group to cast a lens on how the reform impacts our rural communities, and a Planning Technical Working Group to consider how the proposed water services entities will interface with the current and future resource management planning systems.

Future for Local Government

The Future for Local Government Review presents a once-in-a-generation opportunity to reset the role of local government in Aotearoa. Working with the sector on imagining what the future could look like has been a key priority this year.

Recognising the significant amount of reform underway that will impact on local government's traditional roles and responsibilities, we advocated for a Review that would work with the sector to ensure that local government is strengthened in the future. We made it clear that the Review couldn't be completed in isolation from other reforms and pushed for its scope to be broad. We then worked with Hutt City Council and the Minister's office to organise a hugely successful launch of the Future for Local Government Review and its independent panel at the Dowse Gallery in April 2021.

We conducted a number of facilitated sessions to gather feedback from councils on the future that they want to see. This included workshops on each of the Review Panel's five priority

question areas and key shifts; scenario workshops based on possible futures for local government; as well as supporting an independent sector group to develop a vision for what an integrated public service could look like and the role, functional and structural changes that would support it.

This engagement with the sector has supported our ongoing engagement with the Panel, and will inform submissions we make. From what we heard, we've advocated for a more participative and inclusive future that supports a thriving democracy, and that gives councils the opportunity to provide a much stronger role in promoting the wellbeing of their communities.

We have amplified our policy work through our active media engagement, which has highlighted the need to go further and called on the Government to step up to this challenge. We've also regularly raised our concerns about the rapid pace of change, with such a significant number of reforms being progressed at the same time.

Policy priorities

Climate Change

Climate change poses an unprecedented level of risk to people and places, with local government shouldering a large part of the responsibility for adaptation. Since declaring a climate change emergency in 2020, the Government has followed up with a significant programme of work to develop the country's first Emissions Reduction and National Adaptation Plans.

We've continued to take a leadership position on climate change. We've advocated strongly for local government input into the first National Adaptation Plan and the Emissions Reduction Plan. We've called on the Government to work in partnership with local government to support communities to contribute to our emissions reduction goals and to provide tangible support in the transition to a low-carbon economy. Through our policy submissions and engagement with central government, we've also emphasised the need for the Government to clarify what local government's roles and responsibilities are in the climate change mitigation and adaptation spaces and pushed the Government to develop much bolder and more directive plans to address climate change, including, for example, through the Ministry of Transport's Pathways to Net Zero by 2050 consultation.

Libraries Partnership Programme

In 2021 we received funding from the National Library's New Zealand Libraries Partnership Programme to appoint a Libraries Advisor for a two-year period. We appointed a Libraries Advisor in late 2021. Our Libraries Advisor is engaging with local government leaders and officers to promote the value of councils investing in libraries, and the benefits that public libraries provide for communities' wellbeing. Our Libraries Advisor is also working to develop best practice guidance and

resources for local government, and providing local government perspectives to a number of library industry groups.

Other policy issues

We've advocated strongly and worked on a number of other policy issues that are directly impacting councils and their communities, including:

- Advocating for councils to play a greater role in the provision of social housing.
- Working with the Ministry of Housing and Urban Development (MHUD) to better understand the housing market and the fiscal impact of councils becoming eligible for the Income Related Rent Subsidy.
- Working with MHUD to complete a preliminary assessment of council housing stock.
- Submitting on changes to the intensification rules under the National Policy Statement on Urban Development and continuing to advise Ministers and officials on implementation challenges.
- Helping secure a \$350 million fund (originally appropriated for the Covid-19 response) to help councils expand housing stock through new builds.
- Working with the Government and councils on the establishment of the Infrastructure Acceleration Fund.
- Submitting on the Ministry of Transport's Road to Zero strategy.
- Continuing our work as part of the Road Efficiency Group to support roading authorities in partnership with Waka Kotahi.
- Working alongside Taituarā to respond to Taumata Arowai's proposed Drinking Water Standards and Network Environmental Performance Measures.
- Responding to the National Policy Statement for Indigenous Biodiversity, which built on our sector think piece.
- Advocating for, and supporting central government officials, to develop a number of changes that support better communication of natural hazards information on LIMs.
- Submitting on the Pae Ora (Healthy Futures) Bill and encouraging central government to ensure that local government plays a key role in the proposed locality planning.
- Providing input into the Government's review of the emergency management system, and encouraging central government to slow down this reform due to capacity challenges.
- Feeding into the development of New Zealand's first Infrastructure Strategy, including through participating in a Local Government Working Group established by the Infrastructure Commission.



Whakahono | Connect

We connect people and create strong networks to bring strength to the whole sector.

- We create focussed and sector-wide forums where elected members and council staff can network to find inspiration, common ground and support.
- Our sector and member groups provide a space for targeted conversations, advocacy and connection in safe environments.
- We create opportunities for local government representatives to participate in central government advisory groups so their expertise and knowledge can be shared.
- Our group buying power offers commercial discounts and enhanced access to benefits like consultant advice, shared services, and funding opportunities.

Connection is vital for our elected members. It's complicated work and at times, thankless and isolating. Often only other elected members or staff really understand. Which is why we create forums where our council members can network, learn from experts and each other, share knowledge and be supported. Our national conference, webinar series and awards programme are all designed to share best practice and innovation while providing valuable support.

We provide the critical connection between central and local government maintaining relationships so we can talk to the right people at the right time, about the right things. Through our deep and wide network of connections, we can reflect local government views to the advisors, influencers and change-makers who are shaping the future around us.

Our group buying power also gives councils discounts and enhanced access to benefits like consultant advice, shared services and funding opportunities. Recently this has enabled greater access to forums and technologies such as the Road Efficiency Group, The Moata Carbon Portal, and Street Lighting Profiles.

What we achieved:

Our Annual LGNZ Conference

Despite the Covid odds and amidst multiple cancellations, we managed to host 700 members at our Annual Conference in Blenheim in July last year. Our rejigged programme reflected many of the issues at the heart of the sectors concerns – Three Waters and the Future for Local Government. The Prime Minister, Deputy Prime Minister and Minister for Local Government all used the occasion to make major announcements and it was clear to all that the LGNZ Conference is a key event for anyone in local government. The Conference also celebrated the winners of the LGNZ Excellence Awards – Hastings District Council, Ōpōtiki District Council, Hamilton City Council and Auckland Council who attracted media coverage for their achievements and their regions.

Community Board conference

More than 120 delegates and presenters attended the Community Board conference in Gore in April. The theme was "Interconnected communities" and attracted widespread interest. Community Boards play a vital role in local governance in many communities around New Zealand and we're looking at how we better support and grow these in the future.

Revitalised member communications

With complex reforms, a global pandemic and enormous pressure on councils to deliver on core work, we felt it was important to rethink how and what we were communicating to our members. We developed a whole new member comms strategy to ensure we were targeting elected officials and key decision makers with key information in a timely plain English fashion. Our primary email "Keeping it Local" brings a summary of critical issues, best practice and upcoming events, while our specific reform emails deliver the latest news and information about the top three reforms – Three Waters, Resource Management and Future for Local Government. We're constantly reviewing and evolving how we communicate and share with the sector. Look out for new and innovative ways to engage with us in the future.

Member meetings

With Covid wreaking havoc on in-person meetings, again we had to pivot much of our member engagement last year to online hui. We focused our attention on sharing critical information in a timely manner using zoom hui to connect with our members and give them opportunities to connect with each other. We held 19 zoom hui with members to share intel and allow the sector to interrogate experts on key topics.

We also managed to host 11 sector meetings in person, including 4 metro, 4 regional and 3 R&P meetings.

Zones were able to connect more regularly with 23 meetings taking place over the year.

Meetings with the Prime Minister and Ministers

As already mentioned, a key plank to our advocacy was direct conversations with decision makers. In the 2021/22 year we met with Government Ministers 14 times and with many officials on a weekly basis.

We also supported Central Government/Local Government Forums to foster dialogue with the Prime Minister and Cabinet about the issues that matter most to the sector.

Telling the Local Government story

Media interest in local government was high throughout the year with LGNZ commenting on everything from climate change, coastal erosion, three waters reforms, councillor numbers and behaviour, to harassment and bullying of councillors, policy on cats, retirement issues, freedom camping, environment monitoring, resource management reforms and the Future for Local Government review. The introduction of Māori wards attracted a good deal of attention as did Mayors' Taskforce for Jobs, which received a flood of positive media coverage – first for the programme's impressive annual job placement numbers, and later for the successful launch of Think Rural.

We also got a lot of good cut-through in national media, highlighting issues surrounding housing density plans and the need for more holistic funding for related infrastructure, as well as the importance of standing for local government. This last topic is one we're pushing hard in the lead up to the local body elections in October 2022.



Our programmes

MTFJ

MTFJ continued its stellar performance connecting Aotearoa's rangatahi, Covid-displaced, and disabled people into jobs and training.

The programme leveraged the rocky uncertainty of Covid to develop a whole new partnership with MSD to help young people into employment in rural areas. In the first year of the new \$14m Community Recovery Programme (2020-21), MTFJ delivered 1,336 sustainable employment outcomes, which was 186 above its contractual target with MSD, and apprenticeships made up 21 per cent of placements. The second year (2021/22) saw an uplift in funding to \$14.65m and the Community Recovery Programme provide support to 29 rural and provincial councils who placed more than 1,450 young and Covid-displaced people into jobs throughout the year.

The huge success of MTFJ's Community Recovery Programme saw it sign an MOU with the Government to work in partnership together to get more young people into local jobs. The MOU was signed at the 2021 LGNZ Conference in Blenheim by Local Government Minister Nanaia Mahuta, Mayor Max Baxter, and LGNZ CE Susan Freeman-Greene. Other signatories to the MOU included Minister of Social Development and Employment Carmel Sepuloni, Minister of Māori Development Willie Jackson, Minister for Youth Priyanca Radhakrishnan, Minister of Education Chris Hipkins and the Minister for Pacific People Aupito William Sio. The MOU has four key areas of focus - driver licensing, education, health and the importance of rangatahi mentoring.

MTFJ also worked closely with Outward Bound to provide 40 rangatahi with scholarships, with more rangatahi placed through the Community Recovery Programme.

The MTFJ mentoring programme for rangatahi Māori, Tuia, was popular with our membership, with over 40 Mayors and other Council elected members participating.

Unfortunately, the ITO Mayoral graduations were heavy impacted by Covid, so numbers were down from previous years. However, it was great to see 25 Councils still able to hold ceremonies to celebrate the accomplishments of apprentices in their communities. We are looking forward to working with Councils next financial year to organise graduation ceremonies, made possible with a generous grant from Te Pukenga.

PacificTA

With the arrival of Covid-19 in the Pacific Islands, and a number of leadership changes there, it's been a period of considerable disruption for our Pacific partners throughout 2021 and early 2022. In light of the impacts, it was agreed to extend the end date for the existing contract with MFAT from 30 June 2022 to 30 June 2023.

Despite the disruption, PacificTA has continued to engage and deliver. Asset management capability continues to grow in partner organisations with 160 people completing IPWEA's online asset management training. The value of asset management, planning and building control to manage climate risk and support resilience in Pacific communities is a continuing theme.

Advisors provided operational expertise that included asset registers and condition assessments, maintenance, and project planning and budgeting for capital expenditure. This work can have long lead times in the Pacific. For example, work with Infrastructure Cook Islands on condition assessments of the bridges in Rarotonga by Wellington City Council in 2016, has led to upgrades of the Avatiu Bridge in October 2020, and the Empire Bridge - currently under construction. These projects have supported the Cook Islands economy during the Covid border closures.

For local government partners facing urban growth pressure, investment in soft infrastructure is equally important. Open spaces and recreational activity support strong inclusive communities and long-term health outcomes. Port Vila City Council highlights this activity in their new five-year Corporate Plan, reinforcing the breadth of opportunities for investment in Pacific communities.

Other activity included:

- Monthly meetings with Watercare and Water Authority Fiji
- Completion of standard operating procedures for Port Vila City Council finance team and the completion of the 2020 reconciliations after being provided targeted training
- Port Vila City Council signing an agreement of co-operation with Shefa Provincial Council (the result of highlighting these challenges on a study tour in New Zealand including Napier City and Hastings District Councils)
- Port Vila City Council successfully advocating for the operations and management of the new sports complex located in Shefa provincial Council jurisdiction
- Port Vila City Council starting the revaluation of properties in Port Vila
- Infrastructure Cook Islands maintaining the capital works programme after changes in the Head of Ministry and other leadership team members
- To Tatou Vai water treatment staff placement with Watercare
- Cook island participation (Ministry of Finance and Economic Management, Cook Island Investment Corporation and Infrastructure Cook Islands) and completing the IPWEA online asset management training
- Suva City Council reaching out for support after the Covid outbreak across finance, operations and planning.



Whanake | Develop

We build capability and expertise, enabling councils to excel.

- > We keep members up to date on new developments, changes and issues.
- > Our expert policy team share advice on anything and everything local government that comes out of the Beehive and beyond.
- > We build capability through programmes, resources, tools and assurance which helps councillors and council staff thrive.
- > We're a trusted, confidential ear who understands what councils are facing.

Local government is so fundamental to creating and nurturing thriving communities and yet we sometimes overlook the fact that our elected representatives need support to govern effectively. Our goal is to break the complex into simple, manageable chunks and support all our members to learn and grow. Our expert policy team keeps the membership up to date with all the latest developments, provides policy interpretation and shares advice on anything that might affect communities.

Our professional development programme is designed specifically to support elected members through every experience with a comprehensive induction for new members and an ongoing programme of upskilling for all.

We share best practice through targeted comms, PD and sector specialist webinars, enabling councils to lift their aspirations and performance.

We provide access to CouncilMARK™ accreditation and the improvement benefits it brings and through EQUIP we offer professional consultancy services that support individuals and councils to build their capability.

We're also a trusted, confidential listening ear who understands the sector's challenges and has the insights and experience needed to find solutions and grow the sector.

What we achieved:

Professional Development

In May 2021 we held an incredibly well received Planning Symposium that saw almost 100 local government planners gather to work through the new paradigm for spatial planning that LGNZ developed. The aim of this paradigm was to explicitly make housing more affordable by lowering infrastructure costs and making land markets more efficient and effective, while also protecting the environment. It was supported by senior representatives from the Infrastructure Commission, Sense Partners, and Hamilton City Council.

We held four professional development webinars for members throughout the local government sector including: Quality Reports – Great decisions; NZTA Road to Zero; two CouncilMARK™ webinars and an SFO Webinar. We also ran six in person or in-house workshops on Maximising Meetings; Effective Debating; Chairing Practice; and Governance. We ran a very successful virtual workshop for Community Boards focussed on good Chairing practice and created two digital modules for DOC Community Boards.

- > 16 programmes on EHUB
- > 200 videos on EHUB
- > 8,548 visitors accessed EQUIP

With our new strategy in place, we knew the time was right for a rethink of our whole Learning & Development offering. We started with some research to provide an evidence base to understand what our members really needed to improve their ability to govern, how the current programme was delivering for them and where the gaps were that needed to be filled. Once again, we worked with TRA to engage widely with the sector to understand their needs and provide insight into a future proofed L&D programme. We heard that the need for building capability is greater than ever; that elected members want more timely and relevant learning tailored to the specific needs of local government; they want more interactive, modern learning formats and there was a need for a massive culture shift inside councils so that learning is valued and planned for – rather than fought for. LGNZ needs to play a key role in advocating for this shift as well as providing high quality, targeted L&D across a broad spectrum of governance, cultural and policy issues.

That work was completed in March this year and we've spent the subsequent months building a new strategy and L&D framework, including a brand-new induction programme that we're excited to debut in October after the local government elections.

CouncilMARK™

Despite participation in our custom assessment programme, CouncilMARK™, being interrupted by the impacts of Covid, it continued to grow, with 11 councils participating in 2021/22. Five of these completed their second assessments, which identified a positive step change in performance.

With the current climate of uncertainty and change, it's more important than ever that councils feel equipped to understand how they're performing against their goals, have support to stay on a pathway of continual improvement, and can communicate the value they deliver to their communities. We want to better support our sector to drive these positive outcomes.

We engaged TRA do research into how the programme works for councils, what they get out of it, where CouncilMARK™ could improve and how we could get more councils participating. The research highlighted the demand and desire to retain a grading framework, and the value in retaining the current assessment, by wrapping the assessment into a wider supportive continuous improvement programme. The insights also supported the shift to further embed a continuous improvement programme and ethos into councils – and the need for a fundamental shift in the purpose, approach and the customer experience of CouncilMARK™. We used these learnings and many other conversations with CouncilMARK™ participants to help us improve the programme, which we'll relaunch in the coming year.



Whakauru | Include

We ensure everyone can participate, thrive and be represented by local government.

- > We work with the diversity across the sector to create greater understanding, connection and empathy for all.
- > We create networks where diversity is nurtured and supported, like our Young Elected Members group and the Te Maruata Whānui.
- > We promote local elections, encouraging more and more diverse people and communities to participate in local democracy, and advocate for civics education.

We work arm-in-arm with Taituarā, the membership body for local government officials, and our networks and advisory groups, such as Te Maruata and Young Elected Members, to champion a future focus and a truly diverse and representative local democracy.

All communities in Aotearoa are affected by the changes occurring across our nation, including the significant programme of reform underway in the local government sector that may change the form and function of local government.

Of the current mayors, councillors and other elected members: 40.5% are women, 13.5% are Māori and 56-60 is the average age. Only 13.9% are under the age of 40. Representation of multi-ethnic and Pasifika communities has also remained low. We need a wide diversity of candidates to stand in our elections and represent their communities when decisions are being made. We also need everyone to learn more about their local candidates, consider their motivations and vision, and have their voice heard when they vote.



What we achieved:

Engaging with Māori

We recognised the importance and need for LGNZ to focus more heavily on our partnerships with Māori and our strategy for working towards LGNZ and the sector becoming more genuinely bicultural. We sought help from Tamati Shepherd-Wipiiti, a Partner at PwC, to work with Te Maruata and our staff to help develop an appropriate strategy and timeline for increasing our understanding of Te Ao Māori and build genuine relationships with both our local mana whenua and the Iwi Leaders Forum nationally. It culminated in Mana te Tiriti, a hui in Auckland in May with several PwC clients all on the same journey where we shared our stories and learnt ways to create allies and bring our strategy to life.

The Te Maruata hui at the Annual LGNZ Conference in July last year saw our largest-ever gathering of Māori elected members, who joined with Minister Mahuta, mana whenua and National Council to celebrate Iwi Māori participation in local government and imagine a new future.

Diversity, equity and inclusion strategy

We worked with Te Maruata, Young Elected Members (YEM), National Council, the Community Board Executive Committee and other key groups throughout local government to help us create a Diversity, Equity and Inclusion strategy that focuses on achieving outcomes such as:

- > Embedding Te Ao Māori within the sector
- > Improving council culture and wellbeing
- > Building sector capability around cultural awareness
- > Increasing diversity of representation
- > Encouraging greater public and community engagement through storytelling and education
- > Improving the Te Ao Māori knowledge, cultural awareness, diversity of our LGNZ staff and our and internal inclusion practises

Young Elected Members and their kaupapa

We advocated for and created a permanent YEM seat at National Council with full voting rights. This reflects a commitment that National Council gave to YEM previously, following the elevation of Te Maruata Roopu Whakahaere to full membership at the National Council table.

We supported the Young Elected Members network to finish developing Ngā Kaupapa a ngā Mema Rangatahi i Kōwhiria, the Young Elected Members' collective kaupapa. The YEM kaupapa shares the critical issues YEM is focused on where there is agreement that action needs to transcend any partisan positions. There are five focus areas:

- 01** Te Whakamana i Te Tiriti - Upholding Te Tiriti o Waitangi
- 02** Te Taiao me te Āhuarangi - Environment and Climate
- 03** Ngā Wai e Toru - Three Waters
- 04** He Kāinga Noho - Housing
- 05** He Tirohanga Anamata - A Future Focus

We're excited to help YEM share this important kaupapa widely in 2022.

Vote22 campaign

Encouraging more diverse people and communities to participate in local government is critical to a healthy thriving democracy. We want to see more New Zealanders both stand for local councils and vote for candidates to represent their communities. Our councils need to represent the communities they serve and that's not the case at the moment. And with just 41% turnout at the last election, we have a lot of work to do to make local government relevant to more Kiwis.

To do this, we developed the foundations of the Vote 2022 campaign, which focusses on getting more people to stand and vote in local elections in October 2022. In 2021, we worked with an award-winning agency to develop a campaign concept for the two-phase campaign and built relationships with councils across the country to join the campaign and amplify this national kōrero.

Vote22 is aimed at those people who haven't traditionally engaged in local democracy such as Māori, Pacific peoples, women, young people, the rainbow community, people with disabilities, and multi-ethnic communities. The campaign rolled out in March and 26 councils have joined so far.

02

EQUIP

Like councils EQUIP has adapted to changing Covid restrictions.

As a key service, the Road Transport Unit again moved into digital delivery across the national Roding Efficiency Group learning and development programme, resulting in continuity of engagement with councils, and an increase in the overall quality of Asset Management Plans to Waka Kotahi. Councils were also feeling the pressure from the magnitude and scale of the sector reform agenda underway. EQUIP assisted by providing Elected Members advice as the resource management reform, Three Waters Reform and Future for Local Government work progressed.

Key highlights:

- Working with Waka Kotahi to embed the REG programme into the National Land Transport Programme (NLTP) and ensuring that the One Network Framework is embedded in the Government policy statement and council asset management planning.
- Providing Provincial Growth Fund (PGF) project management oversight and delivery support.
- Recruiting new chief executives for councils as they plan for the next five years of leadership.
- Facilitating governance workshops on strategic outcomes and translating these into chief executive KPI frameworks.
- Working with senior council officers to support governance monitoring through output and outcome reporting, alongside CouncilMARK™ Shadow Reviews.
- Supporting Te Tiriti Māori partnership engagement with governance advice and officer delivery support.
- Demonstrating rich pictures of local Covid-19 data and risk with our DotLovesData partnership.
- Supporting capital carbon reporting with the Moata Carbon Portal and Mott MacDonald.
- Enabling councils to save on dimmable streetlighting and auditing costs with our new dimming profiles in conjunction with Smart Power.



03

FINANCIAL STATEMENTS

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Directory

Local Government New Zealand (LGNZ)
For the year ended 31 March 2022

Nature of Business

A membership organisation that represents local authorities in promoting the national interests of local government.

Entity Name

New Zealand Local Government Association Incorporated -
Trading as Local Government New Zealand (LGNZ)

Address

Level 1
117 Lambton Quay
Wellington 6011

IRD Number

049-455-479

Incorporation Number

374615

Incorporation Date

1 February 1988

Status

Registered Incorporated Society

Chartered Accountant

Grant Thornton New Zealand Limited

Auditor

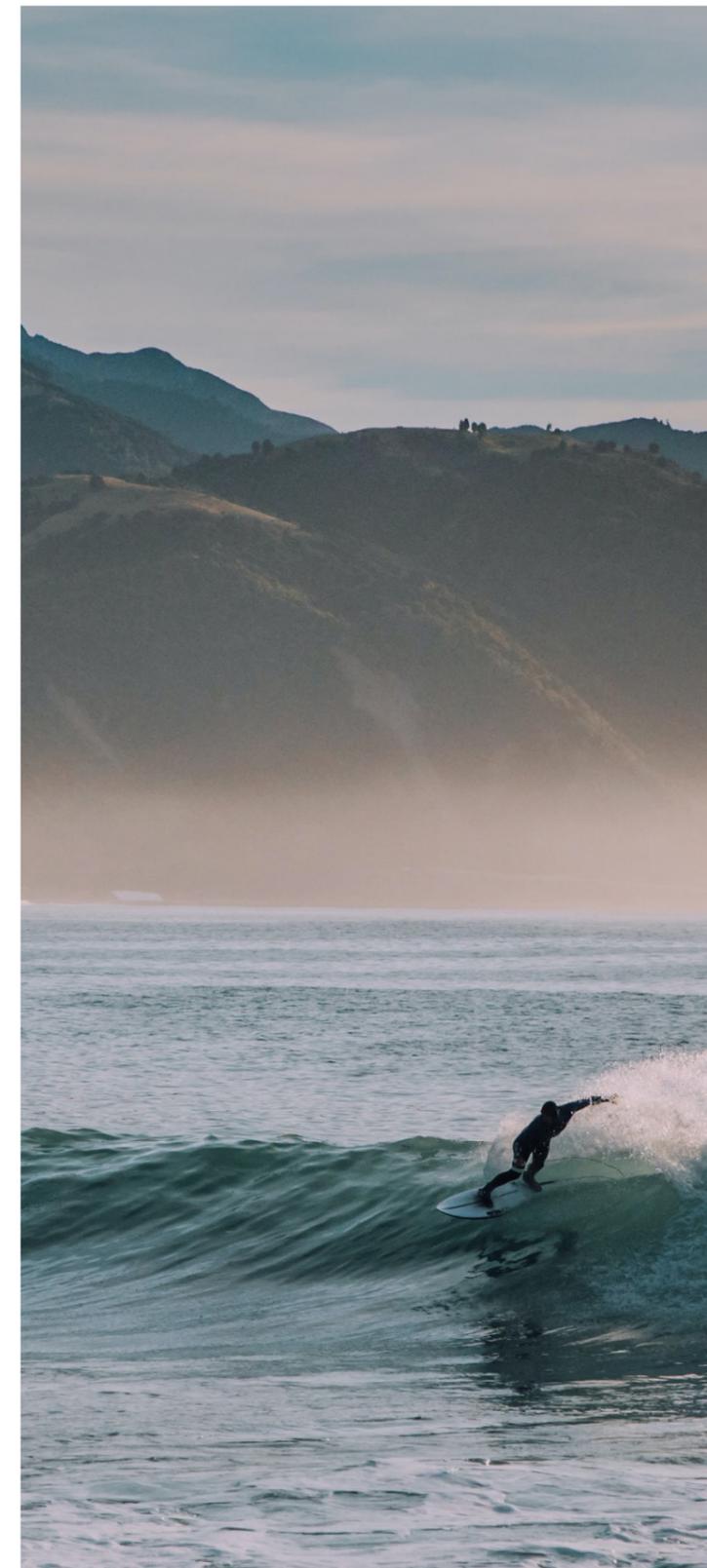
Deloitte Limited (on behalf of the OAG)

Banker

ANZ Bank Limited

Solicitor

Simpson Grierson



Consolidated Statement of Comprehensive Revenue and Expenses

Local Government New Zealand (LGNZ)
For the year ended 31 March 2022

	Notes	2022	2021
		\$	\$
Income			
Annual Subscription Income		3,998,211	3,998,211
Annual Conference Income	5	981,855	-
CouncilMARK Assessment Income	6	64,750	175,500
Equip Limited Partnership Income	12	1,835,871	1,975,402
Interest Income		19,211	29,448
Libraries Partnership Programme Funding		60,016	-
MTFJ Income		18,000	18,000
Pacific TA Income		346,000	346,000
Ratepayer Financing Scheme Income	9	320,622	80,000
Risk & Resilience Income	23	-	114,258
Sundry Income		35,412	10,000
Symposium and Event Income	14	-	51,713
Three Waters Reform Funding	8	2,205,264	-
Transparency International Income		20,000	-
Total Income		9,905,212	6,798,532
Total Income		9,905,212	6,798,532
Less Direct Costs			
Annual Conference Expenditure	5	780,759	-
Committees and Advisory Boards Expenditure		70,145	136,316
Communications Expenditure		9,476	18,014
CouncilMARK Expenditure	6	87,944	175,357
Equip Limited Partnership Expenditure	13	1,870,296	1,870,091
Governance Expenditure		99,517	111,879
Libraries Partnership Programme Expenses		60,016	-
Pacific TA Expenditure		184,930	196,358
People Costs		1,857,649	2,143,098
Policy Expenditure		106,675	208,596
Ratepayer Financing Scheme Expenditure	9	370,622	114,420
Strategy Expenditure		-	20,520
Three Waters Review		2,122,549	-
Risk & Resilience Expenditure	23	-	114,258
Sector Engagement Projects	10	198,798	-
Symposium and Event Expenditure		-	51,713
Total Less Direct Costs		7,819,376	5,160,620
Gross Surplus		2,085,836	1,637,912

These statements should be read in conjunction with the notes on pages 32-41.

Consolidated Statement of Comprehensive Revenue and Expenses (continued.)

Local Government New Zealand (LGNZ)
For the year ended 31 March 2022

	Notes	2022	2021
		\$	\$
Less Operating Expenses			
Accommodation/Occupancy		337,077	303,163
Advisory		100,224	50,303
CouncilMARK LGNZ Contribution	6	181,110	154,457
Financial		34,497	16,860
Fringe Benefit Tax		16,413	-
Honoraria		128,138	123,667
Insurance		51,010	50,023
Information Technology		206,778	133,134
Library		33,294	40,044
Office		127,552	147,849
Other Expenses	15	161,347	116,496
Staff Expenses		208,334	77,499
Strategic Review	7	159,055	-
Total Less Operating Expenses		1,744,829	1,213,495
Total Expenses		9,564,205	6,374,115
Net Surplus before Tax		341,007	424,417
Total Comprehensive Revenue and Expense		341,007	424,417
Total Surplus attributable to the Group		341,007	424,417

These statements should be read in conjunction with the notes on pages 32-41.

Consolidated Statement of Changes in Net Assets

Local Government New Zealand (LGNZ)
For the year ended 31 March 2022

	Notes	2022	2021
Accumulated Comprehensive Revenue and Expenses		\$	\$
Opening Balance		1,681,295	1,588,859
Comprehensive Revenue and Expenses			
Surplus for the Year		341,007	424,417
Total Comprehensive Revenue and Expenses		341,007	424,417
Transfers			
Transfers from (to) other Reserves		175,997	(331,981)
Transfers from Three Waters Reform		250,000	-
Total Transfers		425,997	(331,981)
Total Accumulated Comprehensive Revenue and Expenses		2,448,299	1,681,295
Emerging Issues Reserve			
Opening Balance		500,000	500,000
Total Emerging Issues Reserve		500,000	500,000
Three Waters Reform			
Opening Balance		250,000	-
Transfer (to) / from Accumulated Comprehensive Revenue and Expenses		(250,000)	250,000
Total Three Waters Reform		-	250,000
Other Reserves			
Opening Balance		1,565,538	1,483,557
Transfer (out) / in from Accumulated Comprehensive Revenue and Expenses		(175,997)	81,981
Total Other Reserves		1,389,541	1,565,538
Total Equity		4,337,840	3,996,833

These statements should be read in conjunction with the notes on pages 32-41.

Consolidated Statement of Financial Position

Local Government New Zealand (LGNZ)
As at 31 March 2022

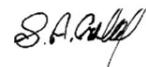
	Notes	2022	2021
		\$	\$
Assets			
Current Assets			
Cash and Cash Equivalents	16	6,432,787	6,520,559
Short Term Deposits		-	1,628,797
Receivables from Exchange Transactions	17	954,648	603,728
Income Tax Receivable		8,759	23,126
GST Receivable / (Payable)		77,776	(59,847)
Prepayments		127,773	204,664
Total Current Assets		7,601,743	8,921,027
Non-Current Assets			
Property, Plant and Equipment	20	397,630	353,750
Intangibles	19	90,590	57,303
Investments	18	1,475	1,475
Work in Progress - Intangibles		-	43,307
Total Non-Current Assets		489,695	455,835
Total Assets		8,091,438	9,376,862
Liabilities			
Current Liabilities			
Trade and Other Payables		889,000	617,563
Provision for Annual Leave		122,398	102,767
Fit-Out Loan	24	28,515	26,459
Community Board Executive Committee Levy		72,059	66,116
Lease Incentive	25	31,875	54,375
Mayors Taskforce for Jobs	21	570,151	3,118,145
Annual Conference Income in Advance		410,739	509,639
Pacific Technical Assistance Income in Advance	22	1,087,723	843,922
CouncilMARK Income in Advance		9,250	-
Ratepayer Financing Scheme Income in Advance	9	229,378	-
Libraries Partnership Income in Advance	11	289,984	-
Total Current Liabilities		3,741,073	5,338,986
Non-Current Liabilities			
Fit-Out Loan	24	12,526	41,043
Total Non-Current Liabilities		12,526	41,043
Total Liabilities		3,753,598	5,380,029
Net Assets		4,337,840	3,996,833

These statements should be read in conjunction with the notes on pages 32-41.

Consolidated Statement of Financial Position (continued.)

Local Government New Zealand (LGNZ)
As at 31 March 2022

	Notes	2022	2021
Net Assets Attributable to the Owners of the Controlling Entity		\$	\$
Retained Earnings		2,448,299	1,681,295
Emerging Issues Reserve		500,000	500,000
Three Waters Reform		-	250,000
Other Reserves		1,389,541	1,565,538
Total Net Assets Attributable to the Owners of the Controlling Entity		4,337,840	3,996,833



S Crosby, President
07 July 2022



S Freeman-Greene, Chief Executive
07 July 2022

Consolidated Statement of Cashflows

Local Government New Zealand (LGNZ)
For the year ended 31 March 2022

	Notes	2022	2021
		\$	\$
Cashflow			
Cash from Operating Activities			
Cash was Provided from:			
Receipts from Members & Stakeholders		10,206,917	7,107,379
Interest and Dividends Received		19,300	29,287
Total Cash was Provided from:		10,226,217	7,136,666
Cash was Applied to:			
Payments to Suppliers & Employees		(11,756,864)	(3,284,136)
RWT Paid		14,367	(5,292)
Total Cash was Applied to:		(11,742,497)	(3,289,427)
Total Cash from Operating Activities		(1,516,280)	3,847,239
Cashflow from Investing Activities			
Cash was Provided from:			
Proceeds from Maturity of Term Deposits		1,628,797	-
Total Cash was Provided from:		1,628,797	-
Cash was Applied to:			
Purchase of Property, Plant & Equipment		(173,828)	(138,080)
Purchase of Term Deposits		-	(1,628,797)
Total Cash was Applied to:		(173,828)	(1,766,876)
Total Cashflow from Investing Activities		1,454,969	(1,766,876)
Cashflow from Financing Activities			
Cash was Applied to:			
Repayment of Loans & Borrowings		(26,461)	(24,554)
Total Cash was Applied to:		(26,461)	(24,554)
Total Cashflow from Financing Activities		(26,461)	(24,554)
Net (Decrease)/Increase in Cash Held		(87,772)	2,055,810
Add Opening Cash Brought Forward		6,520,559	4,464,749
Bank and Cash			
Bank and Cash		6,432,787	6,520,559
Total Bank and Cash		6,432,787	6,520,559

Notes to the Consolidated Financial Statements

Local Government New Zealand (LGNZ)
For the year ended 31 March 2022

1. Reporting Entity

New Zealand Local Government Association Incorporated (trading as Local Government New Zealand (LGNZ)) is an incorporated society registered under the Incorporated Society Act 1908.

The Consolidated Financial Statements of Local Government New Zealand includes EquiP Limited Partnership ("the Group"). Local Government New Zealand and EquiP GP Limited are the partners of EquiP Limited Partnership. EquiP GP Limited is owned 100% by Local Government New Zealand.

Local Government New Zealand is a membership organisation that represents local authorities in promoting the national interests of local government.

These consolidated financial statements have been approved and were authorised for issue by the National Council Members.

2. Statement of Compliance

The Group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Public Sector entities. For the purposes of complying with NZ GAAP, the Group is a public benefit public sector entity and is eligible to apply Tier 2 Public Sector PBE IPSAS on the basis that it is not defined as large.

The Group has elected to report in accordance with Tier 2 Public Sector PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

3. Summary of Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements as set out below have been applied consistently to both years presented in these financial statements. Certain balances have been reclassified on the Consolidated Statement of Comprehensive Revenue and Expenses to aid the readability for the users of the Financial Statements.

3.1 Basis of Preparation

These consolidated financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of non-derivative financial instruments.

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

3.2 Functional and Presentation Currency

The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency.

3.3 Basis of Consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated financial statements, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 March 2022 reporting date.

All controlled entities are included in the financial statements of the Group.

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from exchange transactions

Subscription Income

Subscriptions received in exchange for annual access to members' activities are invoiced in April for the year they relate to.

Where members purchase specific services (for example, attendance at the LGNZ Conference), revenue is initially recorded as revenue in advance, and then recognised when the service is performed/event occurs.

Government contract revenue

Revenue from government contracts relates to income received from the Ministry of Foreign Affairs and Trade and is provided as funding for services the Group provides relating to the Pacific.

The Three Waters Project Funding is an agreement between LGNZ and the Department of Internal Affairs to enable LGNZ to support the Local Government Sector through the Government's Three Waters Reform Programme.

Revenue is recognised in the period the services are provided.

Event revenue

Entrance fees for functions and events are recorded as revenue when the function or event takes place.

Interest and dividend revenue

Interest revenue is recognised as it accrues, using the effective interest method.

Dividend revenue is recognised when the dividend is received.

Other Revenue

All other revenue from exchange transactions is recognised when earned and is reported in the financial period to which it relates.

3.5 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial Liabilities

The Group's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, loans and borrowings and deferred revenue (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method.

3.6 Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Short Term Investments

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

3.8 Property, Plant, Equipment and Depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a diminishing value or straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Furniture and Fittings	8% - 67%	Diminishing Value & Straight Line
Leasehold Improvements	10% - 40%	Diminishing Value

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

3.9 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets have been assessed as finite.

Intangible assets with finite lives are amortised on a diminishing value basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The Group does not hold any intangible assets that have an indefinite life.

The amortisation periods for the Group's assets are as follows:

- Website 50%
- Computer Software 50%
- Governance Workshop 33%

3.10 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

Lease Incentives

The aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the benefit from the use of the leased asset.

3.11 Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.12 Employee Benefits

Wages, salaries, annual leave

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits expected to be settled within twelve months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

3.13 Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Revenue and Expenses except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted at the reporting date.

A deferred tax asset is recognised when it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group is only liable for income tax relating to non-member activities. Member income and associated expenditure is not liable for income tax. Income tax is payable on any services or goods provided to non-members and interest earned on investments.

3.14 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised exclusive of GST except for receivables and payables, which are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

3.15 Equity

Equity is the community's interest in the Group, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Group's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Emerging Issues Reserve

The National Council has approved creating a reserve of \$500,000 (2021: \$500,000) for strategic matters.

Three Waters Reform

The National Council decided it was no longer necessary to have a Three Waters Reform reserve due to receiving DIA funding during the year and that it should be returned to general accumulated revenue and expenses - \$Nil (2021: \$250,000).

Other Reserves

The National Council have approved the creation of other reserves for:

Funding expected March 2022 deficits for LGNZ and Equip - \$845,646 (2021 deficits: \$849,513)

- Operational / Potential Organisational ceasing - \$543,895 (2021: \$716,025)

3.16 Operating lease commitments

The Group has entered into a rental agreement in relation to their premises.

The Group has determined, based on an evaluation of the terms and conditions of the arrangement, such as the lease term not constituting a substantial portion of the economic life of the asset, that it does not retain all the significant risks and rewards of ownership of this property and accounts for the contract as an operating lease.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Income Tax Expense

The Group has determined that the probability that future taxable profits will be available to be utilised is remote and no deferred tax asset is recognised.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by the Group are listed in Note 3.8 and 3.9.

5. Annual Conference

	2022	2021
Annual Conference Revenue	981,855	-
Annual Conference Expenditure	(780,759)	-
Staff Remuneration and Overheads	(143,259)	-
Net Annual Conference Profit	57,837	-

The figures shown are for the 2021 Conference held in July 2021 in Blenheim.

Staff remuneration and overheads have been recorded in staff remuneration in the Consolidated Statement of Comprehensive Revenue and Expenses. These relate to costs directly paid by Local Government New Zealand and part of its operations.

The 2022 Conference is scheduled to be held in July 2022 and final income and expenditure will be recorded in the financial statements dated 31 March 2023. Income and expenses as at 31 March 2022 for this conference are recorded as income in advance and prepayments on the Consolidated Statement of Financial Position.

The 2020 Annual Conference was not held due to the impacts of Covid-19. The sunk costs not recoverable for the 2020 Annual Conference were reported separately in the Consolidated Statement of Comprehensive Revenue and Expenses for 31 March 2020.

The 2020 Conference would have been held in the 2021 year. Hence there are no comparatives for that year.

6. CouncilMARK Programme

	2022	2021
CouncilMARK Assessment Income		
CouncilMARK Assessment Income	64,750	175,500
Total CouncilMARK Assessment Income	64,750	175,500
CouncilMARK Expenditure		
CouncilMARK Assessment Disbursement	(2,744)	(3,182)
CouncilMARK Assessment Fees	(85,200)	(172,175)
Total CouncilMARK Expenditure	(87,944)	(175,357)
CouncilMARK LGNZ Contribution		
CouncilMARK Board Expenses	(83,500)	(74,400)
CouncilMark Development Costs	(52,951)	(42,929)
CouncilMark Shadow Review Co-funding	-	(4)

	2022	2021
CouncilMark Travel Expenses	(31,600)	(12,859)
CouncilMARK Expenses Other	(13,059)	(24,265)
Total CouncilMARK LGNZ Contribution	(181,110)	(154,457)
Total CouncilMARK Programme	(204,304)	(154,314)

The CouncilMARK programme is designed to improve the public's knowledge of the work councils are doing in their communities and to support individual councils to further improve the value they provide to all New Zealanders.

The CouncilMARK Assessments incur a user pay fee which covers the cost of the assessment. It does not account for LGNZ time.

LGZ contributed funds to set up the programme and continues to fund the programme manager, Board expenses and any development expenses to enhance the programme.

7. Strategic Review

A strategic review was undertaken and included insights research with the membership, leading to a refreshed vision and purpose, updated value proposition and revised strategy, and support for the organisational review. In the 2022 financial year, the Strategic Review incurred total costs of \$159,055 (2021: \$Nil).

8. Three Waters Reform

Three Waters Reform Funding of \$2,205,264 was received from the DIA in the 2022 year to support LGNZ's response to the Government's proposed Three Waters Reforms. Of this \$2,122,549 was used in the 2022 financial year.

9. Ratepayer Financing Scheme

Ratepayer Financing Scheme Revenue \$320,622 (2021: \$80,000) is a funding tool that supports affordability of local authority charges by providing ratepayers with very attractive financing terms while keeping councils whole.

The revenue, which was funded by five councils in the 2022 year is recognised as the costs are incurred, with the balance of the funds recorded as income in advance on the Statement of Financial Position. In 2022 expenses exceeded revenue by \$50,000, being the agreed contribution from LGNZ. The income in advance balance of \$229,378 as at 31 March 2022 will be expensed in the 2023 when the Business Case is completed.

In the 2022 financial year, total costs of \$370,622 (2021: \$114,420) were incurred relating to the Ratepayer Financing Scheme.

10. Sector Engagement Projects

Sector Engagement Projects are special purpose projects involving focused engagement with the sector and public for the benefit of the sector. In the 2022 year projects included:

- Development and delivery of the Vote 22 campaign
- Development and delivery of a sector wide wellbeing programme that supports elected members
- Response to the independent panel's review on the Future of Local Government and sector consultation
- Development and delivery of a new LGNZ Learning and Development offering to meet the needs of all elected members and the sector

In the 2022 financial year, total costs of \$198,798 (2021: \$Nil) were incurred relating to the Sector Engagement Projects.

11. Libraries Partnership Programme

The Libraries Partnership Programme (NZLPP) is funded by the DIA. In the 2022 year LGNZ has received \$350,000 of total funding available of \$450,000 to cover the employment of a Libraries Advisor and associated costs for the period 01 November 2021 to 31 December 2023. The key objective of the Libraries Advisor is to promote the value of investing in public libraries to local government decision-makers, and to demonstrate the value that libraries contribute to communities' wellbeing. The revenue is recognised as the costs are incurred, with the balance of the funds \$289,984 (2021: \$Nil) recorded as income in advance on the Statement of Financial Position. The balance of the funding will be received as milestones written into the contract are met.

Equip Limited Partnership

Equip LP is New Zealand Local Government Association Incorporated's Centre of Excellence and is a Limited Partnership and separate legal entity wholly owned by Local Government New Zealand. Its purpose is to deliver tailored services, best practice guidance, business solutions, government and management support to strengthen the local government sector.

	2022	2021
Consultancy Services Income	1,787,155	1,820,632
Professional Development Income	48,716	154,770
Total Equip Limited Partnership Income	1,835,871	1,975,402

	2022	2021
13. Equip Limited Partnership Operating Expenses		
Accountancy Fees	9,637	10,565
Audit Fees	13,720	10,688
IT Outsourcing	11,509	26,710

	2022	2021
13. Equip Limited Partnership Operating Expenses (continued.)		
Legal Expenses	11,301	2,261
Professional Development Costs	13,950	26,433
Staff Remuneration	514,793	616,897
Consultancy Services Costs	1,256,339	1,102,428
Webinar Costs	2,990	4,124
Other Operating Expenses	36,057	69,985
Total Equip Limited Partnership Operating Expenses	1,870,296	1,870,091

	2022	2021
14. Symposium and Event Income		
Climate Change Symposium Income	-	14,212
YEM Hui	-	37,501
Total Symposium and Event Income	-	51,713

	2022	2021
15. Other Expenses		
Emerging Issues	10,000	-
COVID Response	-	6,113
Depreciation/Amortisation	98,667	116,849
New Zealand Transport Agency - ONRC	-	2,973
The Aotearoa Circle	10,000	10,000
Transparency International	40,000	-
Holiday Accrual	-	(32,932)
Membership Professional Advice	2,680	13,493
Total Other Expenses	161,347	116,496

	2022	2021
16. Cash and Cash Equivalents		
Bank	4,772,004	2,560,530
Monies held for Mayors Taskforce For Jobs	570,151	3,118,145
Pacific Technical Assistance Bank Account	1,090,465	841,717
Petty Cash	167	167
Total Cash and Cash Equivalents	6,432,787	6,520,559

	2022	2021
17. Receivables from Exchange Transactions		
Annual Conference Debtors	296,831	177,338
Pacific Technical Assistance Debtors	4,223	4,133
Sundry Debtors	653,594	422,257
Total Receivables from Exchange Transactions	954,648	603,728

	2022	2021
18. Investments		
Paintings/Artwork	1,475	1,475
Total Investments	1,475	1,475

	2022	2021
19. Intangibles		
Computer Software		
Computer Software at Cost	205,104	209,424
Less Accumulated Amortisation	(182,493)	(166,679)
Total Computer Software	22,611	42,745

19. Intangibles (continued.)	2022	2021
Governance Workshop		
Governance Workshop at Cost	416	14,975
Less Accumulated Amortisation	(416)	(417)
Total Governance Workshop	-	14,558
Other Intangible Assets		
Other Intangible Assets at Costs	71,044	-
Less Accumulated Amortisation	(3,065)	-
Total Other Intangible Assets	67,979	-
Total Intangibles	90,590	57,303

Reconciliation of the carrying amount at the beginning and the end of the period:

Intangibles Reconciliation	2022	2021
Computer Software		
Opening Balance	42,746	77,548
Additions	11,648	6,353
Disposals	(15,967)	-
LGNZ Amortisation	(15,689)	(26,526)
Equip Amortisation	(127)	(14,630)
Total Computer Software	22,611	42,745
Governance Workshop		
Opening	14,559	-
Additions/Transfers from WIP	-	14,975
Disposals	(14,559)	-
Equip Amortisation	-	(417)
Total Governance Workshop	-	14,558
Other Intangible Assets		
Opening	-	-
Additions	71,044	-
LGNZ Amortisation	(2,022)	-
Equip Amortisation	(1,043)	-
Total Other Intangible Assets	67,979	-
Total Intangibles	90,590	57,303

20. Property, Plant and Equipment

	2022	2021
Furniture & Fittings		
Furniture & Fittings at Cost	622,472	506,552
Less Accumulated Amortisation	(420,237)	(361,937)
Total Furniture & Fittings	202,235	144,615
Leasehold Improvements		
Leasehold Improvements at Cost	410,143	402,392
Less Accumulated Depreciation	(214,748)	(193,257)
Total Leasehold Improvements	195,395	209,135
Total Property, Plant and Equipment	397,630	353,750

Reconciliation of the carrying amount at the beginning and the end of the period:

Property, Plant and Equipment Reconciliation	2022	2021
Furniture and fittings		
Opening Balance	144,615	113,603
Additions	153,118	84,196
Disposals	(37,200)	(1,578)
LGNZ Depreciation	(55,914)	(43,346)
Equip Depreciation	(2,384)	(8,260)
Total Furniture and fittings	202,235	144,615
Leasehold Improvements		
Opening Balance	209,136	232,809
Additions	7,750	-
LGNZ Depreciation	(21,491)	(23,674)
Total Leasehold Improvements	195,395	209,135
Total Property, Plant and Equipment	397,630	353,750

21. Mayor's Taskforce For Jobs

The Mayor's Taskforce For Jobs ("the MTFJ") is separately funded and Local Government New Zealand provides management and administration services. All receipts of income and payment of expenses and grants, although separately accounted for via the MTFJ fund, are recorded through Local Government New Zealand's bank account.

For the purpose of these consolidated financial statements the monies held on behalf of the MTFJ are recorded separately within cash and cash equivalents, see note 16, in the Consolidated Statement of Financial Position along with the corresponding liability.

MTFJ is grouped with LGNZ for GST purposes and LGNZ employs the Taskforce Coordinator.

In July 2021 LGNZ signed another contract to continue the successful partnership between MTFJ and the Ministry of Social Development to provide funding to rural councils to assist them in the creation of sustainable employment placements for youth as part of the Government's continued COVID response (Community Recovery Programme). In the 2022 year the scope was widened to include some provincial councils.

Mayor's Taskforce for Jobs	2022	2021
Mayors Taskforce for Jobs (MTFJ)	570,151	3,118,145
Mayors Taskforce for Jobs (MTFJ)	570,151	3,118,145

22. Pacific Technical Assistance

The Pacific Technical Assistance is in its second, five year agreement, between Ministry of Foreign Affairs and Trade (MFAT) and Local Government New Zealand. This second agreement was entered into on 8 May 2017. The agreement is to provide technical assistance to local government development in Pacific Island countries. The funding is made available under the Pacific Technical Assistance Programme's State Sector Programme and has been extended to 30 June 2023.

The programme now has two dedicated full-time staff members, the costs of which are recorded in PacificTA Expenditure.

	2022	2021
Opening Balance	\$843,922	\$373,646
Funds Received	\$806,000	\$886,000
Total Funds Received	\$1,649,922	\$1,259,646
Funds Used		
LGNZ Assistance	\$346,000	\$346,000
Cook Islands	\$73,178	\$6,713
Fiji	\$7,709	\$15,875
Solomon Islands	\$4,424	\$0
Tokelau	\$4,914	\$6,494
Vanuatu	\$125,974	\$40,641
Total Funds Used	\$562,199	\$415,723
Closing Balance	\$1,087,723	\$843,922

23. Risk & Resilience

In 2016 LGNZ received Crown funding to establish the Local Government Risk Agency (LGRA), whose objective was to improve the risk management maturity of local authorities by providing risk management services. This project did not progress beyond presentation of the Business Case.

It was agreed in 2021 that the remaining LGRA funds would be used for a subsequent scope of work around Risk and Resilience (Three Waters Modelling Tool for Council use). The work was to be completed in the 2022 year utilising the left over funds of \$61,262 and carried forward from 2021. As the Government's Three Waters policy matured, offering councils a better package of funding, the LGNZ project was superseded. It was agreed to cease the project and to return the funds to LGNZ Advocacy and Sundry income.

Risk & Resilience Income - \$Nil (2021: \$114,258)

Risk & Resilience Expenses - \$Nil (2021: \$114,258)

	2022	2021
24. Loans		
Current Portion of Loans		
Current Portion of Fit-Out Robt. Jones Holdings Limited	28,515	26,459
Total Current Portion of Loans	28,515	26,459
Non-Current Portion of Loans		
Loan Fit-Out Robt. Jones Holdings Limited	12,526	41,043
Total Non-Current Portion of Loans	12,526	41,043
Total Loans	41,041	67,502

The landlord agreed to fund Local Government New Zealand's Fit-out to the amount of \$200,000. This has been funded by a loan advance to Local Government New Zealand, which is then repaid over the initial lease term of 9 years at an interest rate of 7.5% per annum.

	2022	2021
25. Lease Incentive		
Lease Incentive	31,875	54,375
Total Lease Incentive	31,875	54,375

Local Government New Zealand record a lease incentive liability for the rent free period of nine months, and then allocate this rent free period over the term of the lease by a reduction in the annual rental expenses.

26. Leases

At the reporting date, the Group has entered into the following non-cancellable operating leases:

Leases	2022	2021
Later than one year	316,325	316,325
Later than one year and no later than five years	131,978	448,113
Later than five years	-	-
Total Leases	448,303	764,438

27. Related Parties

Equip Limited Partnership

Local Government New Zealand received Accommodation fees of \$6,602 (2021: \$8,803) and Services Agreement fees of \$21,900 (2021: \$29,200) from Equip Limited Partnership.

There is net \$22,944 outstanding to/(from) Equip Limited Partnership at balance date (2021: (\$30,132)). These transactions are eliminated on consolidation.

The Mayor's Taskforce for Jobs

The Mayor's Taskforce for jobs ("the MTFJ") is a related party, as there is member commonality with the MTFJ Board and the National Council.

Management Fees of \$18,000 (2021: \$18,000) were paid from MTFJ.

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosure, are the members of the governing body being the Chief Executive, two Deputy Chief Executives, Director of Advocacy and two managers in Equip. No remuneration is paid to members of the Board. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

Key Management Remuneration	2022	2021
Total Remuneration	1,339,421	1,331,755
Number of persons	6	6

Honoraria

Honoraria of \$98,568 (2021: \$95,128) and \$29,570 (2021: \$28,539) were paid to the President and Vice President respectively during the year ended 31 March 2022.

No other monetary remuneration was paid to members of the National Council for their services.

28. Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial Assets	2022	2021
Loans and Receivables		
Cash and Cash Equivalents	6,432,787	6,520,559
Accounts Receivable	954,648	603,728
Total Loans and Receivables	7,387,435	7,124,287
Financial Liabilities		
Accounts Payable	617,565	617,565
Annual Conference Sponsorship and Deposits Received in Advance	410,739	509,639
Loans and borrowings	41,041	67,502
Provision for Annual Leave	122,398	102,767
Total Financial Liabilities	1,191,743	1,297,473

29. Income Tax Expense	2022	2021
Components of tax expense		
Adjustments to current tax in prior years	-	-
Tax expense	-	-
Relationship between tax expense and accounting surplus		
Surplus before tax	341,007	424,417
Tax at 28%	95,482	118,837
Plus / (less) tax effect of:		
Non-deductible expenditure	1,294,906	665,038
Non-taxable revenue	(1,736,973)	(1,119,499)
Deferred tax not recorded	346,586	335,625
Tax expense	-	-
Deferred tax assets / (liabilities)	-	-
Opening balance	-	-
Charged to surplus or deficit	-	-
Closing balance	-	-

Income Tax Receivable on the Consolidated Statement of Financial Position refers to Resident Withholding Tax receivable at balance date. Local Government New Zealand has tax losses available to offset against future taxable income of \$9,390,854 (2021: \$8,153,048). Tax losses are subject to Inland Revenue confirmation.

No deferred tax asset has been recognised for an amount of \$2,629,439 (2021: \$2,282,853) due to uncertainty that Local Government New Zealand will report taxable profits in the future to offset against accumulated tax losses.

30. Capital Commitments

There are no capital commitments at the reporting date (2021: \$nil).

31. Contingent Assets and Liabilities

There are no contingent assets or liabilities at the reporting date (2021: \$nil).

32. Events after the Reporting Date

There are no subsequent events after balance date that require disclosure.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NEW ZEALAND LOCAL GOVERNMENT ASSOCIATION INCORPORATED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The Auditor-General is the auditor of New Zealand Local Government Association Incorporated (the Association). The Auditor-General has appointed me, Pamela Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the Association on his behalf.

Opinion

We have audited the financial statements of the Association on pages 24 to 41, that comprise the consolidated statement of financial position as at 31 March 2022, the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets and statement of cashflows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Association:

- present fairly, in all material respects:
 - its financial position as at 31 March 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards (Reduced Disclosure Regime).

Our audit was completed on 7 July 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the National Council and our responsibilities relating to the financial statements, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the National Council for the financial statements

The National Council is responsible on behalf of the Association for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The National Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the National Council is responsible, on behalf of the Association, for assessing the Association's ability to continue as a going concern. The National Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the National Council intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The National Council's responsibilities arise from the Incorporated Societies Act 1908.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the National Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the National Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Association in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as the auditor, we have no relationship with, or interests in, the Association.



Pamela Thompson
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

04

NATIONAL COUNCIL

AND STAFF

National Council

Stuart Crosby | President | Councillor, Bay of Plenty Regional Council

Hamish McDouall | Vice President | Provincial Sector | Mayor, Whanganui District Council

Hon Phil Goff | Mayor, Auckland Council

Pippa Coom | Councillor, Auckland Council

Richard Northey | Local Board, Auckland Council

Aaron Hawkins | Metro Sector | Mayor, Dunedin City Council

Andy Foster | Metro Sector | Mayor, Wellington City Council

Grant Smith | Metro Sector | Mayor, Palmerston North City Council

Doug Leeder | Regional Sector | Chair, Bay of Plenty Regional Council

Rachel Reese | Regional Sector | Mayor, Nelson City Council

Alex Walker | Rural Sector | Mayor, Central Hawke's Bay District Council

Hon John Carter | Zone One | Mayor, Far North District Council

Jim Mylchreest | Zone Two | Mayor, Waipā District Council

Don Cameron | Zone Three | Mayor, Ruapehu District Council

Wayne Guppy | Zone Four | Mayor, Upper Hutt City Council

Sam Broughton | Zone Five | Mayor, Selwyn District Council

Gary Kircher | Zone Six | Mayor, Waitaki District Council

Bonita Bigham | Te Maruata Roopu Whakahaere | Community Board Member, South Taranaki District Council

Tamzin Letele | Young Elected Members | Whangamata Community Board Member, Thames-Coromandel District Council

Lan Pham | Young Elected Members | Councillor, Environment Canterbury

Lianne Dalziel | Co-opted | Mayor, Christchurch City Council

LGNZ staff (as of 31 March 2022)

Amanda Wells | Strategic Communications and Engagement Manager

Amy Flynn | Digital Marketing Specialist

Bridgit Sissons | Deputy Chief Executive

Charlotte McKay | Policy Advisor

Claudia Pope | Executive Assistant

Devanga Wanigasinghe | Community Partnerships Manager

Emma Anderson | MTFJ Programme Manager

Erica Thomas | People and Culture Manager

Frances Sullivan | PacificTA Programme Manager

Fraser Pearce | Principal Policy Advisor

Grace Hall | Director Advocacy and Policy

Joseph Stannard | Professional Development Digital Production

Lauren Gibson | Marketing Manager

Louisa Naftel | Events Coordinator

Maddie Barnett | Team Coordinator Policy

Marion Read | Library Advisor

Dr Mike Reid | Principal Policy Advisor

Nicci Wood | Principal Policy Advisor

Sarah McLean | Team Support Corporate Services, PacificTA and EQUIP (on maternity leave)

Scott Necklen | Deputy Chief Executive

Susan Freeman-Greene | Chief Executive

Tracey McIntyre | Team Support Communications and Engagement

Trudi Mackay | Finance Manager

EQUIP staff

Dr Steven Finlay | General Manager

Mark McKeag | Senior Consultant

We are. LGNZ.

Te Kāhui Kaunihera o Aotearoa.

PO Box 1214
Wellington 6140
New Zealand

P. 64 4 924 1200
www.lgnz.co.nz

We are.

Ashburton.

Auckland.

Bay of Plenty.

Buller.

Canterbury.

Carterton.

Central Hawke's

Bay.

Central Otago.

Chatham Islands.

Christchurch.

Clutha.

Dunedin.

Far North.

Gisborne.

Gore.

Greater Wellington.

Grey.

Hamilton.

Hastings.

Hauraki.

Hawke's Bay

Region.

Horizons.

Hurunui.

Hutt City.

Invercargill.

Kaikōura.

Kaipara.

Kāpiti Coast.

Kawerau.

Mackenzie.

Manawatū.

Marlborough.

Masterton.

Matamata-Piako.

Napier.

Nelson.

New Plymouth.

Northland.

Ōpōtiki.

Otago.

Ōtorohanga.

Palmerston North.

Porirua.

Queenstown-

Lakes.

Rangitikei.

Rotorua Lakes.

Ruapehu.

Selwyn.

South Taranaki.

South Waikato.

South Wairarapa.

Southland District.

Southland Region.

Stratford.

Taranaki.

Tararua.

Tasman.

Taupō.

Tauranga.

Thames-

Coromandel.

Upper Hutt.

Waikato District.

Waikato Region.

Waimakariri.

Waimate.

Waipā.

Wairoa.

Waitaki.

Waitomo.

Wellington.

West Coast.

Western Bay

of Plenty.

Westland.

Whakatāne.

Whanganui.

Whangarei.

LGNZ.