

# **We tackle. The issues that matter for our communities.**

Local Government New Zealand's  
annual report

2016/17

**We are.  
LGNZ.**

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Local Government New Zealand (LGNZ) is the sector voice for all 78 councils in the country. We advocate on behalf of our members who are mayors, chairs, chief executives and councillors at councils, and local and community boards. We lead the sector's commitment to improving practice and efficiency, enabling economic growth, community vibrancy and environmental wellbeing. Protecting and enhancing local democracy is paramount.

LGNZ is governed by our National Council, made up of 15 elected members from throughout New Zealand. We represent the national interests of councils and lead best practice in the local government sector. We provide advocacy and policy services, business support, advice and training to our members to assist them to build successful communities throughout New Zealand.

**We are.  
LGNZ.**

## From the President



2016 was another successful year for LGNZ. A particular highlight was LGNZ's assertive advocacy both on the Government's proposals to impose CCOs on communities without the support of the affected councils and on the ill-conceived "Snapshots" programme.

A new National Council is now in place and focused on how LGNZ can continue to deliver results like that for the membership over the next triennium. The prospects of success are looking better than ever. Debates that LGNZ initiated on matters such as new revenue sources for local government, regional development, and infrastructure regulation to name three, have entered the mainstream and now are regularly promoted by many persons and organisations. That is pleasing. That is leadership. That thought leadership, together with the successful launch of the Local Government Excellence Programme, means we are now firmly on the front foot. We intend to stay there.

< LGNZ will continue to drive debate on the issues that matter to our members and their communities.>

There have been a number of other gains over the last year. Following a remit at the 2016 Conference on community policing and our continued advocacy on this issue the Government announced a significant boost to police resourcing, including a commitment to regional and provincial New Zealand. The extra 880 police over four years, which include 140 more officers for up to 20 regional and rural stations, is a step in the right direction. LGNZ will continue to work with mayors and councils to ensure any ongoing concerns are heard.

Our work on funding for tourism infrastructure has also seen results. The need for a long-term, sustainable funding line for mixed-use infrastructure so communities can cope with burgeoning tourist numbers remains a goal for local government. But in the last year we have seen the Government respond through increasing infrastructure funding packages to assist councils to meet the stresses from a booming sector.

LGNZ will continue to drive debate on the issues that matter to our members and their communities.

Looking ahead, the National Council has decided to continue and heighten this year our focus on climate change policy and water policy. A particular aspect of the climate change work will be to build on the sector's work around risk and resilience and a fit for purpose legal and regulatory framework on adaptation to climate change.

The work on water policy will seek to integrate the quality, quantity, infrastructure and affordability debates and this has begun with the launch of the Water 2050 project. Local government is the major player in the water space and National Council believes we should lead the policy work that seeks to join up these disparate water policy strands.

Finally, in July of this year at our AGM I will step down as President. It has been my privilege to have led LGNZ over the last nine years, to have seen it re-emerge as an effective and leading organization, and to have represented your interests and concerns on the national scene. I have received so much support and guidance over this time and for those I am unable to thank in person I want to acknowledge you now. Thank you.

Whoever assumes the Presidency, I am sure that LGNZ will continue to take ownership and lead the key issues for local government, working with and supporting our members to strengthen our sector's leadership and service delivery.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'L. Yule', written in a cursive style.

**Lawrence Yule**  
President  
Local Government New Zealand

## From the Chief Executive



2016/17 saw LGNZ have a strong financial year where we succeeded in achieving the National Council's goals of delivering advocacy and member support outcomes whilst prudently rebuilding our reserves after a period of investment. This has primarily been achieved through a strong focus on cost control together with good revenue growth from EquiP.

Following the 2016 local elections a new National Council was elected and it has now issued its first business plan for the triennium. The new National Council has determined that LGNZ will continue its mission to be an assertive voice for local democracy in New Zealand and that LGNZ should continue to focus on developing innovative policy options and solutions to the issues impacting on local government and the communities it serves.

In the last year we have commenced, under independent governance, the CouncilMARK™ Programme. This is a programme designed to build the sector's reputation over time by showing the good that local government does, acknowledging constructively where improvement can be made and demonstrating a commitment to transparency and accountability to the public.

< If we want to change our reputation and our standing with the public we have to take real action ... >

This is a courageous and necessary step in the sector's long term interest. The Foundation Councils, the first to go through the assessment process, are to be congratulated for getting on board at the earliest opportunity. If we want to change our reputation and our standing with the public we have to take real action and the National Council has determined that the CouncilMARK™ programme will play a critical role in achieving this.

EquiP continues to go from strength to strength and has had significant revenue increase both from the membership and partners such as the NZ Transport Agency.

The goal of EquiP is to deliver support to LGNZ members in a cost-effective and competitive manner. It is about helping and assisting and it is gratifying to see EquiP build and grow. This is a product and service offering for you, developed in collaboration with you and we need your support to continue its evolution.

I want to close by acknowledging outgoing LGNZ President Lawrence Yule. Since taking on the job of Chief Executive I have worked closely with Lawrence. He has been an outstanding leader for local government. I regard it as an honour and a privilege to have worked with him and I wish him well for his future endeavours, and I know in Lawrence local government will always have a friend.

Warm regards



**Malcolm Alexander**

Chief Executive  
Local Government New Zealand

## LGNZ by the numbers in 2016/17



**100%**

of New Zealand councils are LGNZ members



**512**

mentions in the media



**4**

quarterly media briefings



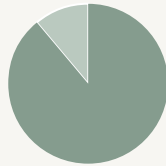
**465**

Mayors, Chairs and elected members inducted



**550**

conference attendees



**89%**

rating in member and stakeholder survey for being engaged, constructive and effective



**2,895**

Facebook page likes up from 1,536



**3,326**

Twitter followers up from 2,957



**12**

advisory group meetings



**22**

Zone and Sector meetings



**42**

workshops held



**61**

LGNZ EXCELLENCE Awards entries

## Publications issued to members

- The 2050 challenge: future proofing our communities - *July 2016*
- Planning our future - 8 point programme for a future focused resource management system - *July 2016*
- Local Government Excellence Programme - prospectus - *June 2016*

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# Advocacy



Putting local issues on the national agenda.

The 2016/17 year was incredibly full for LGNZ and the local government sector as a whole, not least because of the local elections. Alongside running a campaign aimed at lifting voter turnout LGNZ also developed and implemented the new local government excellence programme, CouncilMARK™, and advocated for a range of major policy issues, including retaining local democracy, policing, tourism infrastructure funding, risk and resilience, climate change and water.

## Vote 2016

Throughout much of 2016 LGNZ ran a communications campaign, Vote 2016, with the aim of lifting voter turnout to 50 per cent in the 2016 local elections, held in October. This included an extensive social media, public relations and stakeholder engagement, working with councils and a range of partners from around New Zealand's communities.

The final voter turnout of 42 per cent signalled a halting in the long-term slide in voter turnout, which had been constant over elections from the late 1980s. However it is clear more work is needed to not only boost voter turnout but engagement in local democracy overall, and this is an ongoing area of focus for LGNZ and the sector as a whole.

Voter turnout is an issue for all Western democracies and there is no silver bullet for increasing participation in elections. But through the Vote 2016 campaign we laid an excellent foundation for ongoing work and we are currently investigating options for boosting participation in local elections.

< ... we are currently investigating options for boosting participation in local elections. >



## Performance and reputation

Lifting the performance and reputation of local government is an important goal for the sector and significant steps toward this were taken in 2016 with the launch of the CouncilMARK™ excellence programme.

CouncilMARK™, an independent assessment system designed to show and grow the value of local government, is now well underway with assessments of 18 Foundation Councils completed by April 2017.

< Lifting the performance and reputation of local government is an important goal ... >

CouncilMARK™ was established in response to reputation research which showed an opportunity to better demonstrate the value that local government delivers. The programme measures indicators across leadership, finance, service delivery and community engagement to highlight both the good and the areas for further development, and chart a way forward for local government. Participating councils are assessed by independent specialists every three years, given an overall rating and the results publicised. Councils will discuss results with communities and use the assessments both to show the value they are delivering to communities and, where appropriate, outline actions to improve value and service.

The programme is overseen by an Independent Assessment Board chaired by Toby Stevenson. Mr Stevenson is a Director at Sapere Research Group and an independent company director with 30 years' experience in strategic risk management. He is joined on the Board by Debbie Birch and Albert Brantley. Ms Birch has more than 30 years' experience in global financial markets offshore and in New Zealand, and Mr Brantley is a former chief executive of Genesis Energy and current chief executive of Ōtākaro Limited, the Crown-owned company tasked with delivering Christchurch's anchor regeneration projects.

CouncilMARK™, guided and overseen by the Independent Assessment Board, is positioned as the "gold standard" assessment system for councils and communities, designed to achieve measurable change over time, and we are rightly proud of the programme and what it will achieve.



Toby Stevenson



Albert Brantley



Debbie Birch



## Policy leadership

A key feature of 2016 was the release of our discussion document *The 2050 Challenge: future proofing our communities*. The 2050 Challenge was written to identify the major shifts taking place in New Zealand and develop a better understanding of the implications for local and central government.



The work identified the major shifts New Zealand will see over the next 30 years and which councils will need to respond to. We have broken these into five key themes: urbanisation, liveable cities and changing demographics; stewardship of our natural environment; responding to climate change; equality and cohesion; and the future of work.

Communities and councils will be at the forefront of these shifts. The 2050 Challenge examines the strategic challenges facing our communities and will help local government develop long-term policies and approaches for dealing with these significant issues. This work has helped shape the 2017-2019 Business Plan and our 2017 conference.

< The 2050 Challenge examines the strategic challenges facing our communities ... >

## New advisory groups and committees

During the year four Advisory Groups comprised of elected member and management representatives from councils around New Zealand led major pieces of work in their respective areas of:

- Governance and Strategy
- Economic and Social Policy
- Environmental Policy
- Sector Performance

Alongside that work the National Council, LGNZ’s governing body, continued to meet throughout the year to set and guide policies and oversee them to point of achievement. Our Māori committee, Te Maruata, the Young Elected Members group and the Chief Executives Forum also contributed throughout the year.

Following the 2016 local elections a process was undertaken to establish the groups to set the priorities and agenda for the next three years. These include a new Governance and Strategy Advisory Group and a new Policy Advisory Group. Te Maruata, the Young Elected Members committee and the LGNZ Chief Executives Forum will continue to advise the sector on other important issues throughout the term.

## Remits

Our work on the remits proposed and supported at the 2016 conference has seen some good results for local government.

A remit put forward by a number of councils called for adequate resourcing for community policing and LGNZ advocated for this. In February the Government announced a \$503 million package for the courts, justice and police, including funding for 880 new sworn officers over four years. Police Commissioner Mike Bush later confirmed this would include 140 more officers for up to 20 regional and rural police stations. This was a positive step in the right direction.

Another remit called for action to address the impacts on human health from dust on unsealed roads, and for a working party to investigate the impact. A dust working group was formed in 2016. Subsequently NZTA drew up a “Gravel Roads and Dust Action Plan” and is proposing a plan to research and develop a strategic business case leading to national policy with supporting tools and resources.

## Member engagement

Members remain engaged with the work of LGNZ.

This is demonstrated by the excellent turnout at the 2016 Conference and the significant number of entries for the 2017 Local Government Excellence Awards – 61.

The way in which councils have rallied around issues also demonstrated how we can pull together on issues that matter. This was particularly evident in our advocacy around the amendments to the Local Government Act proposed last year, which would have seen

the Government given the authority to create multiply-owned Council Controlled Organisations without gaining community support.

The response to the CouncilMARK™ excellence programme, for which around 20 per cent of councils signed on as Foundation Councils, also showed a commitment from the sector to lifting and demonstrating local government performance.

We continue to keep members updated and appraised through our suite of regular communications, including Sector Briefs, Frontpage News, Policy Briefs and ongoing Zone and Sector meetings. Our publications are well read and the meetings well attended.

### 2016 LGNZ EXCELLENCE Award winners



Southland District Council



Kawerau and Matamata-Piako District Councils



Hamilton City Council



Auckland Council



Rotorua Lakes Council



New Plymouth District Council

## Policy priorities

This section reports against the series of strategic themes under which particular workstreams are grouped for the 2016/17 year. Following the local elections the policy priorities for LGNZ have been reviewed and refined and included in our 2017-2019 Business Plan and will be reviewed annually.

### 1. Governance and performance excellence

As referred to earlier LGNZ last year launched the local government excellence programme, CouncilMARK™, and this was a major milestone towards demonstrating and lifting local government performance.



### 2. Economic development

Economic development continues to be a significant issue for many councils, particularly those in regional New Zealand.

We advocated for Special Economic Zones and worked with Government officials to look at economic and regulatory barriers. We will continue to advocate for more flexible and innovative policy solutions which will continue with the new Government.

In late 2016 LGNZ conducted research into the work councils do towards local economic development. A survey requesting baseline information on, among other subjects, council practices, budgets and personnel involved in economic development, received an 88 per cent response rate from the sector. Data collected will be used to highlight best practice and provide information on how councils are using their resources to sustain and generate economic activity. A draft discussion paper is planned for completion in 2017.



Kawerau and Matamata-Piako District Councils won the 2016 EXCELLENCE Award for Best Practice Contribution to Local Economic Development

The issues our regions face were also well canvassed in the 2050 Challenge discussion document, which highlighted urbanisation, an ageing population and the impact of technology on the ways we work as key shifts facing our communities, both in cities and regional centres. Contracting and ageing populations will have impacts in a range of ways, including how areas of declining population will fund infrastructure when local rates are below the levels necessary to recover costs.

### 3. Developing a sustainable funding model for local government

LGNZ's 2015 Funding Review stimulated considerable debate and since its launch LGNZ has responded with several streams of continuing policy work. As a result many policy matters around infrastructure are now being addressed, with or by central government.

Securing a sustainable, long-term funding mechanism for funding tourism infrastructure has been a key focus of LGNZ's advocacy, and this will continue. There is now acceptance among both the tourism industry and the Government that investment is needed to help many small communities that struggle to fund the infrastructure needed to cope with the influxes they experience. The Government established the Regional Mid-sized Tourist Facilities Fund of \$12 million over three years, and this was extended by a further \$5.5 million in early 2017.

This was a start but much greater investment will be needed as highlighted in an LGNZ and Tourism Industry Aotearoa survey which asked councils to identify infrastructure projects needed to support sustainable tourism growth. Forty seven councils identified over 600 mixed-use infrastructure projects with a value of hundreds of millions of dollars. Budget 2017 has lifted this to \$102 million over four years.



Taking action  
on infrastructure.

An earlier study commissioned by the chief executives of Air New Zealand, Auckland Airport, Christchurch Airport and Tourism Holdings Limited also called for much greater investment to fund local tourism infrastructure needs.

As a result the Government will provide further funding and LGNZ will continue to advocate for a long term funding model for tourism infrastructure and allocation. In particular, advocacy to introduce a visitor levy to provide a sustainable funding line will continue.

It is encouraging to see these issues being picked up and championed by others.

## 4. Leading effective infrastructure development and funding policies

### Housing

Housing is one of New Zealand's most significant issues and local government has continued to advocate for new tools for funding the infrastructure needed to allow for housing development.

LGNZ's advocacy has focused on calling for action on six key areas, which were included in our submission on the Government's National Policy Statement on Urban Development Capacity:

- funding and financing of infrastructure;
- addressing land-banking;
- allowing for Urban Development Authorities controlled by local government to speed up development;
- putting in place tax regimes that de-incentivise speculation in residential property;
- addressing a skills shortage in the construction industry; and finally
- addressing an uncompetitive market for building supplies.

The creation of a \$1 billion Housing Infrastructure Fund to pay for water and roading infrastructure in high growth areas to accelerate house building was a welcome acknowledgment of the scale of the issue. Solving New Zealand's housing issues requires a collaborative approach and the Fund is a good example of local and central government working together. Further work on funding for our high growth councils will continue with the Government in 2017.

LGNZ has also advocated to allow councils to create urban development authorities to accelerate housing development and the Government has proposed legislation to establish new authorities to support these projects.

### Local Government Risk Agency

Work on establishing a Local Government Risk Agency continued in 2016 and at the time of writing the business case is with the Government for a final decision. The aim of the Local Government Risk Agency is a national framework and policy alignment at the central and local government level, and a plan for joint implementation across New Zealand.

Whatever the Government's decision it is certain we need a new approach to risk and resilience and LGNZ will continue to work towards improving the outcomes for our communities.

In a changing climate serious weather events, along with sea level rise, are forecast to increase. LGNZ has continued to promote the need for greater awareness of the impacts of climate change and for a forum for central and local government to discuss climate change issues, particularly in relation to areas where there is existing development and infrastructure investment. Through media engagement we have seen a number of climate change articles featuring LGNZ, and LGNZ is becoming a regular commentator on climate issues.

### Regulation

LGNZ has continued to work closely with central government on regulatory matters that relate to our sector, including dog control, rural broadband, alcohol and food regulation, methamphetamine contamination standards, freedom camping and road safety.

Our work with former Associate Minister of Local Government Louise Upston on menacing dogs saw new dog control measures introduced to give those at the forefront of animal management better tools for dealing with high-risk dogs. This included funding of \$850,000 to subsidise the neutering of high-risk dogs.

These and other issues are important to our communities and LGNZ works with our partners in Government to ensure the local view is heard.

## 5. Environment

In 2016 LGNZ launched our proposals for changes to the resource management system. Our report, Planning our future: an eight point programme for a future-focused resource management system, called for a greater emphasis on early decision-making and placing greater value on natural eco-systems.

Key recommendations included:

- alternative tools to fund infrastructure are needed;
- that a focus on the "culture" of planning is needed; and



## Advocating for strong local democracy.

- that the planning system needs to be more responsive. It takes too long to get plans in place and to respond to a new issue or set of information.

Many of our recommendations aligned with those outlined by the Productivity Commission in its report into New Zealand’s urban planning system.

Adapting to climate change remains a major issue for New Zealand. Local government will be at the forefront of readying our communities for a future with greater instances of severe weather and rising sea levels, and continues to advocate for a joined up approach to climate change between local and central government.



### Water 2050



Water is another high priority issue where local government has an important role to play.

In 2017 LGNZ announced a new piece of work to create a comprehensive framework that brings freshwater issues and water infrastructure into a coherent policy. “Water

2050” will develop a framework for water that coherently integrates freshwater quality and quantity, standards, rights and allocation, land use, three waters infrastructure, cost and affordability, and funding while recognising that the allocation of iwi rights and interests in freshwater is a live issue for the Crown.

A freshwater symposium exploring the management of water quantity, quality and funding was developed for May 2017.

### Local Democracy

#### Vote 2016

LGNZ’s #VoteNZ2016 began in March 2016 and ran until polling day, 8 October. As referenced earlier while turnout went up slightly to 42 per cent, this was short of the 50 per cent goal LGNZ set.

However there were a number of positive outcomes from the campaign which bode well for future work.

The campaign used three phases, beginning with an issues phase to raise awareness of the role local government plays in people’s lives, a

candidate phase to attract candidates to stand, and a vote phase to encourage people to cast their ballot.

Through our partnership programme to enlist organisations, establish relationships and encourage support we worked with several Chambers of Commerce, Creative NZ, Federated Farmers, Fish and Game NZ, Iwi Leaders Forum, Ministry for Women, Neighbourly.co.nz, NZ Council for Infrastructure Development, Property Council New Zealand, PSA and NZME.

Through our social media campaign we reached 655,670 New Zealanders via Facebook, garnering 2,265 comments and 2,343 shares. The media campaign was also successful with significant coverage achieved, especially as the 8 October polling day approached.

This was the first time LGNZ ran a campaign of this nature and while the eventual turnout was below the ambitious 50 per cent target, we laid the foundations for future engagement, and did see an increase in voter turnout for the first time since the 1980s.

#### Local Government Act Amendment Bill

The Local Government Act Amendment Bill was a focus of significant advocacy through the middle of 2016. The chief concerns were provisions giving the Local Government Commission the power to create Council Controlled Organisations (CCOs) without seeking the agreement of councils or communities. CCOs can be a useful addition to a council structure but their creation is a matter for a council and community, not something to be handed down without proper discussion.

A concerted effort from across the local government sector was launched to oppose this proposal, including a coordinated media campaign and personal lobbying from many mayors around the country. At February 2017’s Rural and Provincial meeting, Local Government Minister Anne Tolley advised the Cabinet had changed its position to align with LGNZ on the ability to create a multiply owned council-controlled organisation without the agreement of all affected local authorities.

The Minister has also said that the Government expects councils to take a close look at the structural ways in which they are providing services and where improvements could be made to work together and deliver ongoing value to ratepayers and communities. Through our CouncilMARK™ programme we have showed a commitment to achieving this.

The Bill galvanised the sector in a very positive way and showed that when local government speaks with one voice we can wield significant influence.

# Our year in review



## April 2016

- **Zone 5 & 6 meeting**
- LGNZ major issues seminar forum on social housing.
- LGNZ's 2050 Challenge to address key challenges facing New Zealand's communities over the next 30 – 50 years launched.
- Online voting trial abandoned for 2016 local elections but LGNZ remains committed to build on the momentum for online voting to be an option for the future.



## June 2016

- **Zone 1 meeting**
- **Rural & Provincial Sector meeting**
- Kids Voting launched for Vote2016 to give young people aged 11 to 15 years the opportunity to engage the election process.
- LGNZ issues details of a new independent standards system that measures the performance of local authorities - the CouncilMARK™ local government excellence programme.
- 25 LGNZ EXCELLENCE Awards finalists named.

## August 2016

- **Metro Sector meeting**
- LGNZ announces the appointment of Toby Stevenson as the inaugural chair of the Independent Assessment Board to oversee CouncilMARK™ local government excellence programme.
- LGNZ submits on the Fire and Emergency Service Bill, which represents a major change to the way in which fire and emergency services in many parts of New Zealand are operated.
- LGNZ begins research to scope the various economic development service delivery models used by local government.
- LGNZ urges Kiwis to take action and enrol to vote in the 2016 local elections.

## May 2016

- **Zone 2 meeting**
- **Chief Executives meeting**
- **Regional Sector meeting**
- **Metro Sector meeting**
- LGNZ signs up a number of major partners in the Vote2016 campaign to lift nationwide voter participation to 50 per cent.
- Mayor's Taskforce for Jobs driver's licence initiative launched at Central Hawke's Bay College.
- LGNZ welcomes a new Regional Mid-sized Tourism Facilities Fund of \$12 million but says more long-term and sustainable funding for tourism infrastructure is needed.



## July 2016

- **Zone 4 meeting**
- LGNZ announces 21 councils sign up as Foundation Councils for the first year of the Local Government Excellence Programme.
- **LGNZ Conference: 550 local government members and stakeholders gather in Dunedin**
- LGNZ EXCELLENCE Award winners named. LGNZ votes in favour of eight remits on topical matters at the 2016 LGNZ Annual General Meeting: The Local Government Act 2002 Amendment Bill (No 2); community policing; minimum standards for rental housing; freedom camping; impact of dust on unsealed roads; preservation of earthquake prone public heritage buildings; relocation of government services to regional centres; and a beverage container deposit system.
- LGNZ releases 'Planning our future, an eight point programme for a future-focused resource management system'.
- LGNZ release the '2050 Challenge: future proofing our communities' discussion document.
- Three new Life Members awarded to Colin Dale, Sir Barry Curtis and Sir Bob Harvey.

## September 2016

- **Regional Sector meeting**
- **Zone 2 meeting**
- LGNZ and 15 mayors from around the country unite at the Local Government and Environment select committee to submit against aspects of the Local Government Act Amendment Bill (No. 2).
- On World Rivers Day LGNZ hosts a major issues seminar to discuss the role councils play in managing water.
- Voting opens in the 2016 local elections and LGNZ encourages voters to have their say while there is still time.





### October 2016

- **Metro Sector meeting**
- Local elections see a rise in voters in cities compensate for a drop in rural and provincial areas to bring turnout slightly above 2013 levels.



### December 2016

- LGNZ welcomes an industry-commissioned tourism infrastructure funding report highlighting the need for greater investment.
- Dunedin mayor Dave Cull elected as the new interim LGNZ Vice President.
- New Prime Minister Rt Hon Bill English is welcomed to the role by LGNZ.



### February 2017

- **Regional Sector meeting**
- **Metro Sector meeting**
- LGNZ welcomes a commitment from the Government for more police for rural and provincial New Zealand.

### November 2016

- **Regional Sector meeting**
- **Rural and Provincial Sector meeting**
- **Zone 1, 2, 3, 4, 5 & 6 meetings**
- LGNZ confirms two further members to the CouncilMARK™ Local Government Excellence Programme Independent Assessment Board: Debbie Birch and Albert Brantley join chairman Toby Stevenson to oversee the Programme.
- LGNZ welcomes The Local Manifesto: Restoring Local Government Accountability, a New Zealand Initiative report calling for greater clarity in the roles and responsibilities of local and central government in New Zealand.

### January 2017

- LGNZ welcomes new Government moves to ban cosmetic product containing plastic micro-beads, but call for further measures to remove single use plastics from the environment in line with LGNZ policy.
- LGNZ's submission to the Health (Fluoridation of Drinking Water) Amendment Bill advocating for final decisions to be made by the Director-General of Health.

### March 2017

- **Zone 1, 2, 3, 4, 5 & 6 meetings**
- **Metro Sector meeting**
- **Regional Sector meeting**
- **Rural & Provincial Sector meeting**
- LGNZ launches Water 2050, a new piece of work to create a comprehensive framework that brings freshwater issues and water infrastructure into a coherent policy.
- LGNZ announces the second New Zealand China Mayoral Forum to be held in Wellington in 2017, following the successful inaugural event of 2015 held in Xiamen, China.



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# Business Solutions



## In its third full year of operation Equip, Local Government New Zealand's Centre of Excellence, achieved a number of important milestones to help it deliver increased value to the sector.

These include:

- Developed and launched a new professional development strategy, underpinned by robust adult teaching principles, offering flexible delivery methods supported by technology;
- Further consolidated Equip's commercial framework to ensure future commercial sustainability;
- Broadened the scope of Equip's Road Transport Unit developing first party services;
- Developed a framework to align Equip's services to support the Local Government Excellence Programme; and
- Established a trans-Tasman Partnership with LGAQ to leverage our respective intellectual property and build growth pathways.

### Equip consultancy

Following the 2016 local elections Equip was asked to support new and returning councillors to get a head start on their terms of office. In doing this Equip has delivered increased support at both governance and management levels by:

- Developing and launching governance strategy and values workshops, enabling councils to set a strong working culture by understanding group formation stages;
- Extending the range and depth of customer service level reviews, to include group and staff level customer service improvement programmes;
- Increasing the Road Transportation Unit Transport Agency deliverables and KPIs, as well as broadening the fee for service activity to include asset management support services, procurement, transport sector policy and GPS Support, and LED business case support; and
- Launching a tourism and economic development support package for councils to evaluate and improve management of freedom camping, including accessing available infrastructure funding.

### Equip professional development

The Equip Professional Development Strategy has been implemented and is now running on a 'business as usual' basis. Equip has grown its capability and can now offer a flexible programme that can quickly be customised to suit the council issue, based on the following principles:

1. Key instructional design practice to effectively build capability
2. The flexibility to build or adjust any programme to suit
3. The use of the most appropriate delivery medium

### 2016 induction programme

Equip successfully ran its elected member induction programme using its new methodology. Based on stakeholder feedback Equip designed and delivered a six month programme of five different learning activities to both new and re-elected mayors, chairs, councillors and community board members. These provided effective learning outcomes, and also showcased the range of Equip's delivery mediums.

Equip ran a total of 19 workshops in 12 locations for the mayors, chairs, councillors and community board member audience. This included:

- Mayors Induction workshop – 40 Mayors attended
- Regional Chairs – 13 Chairs
- Elected Member and Community Board Induction workshops – 412 participants.

Other successful activities included a digital module for newly elected members, the GROW handbook, and two separate induction webinar series to build and reinforce council capability.



## A summary of the 2016/17 professional development offerings

2015/16		2016/17
<b>6</b> webinars	>	<b>13</b> webinars
<b>32</b> workshops held	>	<b>42</b> workshops held
<b>445</b> workshop attendees	>	<b>743</b> workshop attendees

Workshop participation continues to be a popular option for our members. Equip has also seen a growing demand for digital solutions which can be accessed as and when needed and is catering to that demand.

The preferred medium for participation in webinars is quickly moving to the 'on-demand' option which reflects the changing demographics of the elected member audience.

# 3

# Financial statements

# Consolidated Statement of Comprehensive Revenue and Expenses

New Zealand Local Government Association Incorporated  
For the year ended 31 March 2017

	Notes	2017 \$	2016 \$
<b>Revenue from Exchange Transactions</b>			
Subscription Income		3,789,854	3,722,842
Conference Revenue	5	854,916	880,771
Dividends Received		5,895	-
Interest Earned		43,619	84,379
LGEP Income	6	209,726	-
Local Government Risk Agency Income	18	309,674	612,612
Pacific TA Management Fee		115,000	115,000
Pacific TA Funding	17	349,527	316,531
Other Income	8	78,061	209,022
EquiP Limited Partnership Income	7	1,716,596	1,114,706
<b>Total Revenue from Exchange Transactions</b>		<b>7,472,868</b>	<b>7,055,863</b>
<b>Total Revenue</b>		<b>7,472,868</b>	<b>7,055,863</b>
<b>Expenses</b>			
Accounting/Consulting		37,383	75,293
Administration	9	584,805	563,760
Amortisation	14	27,963	10,642
Audit Fees		15,344	22,360
CHH Litigation Expenses		5,939	-
Communications		172,655	391,523
Conference Expenditure	5	648,560	604,748
Depreciation	15	82,465	80,469
Honoraria	22	108,414	112,338
Internal Governance		209,834	198,488
Legal Expenses		72,460	87,610
LGEP Expenses	6	283,281	-
Local Government Risk Agency Expenses	18	319,724	612,612
Pacific TA Expenditure	17	349,527	316,531
Other Operating Expenses		104,168	102,336
Other Expenses	10	167,158	334,637
Policy		313,176	285,477
Printing, Stationery & Photocopying		48,667	43,552
Staff Remuneration		2,189,531	2,262,307
Travel and Accommodation		39,189	41,074
EquiP Limited Operating Expenses	7	1,537,178	1,003,347
<b>Total Expenses</b>		<b>7,317,421</b>	<b>7,149,104</b>
<b>Net Surplus / (Deficit) before Tax</b>		<b>155,447</b>	<b>(93,241)</b>
<b>Taxation</b>			
Prior Period Adjustment		(5,446)	6,180
Taxation Credit	24	-	(311,058)
<b>Total Taxation</b>		<b>(5,446)</b>	<b>(304,878)</b>
<b>Total Surplus after Tax</b>		<b>160,893</b>	<b>211,637</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>160,893</b>	<b>211,637</b>
<b>Total Surplus attributable to the Group</b>		<b>160,893</b>	<b>211,637</b>

# Consolidated Statement of Changes in Net Assets

New Zealand Local Government Association Incorporated  
For the year ended 31 March 2017

	2017	2016
<b>Accumulated comprehensive revenue and expenses</b>	<b>\$</b>	<b>\$</b>
<b>Opening Balance</b>	<b>1,781,508</b>	<b>1,659,764</b>
<b>Comprehensive Revenue and Expenses</b>		
Surplus for the Year	160,893	211,637
<b>Total Comprehensive Revenue and Expenses</b>	<b>160,893</b>	<b>211,637</b>
<b>Transfers</b>		
Transfers to / (from) other reserves	(25,424)	(89,893)
<b>Total Transfers</b>	<b>(25,424)</b>	<b>(89,893)</b>
<b>Total Accumulated Comprehensive Revenue and Expenses</b>	<b>1,916,977</b>	<b>1,781,508</b>
<b>Conference Reserve</b>		
<b>Opening Balance</b>	<b>450,348</b>	<b>317,691</b>
<b>Transfers</b>		
Transfers in from accumulated comprehensive revenue and expenses	54,000	132,656
<b>Total Transfers</b>	<b>54,000</b>	<b>132,656</b>
<b>Total Conference Reserve</b>	<b>504,348</b>	<b>450,348</b>
<b>Regional Group Association Fund</b>		
<b>Opening Balance</b>	<b>26,922</b>	<b>27,199</b>
<b>Transfers</b>		
Transfers to / (from) accumulated comprehensive revenue and expenses	(26,922)	(277)
<b>Total Transfers</b>	<b>(26,922)</b>	<b>(277)</b>
<b>Total Regional Group Association Fund</b>	<b>-</b>	<b>26,922</b>
<b>3 Water Levy</b>		
<b>Opening Balance</b>	<b>1,654</b>	<b>44,140</b>
<b>Transfers</b>		
Transfers in from accumulated comprehensive revenue and expenses	(1,654)	(42,486)
<b>Total Transfers</b>	<b>(1,654)</b>	<b>(42,486)</b>
<b>Total 3 Water Levy</b>	<b>-</b>	<b>1,654</b>
<b>Total Equity</b>	<b>2,421,325</b>	<b>2,260,432</b>

# Consolidated Statement of Financial Position

New Zealand Local Government Association Incorporated  
As at 31 March 2017

	Notes	31 March 2017	31 March 2016
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	112	2,850,918	2,615,850
Receivables from Exchange Transactions	12	464,477	692,869
GST Receivable		82,711	102,408
Income Tax Receivable		31,400	43,786
Accrued Interest		60	5,349
Deferred Tax Asset	24	579,780	574,334
Prepayments		235,210	143,673
Term Deposits	13	-	507,249
<b>Total Current Assets</b>		<b>4,244,556</b>	<b>4,685,518</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	15	472,446	477,464
Intangibles	14	117,303	87,019
Investments (non current)	13	1,475	1,475
<b>Total Non-Current Assets</b>		<b>591,224</b>	<b>565,958</b>
<b>Total Assets</b>		<b>4,835,780</b>	<b>5,251,476</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		845,907	1,112,572
Provision for Annual Leave		118,113	103,728
Loans and Borrowings	19	19,621	18,208
Community Board Executive Committee Levy		10,607	30,233
Lease Incentive	20	144,375	166,875
Mayors Taskforce for Jobs (MTFJ)	16	156,608	143,538
Conference Sponsorship and Deposits Received in Advance		411,987	430,405
Pacific Technical Assistance Fund Income in Advance	17	401,763	377,489
LGEP Income in Advance		26,773	-
Local Government Risk Agency Income in Advance	18	142,714	452,388
<b>Total Current Liabilities</b>		<b>2,278,468</b>	<b>2,835,436</b>
<b>Non-Current Liabilities</b>			
Loans and Borrowings	19	135,987	155,608
<b>Total Non-Current Liabilities</b>		<b>135,987</b>	<b>155,608</b>
<b>Total Liabilities</b>		<b>2,414,455</b>	<b>2,991,044</b>
<b>Net Assets</b>		<b>2,421,325</b>	<b>2,260,432</b>
<b>Net Assets Attributable to the Owners of the Controlling Entity</b>			
Retained Earnings		1,916,977	1,781,508
Conference Reserve		504,348	450,348
Regional Group Association Fund		-	26,922
3 Water Levy		-	1,654
<b>Total Net Assets Attributable to the Owners of the Controlling Entity</b>		<b>2,421,325</b>	<b>2,260,432</b>

For and on behalf of the National Council:



**L Yule**, President  
16 June 2017



**M Alexander**, Chief Executive  
16 June 2017

These Financial Statements should be read in conjunction with the Statement of Accounting Policies and the accompanying notes to the Financial Statements.

# Statement of Cashflows

New Zealand Local Government Association Incorporated -Trading as Local Government New Zealand (LGNZ)  
For the year ended 31 March 2017

	Notes	2017 \$	2016 \$
<b>Cashflow</b>			
<b>Cash from Operating Activities</b>			
<b>Cash was provided from:</b>			
Receipts from Members & Customers		7,374,699	6,808,069
Interest and Dividends Received		54,805	84,949
Tax Refunds Received		12,386	(98,395)
<b>Total Cash was Provided from:</b>		<b>7,441,890</b>	<b>6,794,623</b>
<b>Cash was Applied to:</b>			
Payments to Suppliers & Employees		(7,546,792)	(6,160,640)
Interest Paid		(13,378)	(14,248)
<b>Total Cash was Applied to:</b>		<b>(7,560,170)</b>	<b>(6,174,888)</b>
<b>Total Cash from Operating Activities</b>		<b>(118,280)</b>	<b>619,735</b>
<b>Cashflow from Investing Activities</b>			
<b>Cash was Provided from:</b>			
Proceeds from Sale of Property, Plant & Equipment		-	-
Proceeds from Sale of Investments		507,249	792,751
<b>Total Cash was Provided from:</b>		<b>507,249</b>	<b>792,751</b>
<b>Cash was applied to:</b>			
Purchase of Property, Plant & Equipment		(135,693)	(131,929)
Purchase of Investments		-	-
<b>Total Cash was applied to:</b>		<b>(135,693)</b>	<b>(131,929)</b>
<b>Total Cashflow from Investing Activities</b>		<b>371,556</b>	<b>660,822</b>
<b>Cashflow from Financing Activities</b>			
<b>Cash was applied to:</b>			
Repayment of Loans & Borrowings		(18,208)	(16,896)
<b>Total Cash was applied to:</b>		<b>(18,208)</b>	<b>(16,896)</b>
<b>Total Cashflow from Financing Activities</b>		<b>(18,208)</b>	<b>(16,896)</b>
<b>Net Increase in Cash Held</b>		<b>235,068</b>	<b>1,263,661</b>
Add Opening Cash Brought Forward		2,615,850	1,352,189
Bank and Cash	11	2,850,918	2,615,850

# Notes to the Financial Statements

Local Government New Zealand (LGNZ)  
For the year ended 31 March 2017

## 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 financial statements have been approved and were authorised for issue by the Council Members on 16 June 2017.

## 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 Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Council has elected to report in accordance with Tier 2 Not-For-Profit 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 financial statements as set out below have been applied consistently to both years presented in these 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 and land and buildings which are measured at fair value.

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 the Group and have a 31 March 2017 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

##### *Membership fees*

Fees and subscriptions received in exchange for monthly access to members' facilities are initially recorded as revenue in advance and recognised in revenue evenly over the membership period.

Where members purchase specific services (for example, attendance at the coaching and development courses), revenue is initially recorded as revenue in advance, and then recognised proportionally on the basis of the value of each session relative to the total value of the purchased services.

##### *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. 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 declared.

#### 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 except for financial liabilities at fair value through surplus or deficit.

### 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 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, Fittings, Office equipment	4% - 67%	Diminishing Value & Straight Line
Computer Equipment	40% - 67%	Diminishing Value
Leasehold Improvements	8% - 30%	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%

### **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 lessee shall recognise 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 lessee's 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 to the extent that 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.

#### **Conference reserve**

The Council has approved the setting aside of accumulated surpluses generated from the conference which is to be used to reduce the cost of meeting any deficit of future conferences.

#### **Regional Group Association Fund**

At the meeting of the Regional Government Association (the "RGA Fund") on 1 December 1995 it was resolved that the funds of the RGA Fund be transferred to Local Government New Zealand to facilitate the winding up of the Association and in anticipation of a decision on the use of funds. The monies are held by Local Government New Zealand until the funds are used.

### **3 Water Levy**

The purpose of the 3 Waters project is for local government, as a sector, to establish a clearer picture of the performance of drinking and waste water assets and services, and as part of it, to use a robust framework for building on best practice.

#### 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

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. 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 or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that 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. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend 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:

##### 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.

##### 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.

<b>5. CONFERENCE</b>	<b>2017</b>	<b>2016</b>
Conference Revenue	854,916	880,771
Conference Expenditure	(648,560)	(604,748)
Staff Remuneration and Overheads	(152,356)	(143,367)
<b>Net Conference Profit</b>	<b>54,000</b>	<b>132,656</b>

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.

## 6. LOCAL GOVERNMENT EXCELLENCE PROGRAMME

	2017	2016
	\$	\$
<b>LGEP Assessment</b>		
LGEP Assessment Income	134,768	-
LGEP Assessment Disbursements	(26,744)	-
LGEP Assessment Fees	(215,708)	-
<b>Total LGEP Assessment</b>	<b>(107,685)</b>	
<b>LGEP Levies</b>		
LGEP Levies	74,958	-
LGEP Board Expenses	(40,829)	-
<b>Total LGEP Levies</b>	<b>34,129</b>	
<b>Total Local Government Excellence Programme</b>	<b>(73,556)</b>	

The Local Government Excellence 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 Local Government Excellence Programme Levy was a voluntary levy that a portion of the membership contributed to, for the set up and costs in relation to the Independent Assessment Board. The remainder of the levy will be used to contribute to next year's Board expenses.

The Local Government Excellence Programme Assessments are a user pay fee which covers the cost of the assessment. It does not account for LGNZ time.

LGNZ also contributed funds to set up the programme which are recorded in Policy.

## 7. 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.

### Equip Limited Partnership Income

	2017	2016
	\$	\$
Support Service (Income)	1,123,650	877,918
Professional Development Income	448,148	203,040
Grow Handbook Sales	74,630	-
Preferred Partner	-	18,055
Standing Orders Template Sales	16,250	-
Webinar Income	56,000	10,200
Interest Received	1	570
Disbursements Recovered	(2,083)	4,923
<b>Total Equip Limited Partnership Income</b>	<b>1,716,596</b>	<b>1,114,706</b>

### Equip Limited Partnership Operating Expenses

	2017	2016
	\$	\$
Support Service (Expenses)	794,305	570,135
ACC Expenses	1,779	618
Accountancy Fees	8,594	14,642
Audit Fees	6,656	6,160
Bank Charges	141	598
Consulting	6,605	4,419
Entertainment Deductible	348	386
Grow Handbook Costs	37,988	-
IT Outsourcing	48,131	31,662
Professional Development Expenses	511,070	267,599
Legal Expenses	4,650	3,120

<b>EquiP Limited Partnership Operating Expenses (cont.)</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Marketing	14,766	18,736
Office & Administration	38,397	32,034
Other Employment Expenses	17,669	1,783
Professional Development	1,579	1,103
Recruitment	2,447	2,249
Travel	25,025	32,016
Web - Development Costs	8,602	7,437
Webinar Costs	8,426	8,650
<b>Total EquiP Limited Partnership Operating Expenses</b>	<b>1,537,178</b>	<b>1,003,347</b>
<b>8. OTHER INCOME</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Administration Fees - MTFJ	20,000	23,000
Grant - China Mayoral Forum	-	50,000
Rates Postponement Scheme	-	65,000
Regional Sector Income	28,245	17,979
Sundry Income	9,816	33,043
Transparency International Income	20,000	20,000
<b>Total Other Income</b>	<b>78,061</b>	<b>209,022</b>
<b>9. ADMINISTRATION EXPENSES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Rental Expenses	248,304	247,825
Mobile Phone Expenses	11,893	10,319
Repairs and Maintenance	2,342	594
Computer Outsourcing	160,460	144,031
Staff Recruitment & Training	66,966	66,631
Insurance	39,158	38,219
Subscriptions - Local Organisations	15,402	16,079
Telephone Expenses	26,902	26,332
Fit-Out Loan Interest	13,378	13,730
<b>Total Administration Expenses</b>	<b>584,805</b>	<b>563,760</b>
<b>10. OTHER EXPENSES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
3 Water Levy	-	42,486
China Mayoral Forum Expenses	3,878	49,870
NZTA/ONRC	50,000	50,000
Rates Postponement Scheme Expenses	35	75,000
Ready Response Fund	45,000	60,000
Regional Sector Expenses	28,245	17,231
RGA Expenses	-	50
Transparency International Expenses	40,000	40,000
<b>Total Other Expenses</b>	<b>167,158</b>	<b>334,637</b>

## 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

<b>Cash and cash equivalents</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Bank	2,137,041	1,485,917
Local Government Risk Agency Bank Account	155,206	581,684
Monies held for Mayors Taskforce For Jobs	156,608	143,538
Pacific Technical Assistance Fund Bank Account	401,763	377,489
Petty Cash	300	300
Regional Group Association Fund Bank Account	-	26,922
<b>Total Cash and Cash Equivalents</b>	<b>2,850,918</b>	<b>2,615,850</b>

## 12. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Conference Debtors	174,474	252,787
Sundry Debtors	290,003	440,082
<b>Total Receivables from Exchange Transactions</b>	<b>464,477</b>	<b>692,869</b>

## 13. INVESTMENTS

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Term Deposits	-	507,249
Paintings/Artwork	1,475	1,475
<b>Total Investments</b>	<b>1,475</b>	<b>508,724</b>

## 14. INTANGIBLES

<b>Other Intangibles</b>	<b>2017</b>	<b>2016</b>
<b>Software</b>	<b>\$</b>	<b>\$</b>
Computer Software at Cost	69,241	47,991
Less Accumulated Amortisation	(46,039)	(33,457)
<b>Total Software</b>	<b>23,202</b>	<b>14,534</b>
<b>Website Development</b>		
Website Development At Cost	154,567	117,579
Less Accumulated Amortisation - Website Development	(60,475)	(45,094)
<b>Total Website Development</b>	<b>94,101</b>	<b>72,485</b>
<b>Total Other Intangibles</b>	<b>117,303</b>	<b>87,019</b>
<b>Total Intangibles</b>	<b>117,303</b>	<b>87,019</b>

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

<b>Intangibles reconciliation</b>	<b>2017</b>	<b>2016</b>
<b>Software</b>	<b>\$</b>	<b>\$</b>
Opening Balance	14,534	18,501
Additions	21,250	6,341
Amortisation	(12,582)	(10,308)
<b>Total Software</b>	<b>23,202</b>	<b>14,534</b>

<b>Website</b>		
Opening Balance	72,485	35,947
WIP Additions	-	35,000
Other Additions	36,997	12,180
Amortisation	(15,381)	(10,642)
<b>Total Website</b>	<b>94,101</b>	<b>72,485</b>
<b>Total Intangibles</b>	<b>117,303</b>	<b>87,019</b>

## 15. PROPERTY, PLANT AND EQUIPMENT

	<b>2017</b>	<b>2016</b>
<b>Furniture and fittings</b>	<b>\$</b>	<b>\$</b>
Furniture & Fittings at Cost	341,628	315,284
Less Accumulated Depreciation	(186,320)	(134,312)
<b>Total Furniture and Fittings</b>	<b>155,308</b>	<b>180,972</b>
<b>Leasehold Improvements</b>		
Leasehold improvement at cost	396,323	345,221
Less Accumulated Depreciation	(79,185)	(48,729)
<b>Total Leasehold Improvements</b>	<b>317,138</b>	<b>296,492</b>
<b>Total Property, Plant and Equipment</b>	<b>472,446</b>	<b>477,464</b>

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

### Property, Plant and Equipment Reconciliation

	<b>2017</b>	<b>2016</b>
<b>Furniture and fittings</b>	<b>\$</b>	<b>\$</b>
Opening Balance	180,972	158,598
Additions	26,344	61,674
Depreciation	(52,008)	(39,300)
<b>Total Furniture and fittings</b>	<b>155,308</b>	<b>180,972</b>
<b>Leasehold Improvements</b>		
Opening Balance	296,492	304,407
Additions	51,102	22,946
Depreciation	(30,456)	(30,861)
<b>Total Leasehold Improvements</b>	<b>317,138</b>	<b>296,492</b>
<b>Total Property, plant and equipment</b>	<b>472,446</b>	<b>477,464</b>

## 16. MAYOR'S TASKFORCE FOR JOBS

The Mayor's taskforce for jobs ("the MTFJ") is a separately funded entity for which 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 in trust on behalf of the MTFJ are recorded separately in the Consolidated Statement of Financial Position along with the corresponding liability.

MTFJ is grouped with LGNZ for GST purposes and LGNZ employ the task force Coordinator.

<b>Mayor's Taskforce for Jobs</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Mayors Taskforce for Jobs ( MTFJ)	156,608	143,538
<b>Total Mayor's taskforce for jobs</b>	<b>156,608</b>	<b>143,538</b>

## 17. PACIFIC TECHNICAL ASSISTANCE

The Pacific Technical Assistance is an arrangement between Ministry of Foreign Affairs and Trade and Local Government New Zealand to enable Local Government New Zealand 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.

	2017	2016
	\$	\$
<b>Opening Balance</b>	<b>377,489</b>	<b>394,020</b>
Funds Received	373,801	300,000
<b>Total Funds Received</b>	<b>751,290</b>	<b>694,020</b>
<b>Funds Used</b>		
LGNZ Assistance	115,000	134,196
Administration Expenditure	24,102	447
Vanuatu Post Cyclone	0	8,996
Kiribati Expenditure	15,387	9,227
Samoan Dog Control	76,741	85,451
Fiji Water Authority	30,145	33,339
Samoan Waterfront Development	64,821	41,981
Niue	8,021	2,894
Cook Islands	15,310	0
<b>Total Funds Used</b>	<b>349,527</b>	<b>316,531</b>
<b>Closing Balance</b>	<b>401,763</b>	<b>377,489</b>

The Local Government Technical Assistance Facility for Pacific Countries, (PacificTA) is funded from the New Zealand Aid Programme and is managed by LGNZ. Revenues for Pacific Technical Assistance are matched against expenses incurred to assist tracking of expenditure.

## 18. LOCAL GOVERNMENT RISK AGENCY

The Local Government Risk Agency fund received is a contract between the Crown and Local Government New Zealand to establish the Local Government Risk Agency Establishment Board. The purpose of this board is to establish the Local Government Risk Agency whose objective is to improve the risk management maturity of the local authorities by providing risk management services.

Some local authorities also contributed funds in excess of the \$900,000 provided by the Crown. Any unutilised funds are expected to be returned to the Crown unless an extended scope is agreed.

## 19. LOANS

<b>Current Portion of Loans</b>	<b>2017</b>	<b>2016</b>
	\$	\$
Current Portion of Fit-Out Robt. Jones Holdings Limited	19,621	18,208
<b>Total Current Portion of Loans</b>	<b>19,621</b>	<b>18,208</b>
<b>Non-Current Portion of Loans</b>		
Loan Fit-Out Robt. Jones Holdings Limited	135,987	155,608
<b>Total Non-Current Portion of Loans</b>	<b>135,987</b>	<b>155,608</b>
<b>Total Loans</b>	<b>155,608</b>	<b>173,816</b>

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.



**20. LEASE INCENTIVE**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Lease Incentive	144,375	166,875
<b>Total Lease Incentive</b>	<b>144,375</b>	<b>166,875</b>

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.

**21. LEASES**

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

<b>Leases</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Later than one year	270,025	270,025
Later than one year and no later than five years	1,080,100	1,080,100
Later than five years	382,535	652,560
<b>Total Leases</b>	<b>1,732,660</b>	<b>2,002,685</b>

**22. RELATED PARTIES****EquiP Limited Partnership**

Local Government New Zealand received Accommodation fees of \$8,803 (2016: \$8,803) & Services Agreement fees of \$29,200 (2016: \$29,200) from EquiP Limited Partnership.

There is \$454,826 outstanding from EquiP Limited Partnership at balance date (2016: \$280,474).

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 \$20,000 (2016: \$23,000) were paid from MTFJ.

**Key Management Personnel**

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of Chief Executive and three Deputy Chief Executives for Operations, Advocacy & Commercial, which constitutes the governing body of the Group. 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:

<b>Key Management Remuneration</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Total Remuneration	808,761	771,684
Number of persons	4	4

**Honoraria**

Honoraria of \$86,414 (2016: \$75,268) and \$22,000 (2016: \$37,070) were paid to the President and Vice President respectively during the year ended 31 March 2017.

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

**23. 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:

<b>Financial Assets</b>	<b>2017</b>	<b>2016</b>
<b>Loans and Receivables</b>	<b>\$</b>	<b>\$</b>
Accounts Receivable	464,477	692,869
Term Deposits	-	507,249
Bank	2,137,041	1,485,917
<b>Total Loans and Receivables</b>	<b>2,601,518</b>	<b>2,686,035</b>

<b>Financial Liabilities</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Conference Sponsorship and Deposits Received in Advance	411,987	430,405
Loans and borrowings	155,608	173,816
Provision for Annual Leave	118,113	103,728
<b>Total Financial Liabilities</b>	<b>685,708</b>	<b>707,949</b>

## 25. INCOME TAX EXPENSE

<b>Components of tax expense</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Adjustments to current tax in prior years	(5,446)	6,180
Deferred tax	-	(311,058)
<b>Tax expense</b>	<b>(5,446)</b>	<b>(304,878)</b>

### Relationship between tax expense and accounting surplus

Surplus / (deficit) before tax	155,447	(79,113)
<b>Tax at 28%</b>	<b>43,525</b>	<b>(22,151)</b>
<b>Plus / (less) tax effect of:</b>		
Non-deductible expenditure	613,556	856,552
Non-taxable revenue	(1,061,159)	(1,145,459)
Prior year adjustment	(5,446)	6,180
Deferred tax not recorded	404,078	-
<b>Tax expense</b>	<b>(5,446)</b>	<b>(304,878)</b>

### Deferred tax assets / (liabilities)

Opening balance	574,334	263,276
Charged to surplus or deficit	5,446	311,058
<b>Closing balance</b>	<b>579,780</b>	<b>574,334</b>

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 \$3,513,779 (2016: \$2,070,644).

No deferred tax asset has been recognised for an amount of \$404,078 due to uncertainty that Local Government New Zealand will report taxable profits in the future to offset against accumulated tax losses.

## 25. CAPITAL COMMITMENTS

There are no capital commitments at the reporting date (2016:\$nil).

## 26. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date (2016:\$nil).

## 27. EVENTS AFTER THE REPORTING DATE

The Council and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of Local Government New Zealand (2016: Nil).

# INDEPENDENT AUDITOR'S REPORT

**Deloitte.**

## TO THE READERS OF NEW ZEALAND LOCAL GOVERNMENT ASSOCIATION INCORPORATED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

The Auditor-General is the auditor of New Zealand Local Government Association Incorporated (the Association). The Auditor-General has appointed me, Trevor Deed, 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 18 to 32, that comprise the consolidated statement of financial position as at 31 March 2017, the consolidated statement of comprehensive revenue and expense, 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 2017; 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 16 June 2017. 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, we comment on other information and we explain our independence.

### Basis for 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.

#### **Other information**

The National Council is responsible for the other information. The other information comprises the information included on pages 1 to 36, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **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 (Revised): 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.



#### **Trevor Deed**

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

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## **National Council and staff**

## National Council



**Fourth row:** Justin Lester, Hon. Phil Goff, Stuart Crosby  
**Third row:** Wayne Guppy, Don Cameron, Jan Barnes, Hon. John Carter  
**Second row:** Doug Leeder, Richard Kempthorne, Brian Hanna, Tracy Hicks, Penny Hulse  
**Front row:** David Cull, Lawrence Yule, Rachel Reese

- Lawrence Yule | President | Mayor, Hastings District Council
- Dave Cull | Vice President | Metro Sector | Mayor, Dunedin City Council
- Hon. Phil Goff | Metro Sector | Mayor, Auckland Council
- Justin Lester | Metro Sector | Mayor, Wellington City Council
- Rachel Reese | Regional Sector | Mayor, Nelson City Council
- Doug Leeder | Regional Sector | Chair, Bay of Plenty Regional Council
- Jan Barnes | Provincial Sector | Mayor, Matamata-Piako District Council
- Brian Hanna | Rural Sector | Mayor, Waitomo District Council
- Hon. John Carter | Zone One | Mayor, Far North District Council
- Penny Hulse | Zone One | Councillor, Auckland Council
- Stuart Crosby | Zone Two | Councillor, Bay of Plenty Regional Council
- Don Cameron | Zone Three | Mayor, Ruapehu District Council
- Wayne Guppy | Zone Four | Mayor, Upper Hutt City Council
- Richard Kempthorne | Zone Five | Mayor, Tasman District Council
- Tracy Hicks | Zone Six | Mayor, Gore District Council

## **LGNZ staff** (as at 31 March 2017)

Malcolm Alexander | Chief Executive

Leanne Brockelbank | Deputy Chief Executive Operations

Helen Mexted | Deputy Chief Executive Advocacy

Scott Necklen | Deputy Chief Executive Commercial

Trudi Mackay | Accounts Officer

Dr Mike Reid | Principal Policy Advisor

Frances Sullivan | Principal Policy Advisor

Clare Wooding | Principal Policy Advisor

Philip Shackleton | Principal Policy Advisor

Tom Simonson | Principal Regulatory Advisor

Joe Dawson | Communications Advisor

Amanda Boyd | Communications Advisor

James Mather | MTFJ Taskforce Coordinator

Rachel Prentice | Team Administrator

Lisa Milnes | Team Administrator

## **Equip staff** (as at 31 March 2017)

Dr Steven Finlay | Business Solutions Manager

Jill Calogaras | Professional Development Manager

Natasha Maynell | Professional Development Coordinator

Joseph Stannard | Promotions and Engagement Coordinator

Daniel Henderson | Consultant



# We are. LGNZ.

PO Box 1214  
Wellington 6140  
New Zealand

P. 64 4 924 1200  
[www.lgnz.co.nz](http://www.lgnz.co.nz)

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## 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.  
Horowhenua.  
Hurunui.  
Hutt City.  
Invercargill.

Kaikoura.  
Kaipara.  
Kapiti Coast.  
Kawerau.  
Mackenzie.  
Manawatu.  
Marlborough.  
Masterton.  
Matamata-Piako.  
Napier.  
Nelson.  
New Plymouth.  
Northland.  
Opotiki.

Otago.  
Otorohanga.  
Palmerston North.  
Porirua.  
Queenstown-  
Lakes.  
Rangitikei.  
Rotorua Lakes.  
Ruapehu.  
Selwyn.  
South Taranaki.  
South Waikato.  
South Wairarapa.  
Southland District.

Southland Region.  
Stratford.  
Taranaki.  
Taranua.  
Tasman.  
Taupo.  
Tauranga.  
Thames-  
Coromandel.  
Timaru.  
Upper Hutt.  
Waikato District.  
Waikato Region.  
Waimakariri.

Waimate.  
Waipa.  
Wairoa.  
Waitaki.  
Waitomo.  
Wellington.  
West Coast.  
Western Bay  
of Plenty.  
Westland.  
Whakatane.  
Whanganui.  
Whangarei.