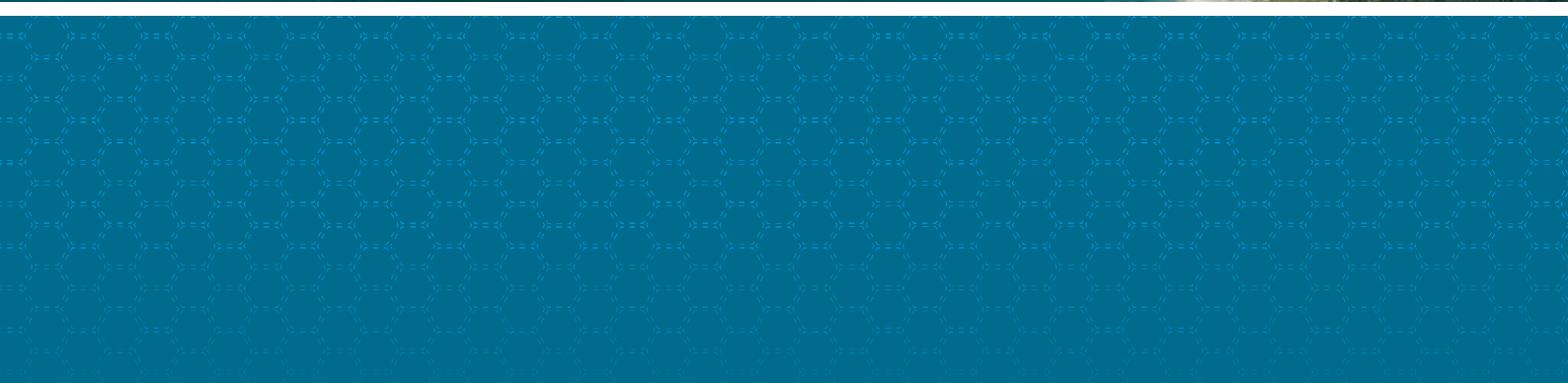


**Local Government  
New Zealand**  
*te pūtakehi matakōkiri*



**Annual Report**  
2009/2010

# From the President

What began as a tremor has grown into a rumble in the 2009/2010 year for *Local Government New Zealand* and the sector. There has been a monumental shift in perspectives. This has seen the relationship between local and central government consolidate as both parties worked hard to understand each other's positions. Much ground has been covered in this time.

Our relationship with the Minister of Local Government Rodney Hide has grown into a constructive, inclusive and respectful one. The Minister has worked consistently to understand the unique needs of our sector and LGNZ has strived to assist him.

While we still face perception challenges, I am of the view that growth and progress only come with constant, thoughtful and well-intentioned conversations. It is critical both parties should travel, if not on the same path, then on the same trajectory. Our goals are, after all, mutual; a strong central economy sustained by strong regional activity where all New Zealanders benefit.

## Leaky buildings

Work done over the last two years in building and strengthening the relationship between local and central government started to pay off in this financial year. Two years ago local government and central government stood on either sides of an immense chasm, fixed in positions dug deep over the years about liability. The previous government rejected any notion of liability or cost and did not shift from this position.

Starting from ground zero, this government has changed its views

to accept costs should be shared. Facing a bill of up to \$11 billion, not to mention the personal anguish faced by many home owners and ratepayers, spurred both parties on. After taking a breather over the Christmas break work began again in earnest in the new year of 2010.

Here I would like to commend the work done by Wellington Mayor and LGNZ Vice President Kerry Prendergast and Auckland Mayor John Banks for their tireless, resolute and absolutely rational approach. They drove this issue determined to get the best results for our sector, but with the greatest tact, diplomacy and delicacy. Their work must be acknowledged in the annals of local government history. Kerry and John – thank you for the bridges you've helped build.

## Auckland

The other big issue for the sector has been, of course, Auckland. The devolution of the eight councils into the one super council is the single biggest change for local government since the reforms of 1989. LGNZ's position has always been to stand firm on local democracy. With this in mind, LGNZ argued in all its submissions for the new council's right to determine the roles and

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IBC Our Team

*“LGNZ’s view is that an implicit social contract is formed when constituents vote for elected members.”*

appoint the directors of Council Controlled Organisations. It is pleasing these significant changes have been agreed to in the third bill.

LGNZ’s view is that an implicit social contract is formed when constituents vote for elected members. The understanding is these elected representatives will take due care of the billions of dollars of public assets for the public good in perpetuity. Robust legal frameworks, checks and balances, and open and accountable systems will support them to do this. The provision of these aids is the role of central government. Our role is to lobby and advocate for these.

LGNZ chief executive, Eugene Bowen has put considerable effort towards working with a range of Auckland groups, including our member councils and the Auckland Transition Agency towards creating a firm foundation for Auckland and LGNZ for the future. Presenting LGNZ’s value proposition has been his focus and I am delighted to confirm that the new Auckland Council will be a transition member of LGNZ, from the day of the council’s inception. We believe that it is vital that such a large player in local government is inside our tent.

### Treaty Settlements

Progress has been made in the contentious theatre of Treaty settlements. The contention comes from notions of democratic public good jostling with equally strong and differing perceptions of rights. LGNZ’s negotiations in this field have been underlined by its unshakeable commitment to democracy. This

constitutional integrity must not be compromised by Treaty settlement outcomes.

LGNZ has consistently argued Treaty settlements must align with the Resource Management and Local Government Acts. These Acts clearly mandate local authorities in their roles, responsibilities and decision-making. LGNZ’s work in this area has contributed towards greater government understanding of local government’s role in implementing the Crown’s settlements.

### Environment Canterbury

LGNZ ensured its voice was heard on the matter of Environment Canterbury. Its over-riding concern was that democracy be restored in 2013. We took principled opposition to government intervention in local decision-making but again had to adopt a pragmatic stance and broker a position which ensured the voice of the local mayors was heard alongside democratic self-determination. It has not been easy and within the sector there is a spectrum of views. LGNZ will hold fast to supporting a return to a democratically elected council as soon as possible.

### Elections 2010

LGNZ started work on its support for councils to raise awareness of the elections by creating a range of communications collateral such as templates and pre-written media releases. The aim of these will be to ensure consistent messages throughout New Zealand.

In summing up, during the period between April 2009 and March 2010 what stands out for me is the huge shift in the paradigm for the central and local government relationship. We have moved from a relationship marked by uncertainty but general goodwill, to one where strong ties and tangible linkages have developed. This report sets out explicitly how this has happened.

**Lawrence Yule**

President

*Local Government New Zealand*



# From the Chief Executive

From an operational perspective, developed networks with the Minister of Local Government, the Prime Minister, the Cabinet, the Government and its departments are the building blocks from which LGNZ seeks to influence favourable outcomes for our member councils. Since the change of government this has been a primary focus and I believe we have established a basis of confidence and trust with all these entities.

Given the unknowns in the policy environment at the beginning of the 2009/10 year, LGNZ did not publish and distribute a work programme, although we had a fully structured operational and project budget for the year. We decided to hold subscriptions at the 2008 level, which we were able to do given our robust reserves. It is worth observing that, despite the economic down-turn, 2009/10 subscriptions were paid more quickly than in the three previous "boom" years. Clearly the need for a strong single voice for local government was understood.

In the 2009/10 year, despite commissioning a number of pieces of research, we were again able to return an operating surplus. The details are contained in our financial statements.

Our achievements against the objectives we set ourselves for the year are also described in this document. It became apparent around the middle of 2009 that, given the uncertainty about the Government's plans for local government, there was a pressing need for timely communication. An innovation of particular importance to me was the introduction of fortnightly reports to chief executives, alongside communiqués by Lawrence to mayors and chairs.

These reports have been well received, and have created, I believe, a new relationship between LGNZ and the chief executives of member councils. They demonstrate again that LGNZ is an organisation assisting and representing elected members, managers and staff of our councils.

LGNZ has been active again in 2009/10 in supporting the range of local government entities. As a share-holder of Local Government Online we have worked to further that organisation's objectives, and as the owner of the Local Government Industry Training Organisation we work to support the independent chair and his board. We have also taken up the seat offered to LGNZ on the board. We continue to work with the Society of Local Government Managers on issues of common interest.

At the same time, in the pursuit of good governance across New Zealand, we have diversified our range of elected members' professional development offerings, with a view to more structured and ongoing training for councillors across New Zealand. We have employed, on a contract basis, a professional development manager, who is assisted by an event co-ordinator for the training

programme. This has raised our headcount by two, but this project is subsidised by a generous grant from government made in 2008. Otherwise the number of staff is unchanged from 2008/09.

May I conclude by acknowledging my debt to the competent and hard-working staff of LGNZ, and to the sage counsel of the President, Vice President and the National Council.



**Eugene Bowen**

Chief Executive

*Local Government New Zealand*



# LGNZ – Our Year at a Glance

**Our mission is to represent and promote the national interests of local government. Our goals for the sector are:**

- Local government is a trusted and valued partner in the economic and social development of communities and New Zealand.
- Councils are valued by business as enablers of local and regional growth.
- Respective roles and needs of local and national infrastructure are integrated and supported in the Government’s plans for growth.
- Local government remains responsible for environmental planning and decision-making at local and regional levels.

**Our goals for ourselves are to;**

- maintain and enhance the framework for local government and democratic participation,
- build local government capability,
- deliver good regulatory outcomes,
- strengthen local government finance and capacity,
- connect with our members.

This is what we did in the **2009/10** financial year;

had **66** meetings with Ministers of the Crown, including **8** meetings with the Prime Minister

and the Prime Minister and the Minister of Local Government attended the LGNZ Conference

while Ministers appeared at zone, sector, National Council and committee meetings **20** times

**We’ve organised 1 LGNZ Conference and;**

**5** National Council

**4** Regional Affairs Committee

**4** Metro Sector

**3** Rural/Provincial Sector

**4** Community Board Executive Committee

**4** National Council Climate Change Sub-Committee

**3** Economic Development Committee

**2** Te Maruata Maori Committee meetings

We’ve also organised **43** working group meetings, **31** professional development workshops through the KnowHow programme and represented LGNZ at **16** Utility Advisory Group meetings.

## Our Public Voice

We’ve produced 33 publications, issued 28 media releases and responded to 120 separate media inquiries. Issues we responded to ranged from dangerous dogs and infrastructure to leaky homes and Auckland, while we covered the foreshore and seabed, Auckland and the Building Act Review in our media releases.

We’ve produced 42 submissions on wide-ranging subjects from aquaculture and rural broadband, to the Emissions Trading Scheme, the Road Safety Strategy, *Alcohol in our Lives* and the National Infrastructure Plan, amongst many others.

# Our Achievements

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## Maintaining and Enhancing the Framework for Local Governance and Democratic Participation

Our work here is based on three principles; that councils are accountable to their communities, that they have the power and autonomy to deliver what their communities need and that 'one size does not fit all.'

### Debunking Myths About Transparency

LGNZ published a number of reports to help balance the debate about transparency, accountability and financial management in local government, including; *Transparency, Accountability and Financial Management; A Critique* and *The Problem of Trying to Define Core Services*.

LGNZ worked with the Society of Local Government Managers on the drafting of amendments to the Local Government Act 2002.

### Building Democracy for the New Super City

The decision to consolidate and reform the governance of Auckland represents the biggest single change to local government since 1989. LGNZ made submissions on all six Auckland bills to represent the needs of the wider local government sector.

### Revealing the True Cost of Regulation

Research by PriceWaterhouseCoopers, commissioned by LGNZ, revealed councils had spent \$98 million implementing four pieces of legislation and 750,000 hours on compliance. The research sought to identify the cost of the Long Term Council Community Plan, Public Transport Management Act 2008, the Land Transport Management Amendment Act 2008 and the Health (Drinking Water) Amendment Act 2007.

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## Building Local Government Capability

We add value by developing and promoting best practice amongst councils and supporting individual members through training and professional development.

### Growing the Skills Base

The KnowHow professional development programme began in earnest during 2009. More than 22 courses were provided including *Local Government Finance 101, Decision Making for Elected Members, Asset Management, Financial Governance 201, Being an Effective Community Board Member* and *Roles and Responsibilities of Elected Members*.

LGNZ also started work on the Elected Member's Toolkit, a must have guide for newly elected members. LGNZ distributes these after the elections.

### Building Good Practice Approaches

During the 2009/10 year LGNZ;

- completed a report on best practice in regulatory implementation as a Job Summit outcome,
- developed a Kerbside Waste Collection model contract,
- achieved a template for the formal agreement between the Fire Service Commission and councils as Fire Authorities,
- developed and helped deliver regional workshops on integrated planning,

- contributed content to the Making Good Decisions Programme, and the Quality Planning website [www.qualityplanning.org.nz](http://www.qualityplanning.org.nz),
- assisted the new Environmental Protection Authority to develop protocols, arrangements and guidance for the new relationship between councils and the EPA,
- and contributed to a new qualification for building officials.

## Delivering Good Regulatory Outcomes

Our focus is on getting the best outcomes for councils when regulation is developed. The quality of our submissions is consistently recognised in select committees and many of our recommendations adopted.

LGNZ played a significant role in helping the Law Commission and the Alcohol Liquor Advisory Council in a submission on the review of alcohol law and policy for New Zealand; *Alcohol in our Lives*.

We secured a raft of good results in areas of policy where we contributed. The Government supported our position that a structural review of the Fire Service wasn't necessary. It is seriously considering our 'Crown as a good neighbour' pest management principle and it has adopted several of our recommendations for phase 1 review of the Resource Management Act, such as those for non-complying activities.

Our submissions, lobbying and advocacy work importantly contributed to a major win for local government with the Government announcing in May 2010 it would contribute 25 per cent to the cost of fixing a leaking building, up 15 per cent on its original offer. This was a significant victory for the sector.

The Government listened and responded to our concerns over the Emissions Trading Scheme by introducing regulations to address tree weed species. And, based on our advice, the Government isn't proceeding, at this stage, with National Environmental Standards activities affecting electricity transmission lines.

The Government supported LGNZ's call to repeal the Affordable Housing: Enabling Territorial Authorities Act, and in listening to our long-held position, the Government is on a path towards a much fairer system of responsibility and liability in the Building Act.

LGNZ has also contributed to several significant legislative and policy reviews including the:

- Resource Management Act
- Building Act
- Biosecurity Act
- Emissions Trading Scheme
- Food Safety review
- Foreshore and Seabed Act
- And the water management national policy.

During 2009/10 we completed position papers to develop a sector view and a tool to influence government policy development on the future role of the Environmental Protection Authority, climate change, the National Bovine Tuberculosis Pest Management Strategy and Treaty settlements.

We commissioned a significant research piece on the implications of Treaty settlements for local government. This work influenced Crown principles, the approach to engagement with local government and the role of local government.

LGNZ also:

- Managed a Ready Response Fund contributing \$17,000 to council court cases and/or legal costs for cases of national interest in Southland, Waikato, Queenstown Lakes, Central Otago and Otago region.
- Signed a partnership agreement with the New Zealand Food Safety Authority to formalise our working relationship.

### Other LGNZ Wins

We believe councils have been saved potential annual maintenance costs of around \$80 million as a result of LGNZ advocacy and submissions on proposals to allow heavier and bigger vehicles on approved routes. LGNZ also convinced the Transport Minister to change axle loading configurations on 'as of right' vehicles. We were also successful in getting extra route assessment funds for local authorities.

A number of our recommendations on the Vehicle Confiscation and Seizure Bill and the Land Transport (Enforcement Powers) Amendment Bill were included in the final legislation. The bills were aimed at limiting the activities of boy racers. Christchurch City Council was first to implement additional bylaw powers under this framework. (See page 8 for more.)

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## Strengthening Local Government Finances and Capacity

Our aim is to help councils build capacity through securing additional resources for additional work, making sure councils get a fair deal and advocating for better funding options to reduce council dependency on rates.

### Lobbying for the Sector on the National Land Transport Programme

We worked extensively with the New Zealand Transport Agency on the development of the first three year NLTP. Our Transport Reference and Regional Transport Committee Officials Groups played significant roles in this important body of work.

As a result of the first programme in August 2009, LGNZ contributed to several work groups and a steering group convened by the New Zealand Transport Agency to look at further streamlining and enhancing processes for the development of the next NLTP.

### Encouraging Economic Development

Economic growth activities stepped up for LGNZ during 2009/10. Economic development and the contribution local government makes to local, regional and national economic outcomes became one of three central issues at the October Central/Local Government Forum. Subsequently a range of activities for LGNZ was identified. This resulted in National Council agreeing to the establishment of an Economic Development Committee. The Committee will focus on responding positively to the Government's economic growth agenda through

demonstrating the value local government adds to the economy and identifying opportunities for how this can be enhanced. It includes representatives from LGNZ, the Economic Development Agencies of New Zealand, the Association of Regional Tourism Organisations New Zealand and the Mayoral Taskforce for Jobs. In December LGNZ hosted an economic development workshop which developed a range of issues for the Committee to address.

### Helping Councils Prepare for a Watershed Sporting Event

Work on planning for the Rugby World Cup is well underway and LGNZ has been offered a critical role as local government interface for the Rugby World Cup Office. Our focus is on assisting the office to support councils to provide a seamless visitor experience.

### Lobbying for Tourism

LGNZ continued to advocate with government for the need to increase funding for tourism and related infrastructure services. We also remained involved with ARTONZ as work progressed on five work streams identified in the 2015 Tourism Strategy.

Freedom camping has grown to be a contentious issue for councils and LGNZ contributed to the development

of 'principles' which were then adopted by the industry and a number of local authorities. The focus of this consensus-based approach was that mandatory interventions were not desirable. However freedom camping again became an issue early in 2010 and it will feature highly in the work programme in the coming year.

### Other Highlights

LGNZ also worked with the Minister of Health to get a moratorium on when suppliers had to comply with the timeframes in the Health (Drinking Water) Amendment Act. In June 2009 the Minister announced a three year extension on those compliance timeframes.

We advocated for additional funding to be distributed for sanitary waste works. The Government provided \$40 million extra for specific interventions.



*"The aim is to ensure central and local government are working towards common objectives."*

## Connecting with our Members

It's critical we keep our members informed in a timely, appropriate manner. We organise and facilitate regular zone and sector meetings throughout the year, as well as go to bat for the sector in the media.

### Building Relationships

Jointly chaired by the Prime Minister and the President of LGNZ, the Central/Local Government Forum is a practical expression of the two spheres of government working together to address issues facing our communities. The aim is to ensure central and local government are working towards common objectives.

The 2009 forum focused on local government's role in the economic recovery and addressed four themes: regulatory reform, opportunities for collaboration in infrastructure, social development and economic development. Both sectors expressed commitment to assisting communities and businesses to grow.

### The Social Sector Forum

LGNZ plays a leading role in the Social Sector Forum, which met three times in the 2009/2010 year. The Forum allows officials from a number of our largest councils to meet regularly with senior government officials in the social sector. Hosted by the Ministry of Social Development, it was established following an initiative from LGNZ's metro sector to make progress in resolving a number of complex social issues, such as family violence, graffiti, alcohol abuse and street racing.

### Maori Committee Established

The Maori Committee was established in 2009 and consists of seven members, one representing each Maori constituency. Representatives are elected by Maori elected members. As one of its first projects the Committee has set itself the goal of increasing interest within the Maori community of the forthcoming local government elections.

### LGNZ Conference

The annual LGNZ conference is a much anticipated event on the local government calendar. Last held in July 2009 at the Christchurch Events Centre, the theme 'Local Government: Our Place in the World' gave delegates the chance to look back on the sector's successes and also challenges. Speakers included Principal Youth Court Judge Andrew Becroft, public law specialist Mai Chen and Chair of the Royal Commission on Auckland Governance, Hon Peter Salmon. Numbers for the LGNZ conference have been consistently high.



*Minister of Local Government Rodney Hide and LGNZ Vice President Kerry Prendergast share a moment at conference.*

### Conference Statistics

**566** delegates attended the Conference

**334** attended the regional, metro, and rural/provincial sector annual general meetings

**527** attended the Conference dinner

**87** attended partner tours

**367** attended Monday workshops while **361** attended Tuesday's

**436** attended the welcome reception

# Celebrating Our Sector – Stories from Around New Zealand

LGNZ comes across many council success stories. We'd like to share some of those with you.

## From the Metro Sector – Growing a Literate City

Breaking an intergenerational cycle of literacy difficulty is one of the aims of COMET, the Manukau Family Literacy Programme. One of New Zealand's most ethnically diverse cities, over 26 per cent of Manukau's population has no formal qualifications, compared to 25 per cent for the rest of the country. The city's population faces unique challenges.

In its 10th year, COMET takes a holistic approach to intergenerational educational under-achievement. It's an approach which gained international recognition when taken to the Commonwealth Peoples' Forum in Uganda in 2007.

"COMET is a Trust CCO of the Manukau City Council. It was established to help the city work towards its vision of an educated and knowledgeable people. It's our view growing adult literacy will help grow our economy too," said Bernardine Vester chief executive.

COMET acts as an intermediary, providing innovative services to support community well-being through education. In 2002, for example, COMET initiated the Principal for a Day event, as a catalyst for building relationships between business and schools. It has run that event ever since.

COMET set up the first youth transitions service in Auckland in 2004.

This pre-dated the national youth transitions policy and was a model for urban collaborative practice. In 2008 COMET hosted a community summit on early childhood education. This resulted in a project with Ministry of Education and community input - Increasing Participation in Quality Early Childhood Education - in low-decile areas of the city.

Shortly COMET will launch a virtual Centre for Family Learning. This will sponsor projects that develop intergenerational family literacy practice. A second new centre will focus on skills and school/business connections.

**For more information, go to [www.comet.org.nz](http://www.comet.org.nz)**

## Boy Racers – Zero Tolerance for Hoons

Christchurch City Council has zero tolerance of boy racers and their anti-social and illegal antics. In the last two-and-a-half years, the Council has worked with police in dealing with the ongoing problem of car hoons.

One of Mayor Bob Parker's first steps was to ban boy racers on streets and roads in the city where there was a problem. This short term temporary solution was supported by police and the Ministry of Transport.

Another initiative saw the Council put a bylaw in place banning vehicles up to 3,500kg from roads in certain parts of the city at nights over the weekend.

This bylaw replaced the temporary ban. In its latest move the Council introduced its Cruising Bylaw in May 2010 to target convoys of boy racers cruising on selected city streets every night between 10pm and 5am.

While the bylaw won't solve all the problems associated with anti-social road use, it will add to the tools council has to tackle the problem. Central government also introduced tough new legislation on boy racers, supported by Christchurch City Council. The Council now wants the Government to reduce the upper noise level for vehicles from 95 decibels to a blanket level of 90 decibels, minimising the disturbance caused by noisy vehicles being driven

at speed. The Council believes the solution to the problem of boy racers lies in a combination of local and central government measures.

## From the Regional Sector – Setting the Direction for Future Energy Use

Harnessing the region's energy resources and planning for a future of sustainable energy use is the rationale behind the Waikato Regional Energy Strategy. Initiated by Environment Waikato and launched in 2009, the strategy provides a comprehensive picture of energy use and sets out

## From the Rural/ Provincial Sector – Broadband Innovation

The Tararua district, a provincial area almost the size of the new Auckland super city, sandwiched east of the volcanic plateau and the Horowhenua, faced digital disadvantage. Under-served by telcos, the region's economy and social cohesion was at risk.

Taking advantage of plans by fibre optic provider, FX Networks, to pass through the Tararua district from Wellington, the Council saw an opportunity to leverage with provider Inspired Networks, to install a second duct and fibre cable and share trenching costs with FX Networks and get competitive broadband services to each major town.

opportunities for the community to use energy more efficiently and sustainably.

"This is crucial to maintaining the high standard of living we currently enjoy. Energy issues do worry people with rising petrol and electricity costs hitting households hard. At the same time, we need to follow government policy around reducing carbon emissions," said Environment Waikato chairman, Peter Buckley.

Environment Waikato saw a need to localise national energy policy, which adopts a target of 90 per cent of the country's electricity supplied from renewable resources by 2025. It invited a range of regional stakeholders to form a trust to develop and implement the strategy, which included the energy sector, local government, central

Council believed competition would bring economic and social benefits to the region focusing on education, health and business. Telecom/Chorus were the primary broadband providers for wholesale and retail broadband services.

Council took on the tenant role for two pairs of fibre, each stretching 144km from Eketahuna in the south to Dannevirke in the north and across to Palmerston North. One pair would be for council purposes, the other would be for low-cost education, charitable public good organisations. The project extended to Norsewood in the north resulting in an open access fibre network of 168km, and a dedicated local loop for education and public good purposes.



Louise Upston MP for Taupo, Energy Minister Gerry Brownlee and Peter Buckley.

government, transmission and network companies, major energy users, educational institutes and community groups. The Trust's work was recognised in 2009 with a commended award in the public sector category of the Energy Efficiency and Conservation Authority awards.

**The strategy can be downloaded from [www.ew.govt.nz/Policy-and-plans/Regional-energy-strategy/](http://www.ew.govt.nz/Policy-and-plans/Regional-energy-strategy/)**

"This has brought a new level of competition to the Tararua. It has created a diverse network not reliant on one major backhaul supplier," said Peter Wimsett, manager strategy and district development, Tararua District Council.

Most schools, health centres and doctors in the Tararua are now connected by either fibre or wireless services while CBD businesses are hooking into the Dannevirke fibre.

"It's making a great business case for ISPs to use the low-cost open access fibre for the delivery of new wireless services to rural and urban areas at decent dedicated broadband speeds, something they have waited years for," said Mr Wimsett.

# Our National Council

National Council consists of the elected leadership of LGNZ. Council's responsibilities include preparing an annual report and work plan which outline priorities and projects for the year. Council plans projects based on criteria including: the number of councils affected by an issue, its magnitude and its potential impact.

Current members of the New Zealand National Council are:

<p><b>Lawrence Yule,</b> <i>President of Local Government New Zealand</i> Mayor, Hastings District Council</p>		<p><b>Kerry Prendergast,</b> <i>Vice-President</i> Mayor, Wellington City Council</p>	
<p><b>Mark Farnsworth,</b> <i>Zone 1</i> Chair, Northland Regional Council</p>		<p><b>Dianne Hale,</b> <i>Zone 1</i> Councillor, North Shore City Council</p>	
<p><b>Philippa Barriball,</b> <i>Zone 2</i> Mayor, Thames Coromandel District Council</p>		<p><b>Ian McKelvie,</b> <i>Zone 3</i> Mayor, Manawatu District Council</p>	
<p><b>Adrienne Staples,</b> <i>Zone 4</i> Mayor, South Wairarapa District Council</p>		<p><b>Bede O'Malley,</b> <i>Zone 5</i> Mayor, Ashburton District Council</p>	
<p><b>Frana Cardno,</b> <i>Zone 6</i> Mayor, Southland District Council</p>		<p><b>Stephen Cairns,</b> <i>Regional Sector Group</i> Chair, Otago Regional Council</p>	
<p><b>John Cronin,</b> <i>Regional Sector Group</i> Chair, Environment Bay of Plenty</p>		<p><b>John Forbes,</b> <i>Rural Sector Group</i> Mayor, Opotiki District Council</p>	
<p><b>Peter Tennent,</b> <i>Provincial Sector Group</i> Mayor, New Plymouth District Council</p>		<p><b>Peter Chin,</b> <i>Metro Sector Group</i> Mayor, Dunedin City Council</p>	
<p><b>Len Brown,</b> <i>Metro Sector Group</i> Mayor, Manukau City Council</p>			



# Financial Statements

For The Year Ended 31 March 2010

**NEW ZEALAND LOCAL GOVERNMENT  
ASSOCIATION INCORPORATED**

*(trading as Local Government New Zealand)*

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**To the readers of New Zealand Local Government Association Incorporated's Financial Statements for the year ended 31 March 2010**

The Auditor-General is the auditor of New Zealand Local Government Incorporated ('the Association'). The Auditor-General has appointed me, Michael Wilkes, using the staff and resources of Deloitte, to carry out the audit of the financial statements of the Association, on her behalf, for the year ended 31 March 2010.

**Unqualified Opinion**

In our opinion:

- The financial statements of the Association on pages 13 to 24:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect:
    - the Association's financial position as at 31 March 2010; and
    - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 11 June 2010 and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the National Council and the Auditor, and explain our independence.

**Basis of Opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;

- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the National Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

**Responsibilities of the National Council and the Auditor**

The National Council is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Association as at 31 March 2010 and the results of its operations and cash flows for the year ended on that date. The National Council's responsibilities arise from the Incorporated Societies Act 1908.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.

**Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Association.

**Michael Wilkes**  
 Deloitte  
 On Behalf of the Auditor-General  
 Wellington, New Zealand

# Statement of Financial Performance

For the year ended 31 March 2010

	Note	2010 Core Activities \$	2010 LGITO + Funds \$	2010 Local Govt. NZ \$	2009 Core Activities \$	2009 LGITO + Funds \$	2009 Local Govt. NZ \$
<b>Income</b>							
Subscriptions		3,182,135	91,888	3,274,023	3,162,361	83,378	3,245,739
Grants Received		-	372,431	372,431	-	452,047	452,047
Project Income		779,831	3,588	783,419	807,785	2,749	810,534
Conference Income	8	525,939	-	525,939	568,711	-	568,711
Interest		91,102	15,763	106,865	169,913	41,083	210,996
<b>Total Income</b>		<b>4,579,007</b>	<b>483,670</b>	<b>5,062,677</b>	<b>4,708,770</b>	<b>579,257</b>	<b>5,288,027</b>
<b>Expenditure</b>							
Administration Expenses	3	674,921	95,740	770,661	638,476	110,823	749,299
Travel and Accommodation		232,459	14,852	247,311	288,182	11,255	299,437
Grant/Expenses - NZLGA Funds	11	-	37,299	37,299	-	94,560	94,560
Legal Fees		67,026	-	67,026	46,742	-	46,742
Consultants Fees		778,091	1,200	779,291	699,192	5,201	704,393
Audit Fees		11,500	3,500	15,000	11,500	3,750	15,250
Depreciation	5	61,071	3,570	64,641	80,043	4,323	84,366
Printing Stationery & Photocopying		138,997	4,664	143,661	122,625	5,145	127,770
Other Operating Expenditure		169,754	283,103	452,857	216,390	175,460	391,850
Conference Expenditure	8	485,277	-	485,277	484,673	-	484,673
National Council Remuneration		104,339	-	104,339	107,101	-	107,101
Staff Remuneration		1,614,304	242,978	1,857,282	1,658,532	254,572	1,913,104
<b>Total Expenditure</b>		<b>4,337,739</b>	<b>686,906</b>	<b>5,024,645</b>	<b>4,353,456</b>	<b>665,089</b>	<b>5,018,545</b>
<b>Operating Surplus/(Deficit) Before Taxation</b>		<b>241,268</b>	<b>(203,236)</b>	<b>38,032</b>	<b>355,314</b>	<b>(85,832)</b>	<b>269,482</b>
Less Taxation Expense	4(b), 11 & 12	25,655	4,185	29,840	47,997	11,392	59,389
<b>NET SURPLUS/(DEFICIT) AFTER TAXATION</b>		<b>215,613</b>	<b>(207,421)</b>	<b>8,192</b>	<b>307,317</b>	<b>(97,224)</b>	<b>210,093</b>

The Notes to the Financial Statements form part of, and should be read in conjunction with these statements.

# Statement of Movements in Equity

For the year ended 31 March 2010

	Note	2010 Core Activities \$	2010 LGITO + Funds \$	2010 Local Govt. NZ \$	2009 Core Activities \$	2009 LGITO + Funds \$	2009 Local Govt. NZ \$
Accumulated Funds as at 1 April		798,154	564,657	1,362,811	504,571	661,881	1,166,452
Net Surplus/(Deficit) After Taxation		215,613	(207,421)	8,192	307,317	(97,224)	210,093
Total Recognised Revenue and Expenses		215,613	(207,421)	8,192	307,317	(97,224)	210,093
Movement (to) / from Conference Reserves	13	24,910	-	24,910	(13,734)	-	(13,734)
Accumulated Funds as at 31 March		1,038,677	357,236	1,395,913	798,154	564,657	1,362,811
Conference Reserves	13	73,886	-	73,886	98,796	-	98,796
<b>TOTAL ACCUMULATED FUNDS</b>		<b>1,112,563</b>	<b>357,236</b>	<b>1,469,799</b>	<b>896,950</b>	<b>564,657</b>	<b>1,461,607</b>

The Notes to the Financial Statements form part of, and should be read in conjunction with these statements.



# Statement of Financial Position

As at 31 March 2010

	Note	2010 Core Activities \$	2010 LGITO + Funds \$	2010 Local Govt. NZ \$	2009 Core Activities \$	2009 LGITO + Funds \$	2009 Local Govt. NZ \$
<b>TOTAL ACCUMULATED FUNDS</b>		1,112,563	357,236	1,469,799	896,950	564,657	1,461,607
<b>Represented By:</b>							
<b>Current Assets</b>							
Petty Cash		500	50	550	250	50	300
Bank		509,218	222,414	731,632	572,173	214,366	786,539
Accrued Interest		5,130	2,734	7,864	7,652	2,745	10,397
Prepayments		33,735	-	33,735	13,373	2,784	16,157
Sundry Debtors		516,536	24,028	540,564	158,466	18,351	176,817
Provision for Doubtful Debts		-	-	-	-	-	-
Tax Refund Due	4(a)	5,245	-	5,245	4,361	-	4,361
		<b>1,070,364</b>	<b>249,226</b>	<b>1,319,590</b>	<b>756,275</b>	<b>238,296</b>	<b>994,571</b>
<b>Investments</b>							
Term Deposits		1,465,000	290,000	1,755,000	1,130,000	405,000	1,535,000
Shares in Local Government Online Ltd		30,000	-	30,000	30,000	-	30,000
Paintings/Artwork		6,449	-	6,449	6,449	-	6,449
		<b>1,501,449</b>	<b>290,000</b>	<b>1,791,449</b>	<b>1,166,449</b>	<b>405,000</b>	<b>1,571,449</b>
<b>TOTAL CURRENT ASSETS</b>		<b>2,571,813</b>	<b>539,226</b>	<b>3,111,039</b>	<b>1,922,724</b>	<b>643,296</b>	<b>2,566,020</b>
<b>Fixed Assets</b>	5						
Furniture, Fittings, Office Equipment		175,923	2,205	178,128	214,581	5,088	219,669
<b>TOTAL FIXED ASSETS</b>		<b>175,923</b>	<b>2,205</b>	<b>178,128</b>	<b>214,581</b>	<b>5,088</b>	<b>219,669</b>
<b>TOTAL ASSETS</b>		<b>2,747,736</b>	<b>541,431</b>	<b>3,289,167</b>	<b>2,137,305</b>	<b>648,384</b>	<b>2,785,689</b>
<b>Current Liabilities</b>							
Sundry Creditors		449,694	151,489	601,183	508,194	55,737	563,931
Mayors Taskforce for Jobs	15	145,846	-	145,846	185,765	-	185,765
Utilities Advisory Group		87,835	-	87,835	73,530	-	73,530
Provision for Holiday Leave		89,540	17,523	107,063	107,320	18,254	125,574
Deferred Income		862,258	-	862,258	365,546	-	365,546
Tax Payable		-	15,183	15,183	-	9,736	9,736
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,635,173</b>	<b>184,195</b>	<b>1,819,368</b>	<b>1,240,355</b>	<b>83,727</b>	<b>1,324,082</b>
<b>TOTAL LIABILITIES</b>		<b>1,635,173</b>	<b>184,195</b>	<b>1,819,368</b>	<b>1,240,355</b>	<b>83,727</b>	<b>1,324,082</b>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<b>1,112,563</b>	<b>357,236</b>	<b>1,469,799</b>	<b>896,950</b>	<b>564,657</b>	<b>1,461,607</b>

For and on behalf of the National Council:



11 June 2010  
**Lawrence Yule**  
President



11 June 2010  
**Eugene Bowen**  
Chief Executive

The Notes to the Financial Statements form part of, and should be read in conjunction with these statements.

# Statement of Cash Flows

For the year ended 31 March 2010

	Note	2010 Core Activities \$	2010 LGITO + Funds \$	2010 Local Govt. NZ \$	2009 Core Activities \$	2009 LGITO + Funds \$	2009 Local Govt. NZ \$
<b>Cash Flows from Operating Activities</b>							
<b>Cash was Provided from:</b>							
Subscriptions and Cost Recoveries Received		4,638,637	463,165	5,101,802	5,035,813	549,854	5,585,667
Interest Received		93,624	15,774	109,398	166,260	42,202	208,462
GST Received/(Paid)		(16,993)	5,579	(11,414)	45,323	(6,076)	39,247
		<b>4,715,268</b>	<b>484,518</b>	<b>5,199,786</b>	<b>5,247,396</b>	<b>585,980</b>	<b>5,833,376</b>
<b>Cash was Applied to:</b>							
Payments to Suppliers and Employees		4,394,021	592,045	4,986,066	4,465,605	650,386	5,115,991
Income Tax (Received)/Paid		26,539	(1,262)	25,277	51,740	14,725	66,465
		<b>4,420,560</b>	<b>590,783</b>	<b>5,011,343</b>	<b>4,517,345</b>	<b>665,111</b>	<b>5,182,456</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	7	<b>294,708</b>	<b>(106,265)</b>	<b>188,443</b>	<b>730,051</b>	<b>(79,131)</b>	<b>650,920</b>
<b>Cash Flows from Investing Activities</b>							
<b>Cash was Applied to:</b>							
Purchase of Fixed Assets		22,413	687	23,100	57,099	1,604	58,703
		<b>22,413</b>	<b>687</b>	<b>23,100</b>	<b>57,099</b>	<b>1,604</b>	<b>58,703</b>
<b>Net Cash (Outflow) from Investing Activities</b>		<b>(22,413)</b>	<b>(687)</b>	<b>(23,100)</b>	<b>(57,099)</b>	<b>(1,604)</b>	<b>(58,703)</b>
Net Increase/(Decrease) in Cash Held		272,295	(106,952)	165,343	672,952	(80,735)	592,217
Opening Cash Balance as at 1 April		1,702,423	619,416	2,321,839	1,029,471	700,151	1,729,622
<b>Closing Cash Balance as at 31 March</b>		<b>1,974,718</b>	<b>512,464</b>	<b>2,487,182</b>	<b>1,702,423</b>	<b>619,416</b>	<b>2,321,839</b>
<b>Being:</b>							
Petty Cash		500	50	550	250	50	300
Bank		509,218	222,414	731,632	572,173	214,366	786,539
Term Deposits		1,465,000	290,000	1,755,000	1,130,000	405,000	1,535,000
		<b>1,974,718</b>	<b>512,464</b>	<b>2,487,182</b>	<b>1,702,423</b>	<b>619,416</b>	<b>2,321,839</b>

The Notes to the Financial Statements form part of, and should be read in conjunction with these statements.

# Notes to the Financial Statements

For the year ended 31 March 2010

## Note 1

### Nature of Activities

The New Zealand Local Government Association Incorporated trades as *Local Government New Zealand*. *Local Government New Zealand* represents local authorities in promoting the national interests of local government. These financial statements have been presented to show the day to day operations of *Local Government New Zealand* ("Core Activities") together with the activities of *Local Government Industry Training Organisation* ("LGITO"), a division of *Local Government New Zealand*, and various specific funds that are held by *Local Government New Zealand* for specific purposes ("LGITO and Funds").

## Note 2

### Statement of Accounting Policies

#### General Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting practice and the Incorporated Societies Act 1908.

Accrual accounting is used to match expenses and revenue. The measurement system adopted is that of historical cost.

#### Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of financial performance and financial position have been applied.

(a) Investment Income is accounted for on an accrual basis.

(b) Fixed Assets are shown at cost less accumulated depreciation.

These assets have been depreciated on a straight line and diminishing value basis at rates which are anticipated to write them off over their estimated useful lives.

Furniture, Fittings, Office Equipment	3 to 9 years Straight Line
Computer Software	40% Diminishing Value

(c) Sundry Debtors have been valued at expected net realisable value.

(d) Taxation

The liability method of accounting for taxation is applied on a comprehensive basis. *Local Government New Zealand* is exempt from tax for all income except interest.

(e) The Conference hosted by *Local Government New Zealand* is disclosed on a gross basis in the Statement of Financial Performance (refer Note 8).

(f) Funding received for special projects is not recognised in the Statement of Financial Performance until the requirements of the funding agreement have been met. Funding received for which the requirements have not been met at balance date is shown as Deferred Income in the Statement of Financial Position.

(g) Investments are stated at cost price.

(h) The Cash Flow Statement is prepared exclusive of GST which is consistent with the rest of the financial statements except for receivables and payables which are stated inclusive of GST. Term deposits are included as "cash" due to their short term nature.

#### Changes in Accounting Policies

There have been no changes in accounting policies during the year. All policies have been applied on bases consistent with last year.

Comparative information: The presentation of comparative information has been restated to be consistent with the current year.

### Note 3

#### Expenditure

Included in the Administration Expenses are the following expenses:

	2010 Core Activities	2010 LGITO + Funds	2010 Local Govt. NZ	2009 Core Activities	2009 LGITO + Funds	2009 Local Govt. NZ
Rental Expense	167,130	28,403	195,533	153,203	28,403	181,606
Telephone and Tolls	35,289	4,605	39,894	56,217	5,878	62,095
Maintenance	12,660	1,377	14,037	14,699	649	15,348
Computer Outsourcing	94,177	-	94,177	94,975	-	94,975
Staff Recruitment & Training	51,165	-	51,165	63,946	800	64,746
Bad Debts	5,263	1,000	6,263	-	13,383	13,383
Temporary Staff	52,509	-	52,509	1,010	-	1,010
Insurance	28,764	257	29,021	28,293	257	28,550
Subscriptions - Local Organisations	10,135	-	10,135	12,325	-	12,325
Other	217,829	60,098	277,927	213,808	61,453	275,261
<b>TOTAL</b>	<b>674,921</b>	<b>95,740</b>	<b>770,661</b>	<b>638,476</b>	<b>110,823</b>	<b>749,299</b>

### Note 4

#### Taxation

(a) The tax refund is a result of the tax provision for the current year being less than the provisional tax paid.

(b) Taxation Expense

	2010 Core Activities	2010 LGITO + Funds	2010 Local Govt. NZ	2009 Core Activities	2009 LGITO + Funds	2009 Local Govt. NZ
Interest Income Earned	91,102	15,763	106,865	169,913	41,083	210,996
Less Deductions						
Standard Exemption	(975)	(1,025)	(2,000)	(944)	(1,055)	(1,999)
Deduction on Interest Income	(4,609)	(788)	(5,397)	(8,979)	(2,054)	(11,033)
<b>Total Taxable Income</b>	<b>85,518</b>	<b>13,950</b>	<b>99,468</b>	<b>159,990</b>	<b>37,974</b>	<b>197,964</b>
<b>Taxation Expense @ 30%</b>	<b>25,655</b>	<b>4,185</b>	<b>29,840</b>	<b>47,997</b>	<b>11,392</b>	<b>59,389</b>

### Note 5

#### Fixed Assets

	2010 Core Activities	2010 LGITO + Funds	2010 Local Govt. NZ	2009 Core Activities	2009 LGITO + Funds	2009 Local Govt. NZ
Fixed Assets at Cost	1,192,315	27,320	1,219,635	1,169,902	26,661	1,196,563
Less Accumulated Depreciation	(955,321)	(21,545)	(976,866)	(875,278)	(17,250)	(892,528)
	<b>236,994</b>	<b>5,775</b>	<b>242,769</b>	<b>294,624</b>	<b>9,411</b>	<b>304,035</b>
Less Depreciation	(61,071)	(3,570)	(64,641)	(80,043)	(4,323)	(84,366)
<b>Net Book Value</b>	<b>175,923</b>	<b>2,205</b>	<b>178,128</b>	<b>214,581</b>	<b>5,088</b>	<b>219,669</b>
<b>TOTAL FIXED ASSETS</b>	<b>175,923</b>	<b>2,205</b>	<b>178,128</b>	<b>214,581</b>	<b>5,088</b>	<b>219,669</b>

## Note 6 Operating Lease Commitments

The future minimum rental payments not provided for in these financial statements are as follows:

	2010 Core Activities	2010 LGITO + Funds	2010 Local Govt. NZ	2009 Core Activities	2009 LGITO + Funds	2009 Local Govt. NZ
Not later than one year	203,118	6,000	209,118	203,118	6,000	209,118
Later than one year but not later than two years	105,625	-	105,625	203,118	-	203,118
Later than two years but not later than five years	50,983	-	50,983	156,609	-	156,609
Later than five years	-	-	-	-	-	-
	<b>359,726</b>	<b>6,000</b>	<b>365,726</b>	<b>562,845</b>	<b>6,000</b>	<b>568,845</b>

There is a right of renewal on the office rental to August 2011.

## Note 7 Reconciliation of Statement of Cash Flows to Operating Surplus/(Deficit)

	2010 Core Activities	2010 LGITO + Funds	2010 Local Govt. NZ	2009 Core Activities	2009 LGITO + Funds	2009 Local Govt. NZ
<b>Reported Surplus/(Deficit) after Taxation</b>	215,613	(207,421)	8,192	307,317	(97,224)	210,093
<b>Add Non-Cash Items</b>						
Depreciation	61,071	3,570	64,641	80,043	4,323	84,366
<b>Add/(Less) movements in other working capital items</b>						
Sundry Debtors, Prepayments	(407,840)	(2,893)	(410,733)	248,354	10,978	259,332
Sundry Creditors, Deferred Income and other items	394,818	95,088	489,906	76,231	9,751	85,982
Accrued Interest	2,522	11	2,533	(3,653)	1,119	(2,534)
Taxation (Receivable)/Payable	(884)	5,447	4,563	(3,743)	(3,333)	(7,076)
GST Payable/(Receivable)	29,408	(67)	29,341	25,502	(4,745)	20,757
	<b>18,024</b>	<b>97,586</b>	<b>115,610</b>	<b>342,691</b>	<b>13,770</b>	<b>356,461</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>294,708</b>	<b>(106,265)</b>	<b>188,443</b>	<b>730,051</b>	<b>(79,131)</b>	<b>650,920</b>

## Note 8 Conference

	2010 Core Activities	2010 LGITO + Funds	2010 Local Govt. NZ	2009 Core Activities	2009 LGITO + Funds	2009 Local Govt. NZ
Registration and Sponsorship Income	525,939	-	525,939	568,711	-	568,711
Less: Expenses for current (July 2009) conference	(398,420)	-	(398,420)	(432,244)	-	(432,244)
Less: Expenses for current conference spent last year	(52,429)	-	(52,429)	(22,733)	-	(22,733)
	<b>75,090</b>	<b>-</b>	<b>75,090</b>	<b>113,734</b>	<b>-</b>	<b>113,734</b>
Less: Staff Salaries and Overheads*	(100,000)	-	(100,000)	(100,000)	-	(100,000)
<b>Net Surplus / (Deficit)</b>	<b>(24,910)</b>	<b>-</b>	<b>(24,910)</b>	<b>13,734</b>	<b>-</b>	<b>13,734</b>
Expenses for next year's (July 2010) conference	86,857	-	86,857	52,429	-	52,429

\* Staff Salaries and Overheads have been recorded in Administrative Expenses in the Statement of Financial Performance. These relate to costs directly paid by Local Government New Zealand as part of its operations.

## Note 9 Financial Instruments

### Financial Assets and Liabilities

The carrying amounts of all financial assets and liabilities in the Statement of Financial Position are considered to be equivalent to their fair value.

### Credit Risk

Financial instruments which potentially subject *Local Government New Zealand* to a credit risk consist principally of cash and interest bearing deposits.

*Local Government New Zealand* does not require collateral or other security to support financial instruments with credit risk and as such, no collateral exists for any of the investments held by *Local Government New Zealand*. The maximum credit risk exposure is the carrying amount of the individual investments and receivables.

*Local Government New Zealand* has placed interest bearing deposits with Financial Institutions of high credit worthiness.

### Interest Rate Risk

*Local Government New Zealand* is exposed to interest rate risk in that interest rate movements will affect cash flows and the market value of fixed interest investments.

The effective interest rate and maturities of financial instruments are as follows:

Bank & Term Deposits	Effective Interest Rate 2010	Maturity Date 2010	Maturity Value 2010	Effective Interest Rate 2009	Maturity Date 2009	Maturity Value 2009
Term Cash Deposits: ANZ Banking Group	3.00%	14/04/2010	\$485,000	3.66 - 5.75%	01/04/2009 to 13/05/2009	\$720,000
Term Cash Deposits: BNZ	2.68 - 2.70%	14/04/2010 to 19/05/2010	\$600,000	3.08%	08/04/2009	\$250,000
Term Cash Deposits: Westpac	3.15 - 3.17%	14/04/2010 to 19/05/2010	\$380,000	4.92%	15/04/2009	\$160,000
LGITO Term Cash Deposits & Bank	0 - 4.60%	07/04/2010 to 23/06/2010	\$412,461	0 - 6.50%	08/04/2009 to 24/06/2009	\$463,085
Bank: ANZ Banking Group	0 - 2.00%	Call	\$412,815	0 - 7.75%	Call	\$476,846
Multiple Deposit Account: Westpac	2.10%	Call	\$96,356	4.90%	Call	\$152,635
Bank: Westpac	0 - 0.75%	Call	\$3,597	0 - 1.75%	Call	\$3,646
Bank: National	0 - 1.75%	Call	\$96,403	0 - 1.75%	Call	\$95,327

## Note 10 Honoraria Of National Council Members

Honoraria paid to National Council Members during the year ended 31 March 2010 amounted to \$104,339 (2009: \$107,101). This was made up of the Honoraria paid to the President \$80,261 (2009: \$82,539) and the Vice-President \$24,078 (2009: \$24,562).

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

Honoraria paid by LGITO during the year ended 31 March 2010 amounted to \$18,069 (2009: \$18,071).

No other remuneration was paid to board members.

## Note 11 New Zealand Local Government Association Funds

### DESCRIPTION OF FUNDS' ACTIVITIES

The following funds are managed by Local Government New Zealand:

#### Regional Government Association Fund

At the meeting of the Regional Government Association ("the Association") on 1 December 1995 it was resolved the funds of the Association be transferred to the New Zealand Local Government Association to facilitate the winding up of the Association and in anticipation of a decision on the use of the funds.

#### Bertlesmann Award Fund

Funds were received from Christchurch City Council being a portion of their Bertlesmann Award received from the Bertlesmann Foundation in 1993. It is intended that these funds go towards supporting and funding research into innovative approaches to local government that enhance effective governance and encourage best practice.

## Statement of Financial Performance

For the year ended 31 March 2010

FUNDS	2010				2009			
	Interest Income \$	Grants/ Expenses \$	Taxation Expense \$	Surplus / (Deficit) \$	Interest Income \$	Grants/ Expenses \$	Taxation Expense \$	(Deficit) \$
Regional Government Association Fund	1,727	(37,299)	(487)	(36,059)	8,483	(89,720)	(2,403)	(83,640)
Bertlesmann Award Fund	594	-	(167)	427	1,491	(4,840)	(422)	(3,771)
	<b>2,321</b>	<b>(37,299)</b>	<b>(654)</b>	<b>(35,632)</b>	<b>9,974</b>	<b>(94,560)</b>	<b>(2,825)</b>	<b>(87,411)</b>

## Statement of Movements in Funds

For the year ended 31 March 2010

	2010			2009		
	Opening Funds	Surplus / (Deficit) After Tax	Closing Funds	Opening Funds	(Deficit) After Tax	Closing Funds
Regional Government Association Fund	107,210	(36,059)	71,151	190,850	(83,640)	107,210
Bertlesmann Award Fund	28,604	427	29,031	32,375	(3,771)	28,604
	<b>135,814</b>	<b>(35,632)</b>	<b>100,182</b>	<b>223,225</b>	<b>(87,411)</b>	<b>135,814</b>

## Statement of Financial Position

As at 31 March 2010

Funds	2010	2009
Regional Government Association Fund	71,151	107,210
Bertlesmann Award Fund	29,031	28,604
<b>ACCUMULATED FUNDS</b>	<b>100,182</b>	<b>135,814</b>
<b>Represented by:</b>		
<b>Current Assets</b>		
Bank - Westpac	99,953	156,282
Sundry Debtors	-	2,738
Tax Receivable	229	1,064
<b>TOTAL ASSETS</b>	<b>100,182</b>	<b>160,084</b>
<b>Current Liabilities</b>		
Sundry Creditors	-	24,270
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>24,270</b>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>	<b>100,182</b>	<b>135,814</b>



## Note 12 Local Government Industry Training Organisation (“LGITO”)

The primary objective of the LGITO is to develop and implement training and qualification needs for the sector.

### Statement of Financial Performance

For the year ended 31 March 2010

	2010	2009
Income	481,349	569,282
Less: Expenditure	649,607	570,529
<b>Net Deficit before Taxation</b>	<b>(168,258)</b>	<b>(1,247)</b>
Taxation	3,531	8,566
<b>NET DEFICIT</b>	<b>(171,789)</b>	<b>(9,813)</b>

### Statement of Movements in Equity

For the year ended 31 March 2010

	2010	2009
Opening Equity	428,846	438,659
Net Deficit for the year	(171,789)	(9,813)
<b>CLOSING EQUITY</b>	<b>257,057</b>	<b>428,846</b>

### Statement of Financial Position

As at 31 March 2010

	2010	2009
<b>TOTAL EQUITY</b>	<b>257,057</b>	<b>428,846</b>
Represented by:		
Assets	439,840	487,659
Less: Liabilities	182,783	58,813
<b>Excess of Assets over Liabilities</b>	<b>257,057</b>	<b>428,846</b>

### Conference Retained Earnings

National Council has approved the setting aside of accumulated surpluses generated from the Conference which is to be used to reduce the cost of future Conferences.

	2010	2009
Opening Balance	98,796	85,062
Contribution to Conference	-	13,734
Conference (Deficit)	(24,910)	-
<b>Closing Balance*</b>	<b>73,886</b>	<b>98,796</b>

\* At the conclusion of the 2009/10 conference

**Note 14 Related Parties**

Local Government New Zealand received an administration fee of \$9,000 (2009: \$9,000) from the Local Government Rural Trust for administrative services provided.

**Note 15 Mayors Taskforce for Jobs**

Mayors Taskforce for Jobs is a separately funded operation which uses *Local Government New Zealand's* financial human resources for its accounting. All receipt of income and payment of expenses and grants, although separately accounted for, are recorded through *Local Government New Zealand's* bank account.

At balance date, a total of \$145,846 (2009: \$185,765) was held on account of the entity, in a Westpac term deposit and in *Local Government New Zealand's* ANZ current account.

	2010		2009	
Opening Balance		185,765		243,244
Grants Received from The Tindall Foundation	5,000		-	
Other Income	439,123		463,562	
<b>Total Income</b>		<b>444,123</b>		<b>463,562</b>
Grants Paid for Employment Projects	(35,000)		(114,344)	
Other Expenses	(449,042)		(406,697)	
<b>Total Expenditure</b>		<b>(484,042)</b>		<b>(521,041)</b>
<b>Closing Balance</b>		<b>145,846</b>		<b>185,765</b>

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## Our Team As at 31 March 2010

### Chief Executive Team

**Eugene Bowen** – chief executive

**Jan Horan** – executive assistant to CE and President, internal governance co-ordinator

**Ally McBride** – office manager

**Vickie Paterson** – human resources manager

**Liz Quaye** – receptionist/office support

### Governance Team

**Mike Reid** – manager

**Mariska Wouters** – policy analyst

**Chrissy MacDonald** – personal assistant

### Development and Infrastructure Team

**Geoff Swainson** – manager

**Nasi Jenkin** – senior policy analyst

**Simon King** – policy analyst

**Carla Krejczisz** – personal assistant

### Environment and Regulatory Team

**Irene Clarke** – manager

**Frances Sullivan** – senior policy analyst

**Clare Wooding** – policy analyst \*

**Natasha Bava** – personal assistant

### Communications Team

**Kirsty Anderson/Fiona Mayo** – manager

**Charlotte Brown** – communications advisor

**Srimathi Mathavan/Jan Rivers** – information centre manager \*\*

**Sam Hou/Stephanie Rodgers \*\*** – communications assistant

**Catherine Hodder/Ann Tankman\*\*** – information and records assistant

### Professional Development Team

**Anne Gibson** – professional development manager\*\*\*

**Sandra Scrimshaw** – professional development co-ordinator

\* Part time, secondee replacing Kate Barker who is on parental leave.

\*\* Jan Rivers and Ann Tankman have replaced Srimathi Mathavan and Catherine Hodder. Stephanie Rodgers replaces Sam Hou while on maternity leave.

\*\*\* Anne Gibson is a contractor for LGNZ.



**Local Government  
New Zealand**  
*te pūtahi matakōkiri*



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