

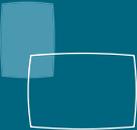
*Annual Report
2006/07*



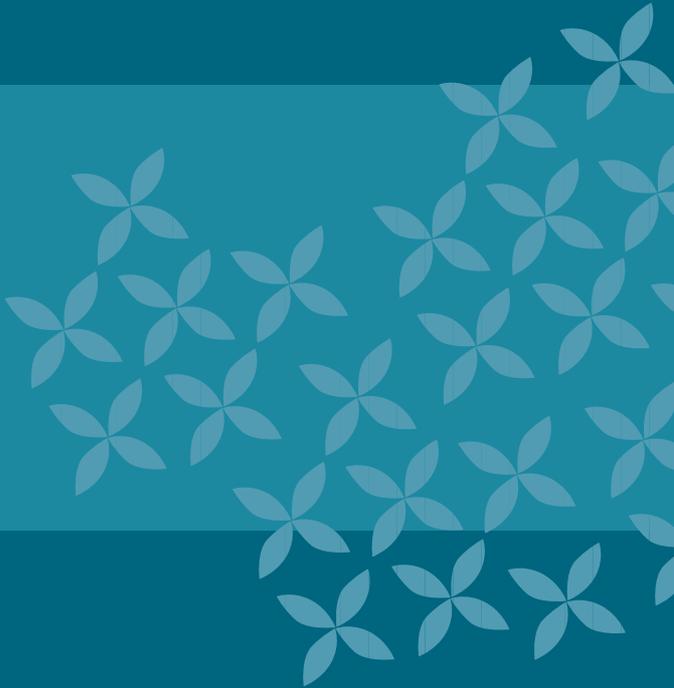


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For New Zealand's communities to flourish they need a positive political and economic climate. They need a healthy and safe environment, social cohesion and a vibrant culture and identity. As the national voice of local government, Local Government New Zealand is committed to representing all of its member councils – urban and rural, territorial and regional – with a clear focus on effective local governance.



President's Foreword

As we approach the second local government elections under the Local Government Act 2002, it seems an excellent opportunity to take stock of what we have achieved over the last year.

This past year has seen us undertake some significant pieces of research and member surveys. In 2006 we conducted a series of roadshows, widely involving our members, to assist the Local Government Commission with its review of the Local Government Act and the Local Electoral Act in 2007. The consensus, across a range of councils, was that the legislation works and councils across New Zealand welcome the opportunities and the empowerment provided by the new legislation. There was also a clear consensus that the legislation is unnecessarily complicated, laden with unnecessary compliance and counterproductive to the process of explaining issues to the community and gaining their support. Putting it another way, councils have far too much of their attention diverted from communicating with and representing their communities.

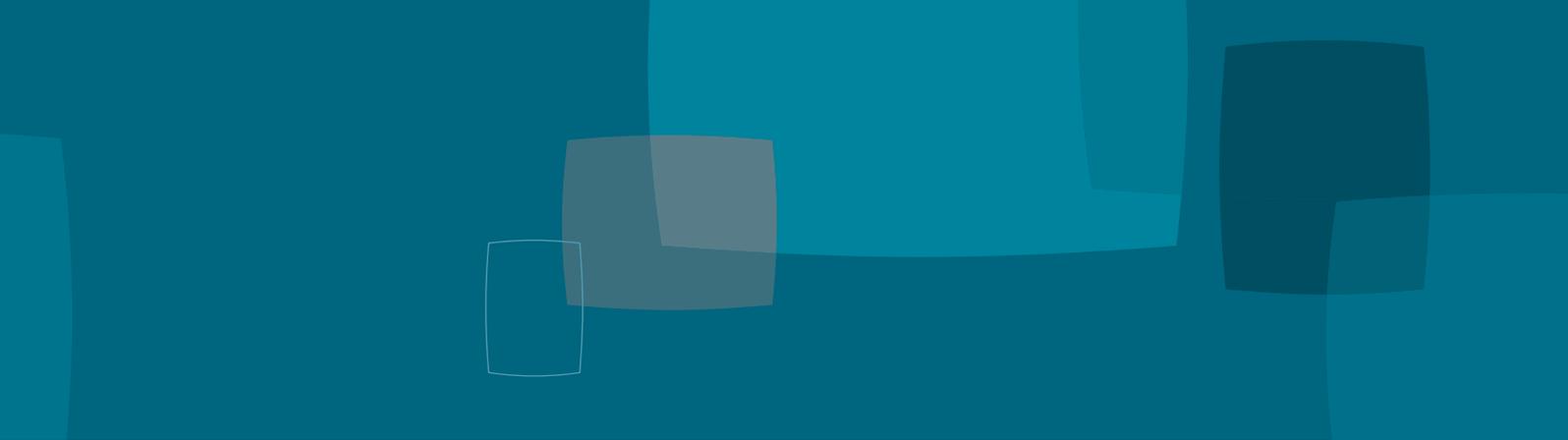
A key finding echoed a concern among councils that they are not provided with the resources, either additional funding or the powers to raise funds, to undertake the range of functions they are being asked to assume, both by their communities and by Government. Related to this, and demonstrated clearly by the research we have undertaken and commissioned to assist the Independent Inquiry into Rates, the level of dependence among councils on the general rate to fund infrastructure, such as roads and water systems is unsustainable. We must find a better way to share the costs of networked infrastructure that will underpin New Zealand's economic transformation. The submission to the

Inquiry, which we jointly prepared with the Society of Local Government Managers, is the best summary to date of issues and responses affecting the resourcing of the local government sector.

Turning to the activities and projects of the year – we have achieved significant progress in a suite of activities impacting on sustainability, including sustainable cities work, flood risk management, contributing to pandemic planning, and the Review of Fire and Rescue Services. We have also contributed to the National Taskforce for the Reduction of Community Violence.

In the energy and environment area we have prepared a submission on the numerous climate change discussion documents, the New Zealand Energy Strategy, and the New Zealand Energy Efficiency and Conservation Strategy and been a significant partner in the Government's Sustainable Water Programme of Action. We have worked with the Government on a range of waste issues, and continue to seek a solution for the glass mountain causing particular problems for South Island councils.

In support of regional growth we have continued our financial and administrative support of the Mayors Taskforce for Jobs, and are working with Government to give shape and meaning to New Zealand's new regional development policy announced in December 2006.



In infrastructure and transport, the long-awaited transport conference finally came to fruition in the Transport Next 50 Years Conference in July. We have lobbied vigorously on the proposed Health (Drinking Water) Amendment Bill, and worked closely on the implementation and proposed improvements to the sewage and drinking water subsidy schemes. We are closely involved in the development and implementation of the Digital Strategy, and were one of the organisers of a highly successful Library Summit in February.

We have continued to lobby and prepare submissions on your behalf, to the Independent Rating review, to the Local Government Commission in its 2007 review of the Local Government Act 2002 and Local Electoral Act 2001, to the Remuneration Authority, and Select Committees. We are working the Department of Building and Housing to facilitate council accreditation under the new Building Act, and with Government at large to find a pragmatic solution to the leaky homes issue, which is far beyond the resources of councils to resolve by themselves. We continue to seek a workable solution to the issue of walking access and unformed paper roads.

In the area of the capability development of our members, we delivered a pilot professional development programme, supported a number of local authority professional environmental and regulation networks, and assisted local government in the organisation of the fourth Commonwealth Local Government Forum, which was held in Auckland in March.

Our own *Local Government New Zealand* Conference in Wellington received good participant feedback and attendance at the zone and sector meetings remains high. We continue to raise issues, and to seek their resolution at the regular Central Local Government Forum.

In short, the sector is in good health, and while some councils are challenged, the level of confidence and optimism among our members remains high. I thank you for your support and wish you all luck in this year's local body elections.

Basil Morrison
President



Chief Executive's Foreword

The President's foreword has touched on the range of issues and activities in the reporting period. The body of the report provides the detail of our activities under the four strategic goals we have set for the sector, and the five goals that cover the range of our activities and services to our members.

Local Government New Zealand's key task remains the production of representative policy positions, based on wide consultation and expert policy development, and capturing and balancing the diverse range of interests of our members. I am encouraged that, despite the urgency and complexity of the range of different issues confronting our members, the sector remains capable of consistent and coherent advocacy, based on the recognition of mutual interest.

One of the best indications of the complexity of our tasks last year (and of most years) can be seen in the regulatory area, in the magnitude of the input *Local Government New Zealand* provided to central government agencies and local authorities concerning the development of policy and legislation impacting on the sector. This work included: commenting on policy papers, Cabinet papers, discussion documents, involvement in reference/working groups, and liaison with officials. The legislation included the Police Act review, Food Safety review, Public Health Act review, Walking Access review, the Waste Bill and the review of the New Zealand Waste Strategy, the Pandemic Planning Bill and related Influenza Action Plan and guidance materials, the Resource Management (Climate Protection) Amendment Bill, various climate change policy and energy policy discussion papers, the Review of Fire and Rescue Services, the Flood Risk Management review, the Sustainable Water Programme of Action, Unit Titles Act Review, the Weathertight Homes Resolution Services Act Review, Building (Late Consent is a Free Consent) Amendment Bill, Building Code Review; various policy papers on the Quality Regulations Review, various vehicle emissions policy papers, the Environmental Risk Management Authority review of 1080, contaminated land policy framework review, the Government's biosecurity research priorities, and on numerous other matters.

The finances of the organisation proved problematic in the 2006/07 year. At the start of the year the National Council made two decisions that they acknowledged would impact on our reserves. A refurbishment of our office premises and a budgeted deficit of \$258,000 were approved, which would collectively draw down close to half a million dollars from our accumulated reserves. The decision to budget deficit in 2007/08 was in recognition both that our reserves had grown beyond the target specified in the Rules of our Association, and that we were facing increasing difficulty raising revenue from non-subscription sources.

In the event, the final deficit significantly exceeded the budgeted figure. Around half a million dollars of projected activity did not eventuate, including activities in the transport, digital strategy, and publication areas. This had negative implications for our revenue assumptions. Rising workloads required the creation of two new staff positions and the unscheduled Independent Rating Inquiry necessitated some original research on cost shifting which was not budgeted for, but could not be deferred. As a result of these factors, our reserves are now well below the lower end of the approved band and we will be working to restore them. The need to run balanced budgets in future in the face of rising overheads and a tight labour market was a major driver in the decision to raise subscriptions in 2007/08.

Local Government New Zealand expends significant resource on communicating with and listening to its members. I spend two months a year in sector, zone and sub-committee meetings. The feedback I receive at those meetings about the performance of *Local Government New Zealand* is consistently appreciative, positive and, in many cases, awed at the range and depth of issues we cover. I believe *Local Government New Zealand* is coping well with current work levels, and continues to provide a quality of input and advice to Government that is widely acknowledged by Government departments, parliamentary select committees and the elected Government, as well as by our members.

Eugene Bowen
Chief Executive

Sector Goals

1. Supporting community wellbeing

Outcomes

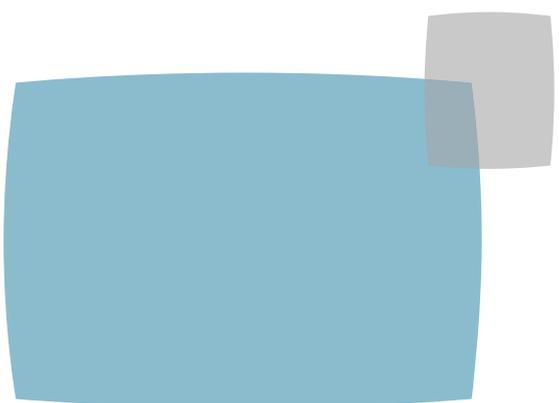
- Councils are supported to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future
- Effective collaboration between central government and local communities occurs across the range of community well-beings, including civil defence and emergency management, bridging the digital divide
- Councils' contribution to community wellbeing is acknowledged, and enhanced through the sharing of good practice
- Councils are supported in their application of a sustainable development approach in their work with and on behalf of communities.
- Undertook Crime Prevention through Environmental Design training sessions for councils on request
- Made submissions on a range of community safety issues (such as the Police Act Review and Review of Youth Drinking) and participated in a range of central government working groups related to community safety Youth Drinking, National Alcohol Strategy, various research on alcohol related crime, the Release of High Risk Offenders
- Worked with the Ministry of Health to coordinate health sector work with local government and participated in the Healthy Eating, Healthy Action steering group

Activities

- Worked with central government, councils, and community organisations to develop and deliver a successful Safer Communities Conference in August 2006
- Completed research on local government's knowledge and use of Crime Prevention through Environmental Design. The project was an important step in the process of developing locally based information about the use and implementation of Crime Prevention through Environmental Design
- Ongoing liaison between local and central government over the Gaming Act, and participation in central government's Expert Advisory Group on Preventing and Minimising Gambling Harm
- Contributed to a range of youth related policy work and implementation (including Youth Transition Services)
- Participated in a range of funding committees including the Youth Development Partnership Fund, The Year of the Veteran, and Crime Prevention Unit special funding allocation
- Presentations to a range of sector groups on local government, the Local Government Act (particularly in the health and justice sectors)

Made submissions on a range of community safety issues (such as the Police Act Review and Review of Youth Drinking) and participated in a range of central government working groups related to community safety Youth Drinking, National Alcohol Strategy, various research on alcohol related crime, the Release of High Risk Offenders

- Worked with Housing New Zealand Corporation and other relevant government agencies on a number of housing work-streams including quality of existing housing, affordability of housing, housing funding schemes, research on council housing policy and regulatory activities. With other agencies, organised an Affordable Housing Summit in Wellington
- Organised a successful fora for local government staff (and related agencies) as part of the August 2006 Diversity Forum
- Liaised with the Voluntary Sector to strengthen relationships with local government
- Worked with Te Papa and Museums Aotearoa to support the museums sector including contributing to research of benchmarks and guidance materials for museums receiving council funding on how to work with councils
- Participated in Sport and Recreation New Zealand's review of Best Practice for participation of 13–18 year olds in sport and recreation
- Contributed to the steering group for the Department of Conservation's review of campgrounds
- Worked with Creative New Zealand on the future of the Creative Places awards
- Worked with the Ministry of Culture and Heritage to develop their website on funding information for culture and heritage
- Worked with central government agencies and local authorities to develop and implement the Sustainable Cities Project, including work on the Urban Design Protocol, and extending the learnings of the Auckland work through a Show and Tell workshop with the Metropolitan sector councils held in July 2006
- Worked with central government agencies to demonstrate the uptake and application of the principles of sustainable development
- Worked with central government agencies and local authorities on emergency management policy including: significant work on flood risk management through the Regional Affairs Flood Management Sub-committee's work (involving regional councils and territorial authorities); supporting work by central government and local authority officers on pandemic planning; commenting on the government's Adverse Events Recovery policy; developing a process with the Ministry of Civil Defence and Emergency Management to review the Civil Defence Plan and Guide involving local authority officers; and undertaking extensive work with the Department of Internal Affairs and local authority officers on the Review of Fire and Rescue Services.



2. Enhancing environmental outcomes

Outcomes

- Councils are supported by central government and *Local Government New Zealand* to enhance environmental outcomes in their communities
- Local government works collaboratively with central government and communities to enhance the natural and built environment
- The contribution made by councils to environment wellbeing is recognised by both central government and communities.

Activities

- Worked with the Packaging Accord Governing Board, the Packaging Council, local authorities and central government agencies on a significant amount of work relating to the New Zealand Packaging Accord and review of progress for the New Zealand Waste Strategy. Undertook significant work with local authorities on proposals for a waste levy, including running workshops for councils and speaking at workshops facilitated by other parties. Worked with local authorities and sector groups to develop a local government position on the Waste Bill, prepared a comprehensive submission to the Bill, appeared before the Select Committee, and worked with the Ministry for the Environment on possible new legislation. Contributed to product stewardship initiatives including responding to issues relating to possible container deposit legislation
- Worked with central government agencies and local authorities on a range of environmental well-being issues. Among other things, this included work on biosecurity matters, commenting on Ministry of Foreign Affairs and Trade international agreements relating to environmental matters; and commenting on environmental research proposals seeking government funding
- Worked with the Ministry for the Environment to assist councils to mitigate and adapt to climate change including: disseminating information to councils; organising and running workshops for councils in May 2006 on adapting to the impacts of climate change; supporting the Communities for Climate Protection Programme; assisting Victoria University and the Royal Society organise a major conference and a symposium on Climate Change; inputting into central government policy on climate change including submitting on several discussion papers; and communicating with councils on climate change matters
- Commented on central government discussion papers on the New Zealand Energy Strategy and the review of the New Zealand Energy Efficiency and Conservation Strategy. Provided advice to the Energy Efficiency and Conservation Authority on the Home Energy Rating Scheme and the EnergyWise Councils Programme
- Contributed to work undertaken by the Regional Affairs Water Sub-committee on the Government's Sustainable Water Programme of Action
- Commented on the work by central government agencies on air quality and vehicle emissions and liaised with local authorities on this work.

Local government works collaboratively with central government and communities to enhance the natural and built environment

3. Supporting regional growth

Outcomes

- Councils are supported in making sustainable economic development and planning interventions for the benefit of their local communities
- Local government is able to work collaboratively with government agencies and others so as to maintain influential participation in developing and delivering sustainable economic development interventions and policy.

Activities

- Jointly developed an economic development evaluation and monitoring set of tools branded as "Proving It" which is now a web based resource available to users. Participated in the development of a trial regional gross domestic product series
- Local government represented on the Minister's tourism working group and at numerous tourism industry forum established to review the New Zealand Tourism Strategy 2010. Local government's interests and responsibilities in tourism related activities are captured in the draft New Zealand Tourism Strategy to 2015
- Supported and influenced the regional development policy and programme changes announced in December 2006 that reflect local government's role in regional development
- Supported Mayors Taskforce for Jobs projects including the development of the mayor's resource kit, rural roadshows, youth development grants and business planning.

Supported and influenced the regional development policy and programme changes announced in December 2006 that reflect local government's role in regional development

4. Sustaining transport and other infrastructure

Outcomes

- Councils are supported to provide a safe, efficient, sustainable and adequately funded transport system for their local communities
- Local government, through collaboration with government agencies and others, continues to influence the achievement of the objectives of the New Zealand Transport Strategy
- Local government, through collaboration with government agencies and others, delivers to communities cost-effective and sustainable asset management of services and utilities
- Local government is able to work collaboratively with government agencies and each other in the delivery of the e-local government strategy across all of local government.

Activities

- *Local Government New Zealand* maintained support and liaison with key transport sector agencies and groups including the Ministry of Transport (funding and New Zealand Transport Strategy implementation), Transit New Zealand (Road Controlling Authorities Forum, land use planning) and Land Transport New Zealand (procurement and shared services). A regular cycle of meetings has been established with the Minister of Transport. Every opportunity to promote the road and transport interests of the sector in relation to funding and as well as legislation and policy development have been taken. *Local Government New Zealand* contributed to the Ministerial Advisory Group on Road Costs and made submissions on "Next Steps" review. Regrettably the Funding Assistance Rate remains an unfinished item

- In conjunction with other transport sector partners *Local Government New Zealand* participated in the organising the Transport Next 50 Years conference to be held in July 2007. *Local Government New Zealand* facilitated a series of workshops and reference group meetings in relation to Drinking Water legislation. *Local Government New Zealand* participated in a series of workshops with Transit New Zealand in relation to integrated land use and transport infrastructure planning. *Local Government New Zealand* also participated in the Road Controlling Authorities Forum executive committee and forum meetings
- *Local Government New Zealand* worked with Ministry of Health in relation to development of criteria for the Drinking Water Assistance Programme subsidy. It maintained membership of the Sanitary Works Technical Advisory committee which allocated funding under the Sanitary Works Subsidy Scheme and Tourism Demand Subsidy Scheme and participated in the review of Sanitary Works Subsidy Scheme which is yet to be released
- *Local Government New Zealand* worked with the Ministry of Health officials and Health Select Committee to enhance understanding and gain concessions on the Health (Drinking Water) Amendment Bill. We also commented on the Government's proposal for a National Environmental Standard for drinking water catchments.
- *Local Government New Zealand* has worked alongside Land Information New Zealand and other government agencies to progress the work on developing the National Address Register as well as issues around street numbering and address legislation. This is ongoing
- *Local Government New Zealand* is working with Land Information New Zealand to ensure that the local government sector is adequately represented within the new governance structure for the administration of the Geospatial Strategy. *Local Government New Zealand* is a member of the Digital Strategy Steering Group and is continuing to work closely with the Ministry of Economic Development, the Digital Strategy Program manager and other agencies in implementing a program of work around Digital Communities
- *Local Government New Zealand* through its Information and Communications Technology Advisory Group is working with key organizations like the State Services Commission to promote the adoption of e-local government. The e-Government Strategy for 2006 has amended the definition of agency to include councils as well as government agencies. *Local Government New Zealand* is working with the State Services Commission on the implementation of e-government principles at the local government level
- *Local Government New Zealand* maintains a close working relationship with Ingenium through a Memo of Understanding and maintains membership on the National Asset Management Steering group and the newly formed Water Infrastructure Management group. *Local Government New Zealand* has also taken a coordination role in terms of assisting the sector better understand and develop capacity to address the issues related to asset management that have arisen through the Long Term Council Community Plan audit process.

5. Maintain and enhance the framework for local governance and democratic participation

Outcomes

- The statutory framework for local governance meets the needs of councils and communities
- Elected members are aware of their responsibilities and provided with the information to undertake effective governance
- Informed citizens exercise their democratic franchise in the 2007 local authority elections.

Activities

- Organised and supported the Local Government Taskforce (a committee of the National Council) which held hearings in each zone to identify sector views on the Local Government Act 2002 and Local Electoral Act 2001. More than 50 councils participated in the process and made submissions
- Worked with the Society of Local Government Managers to prepare a joint paper to the Local Government Commission on desired changes to the Local Government Act 2002 and Local Electoral Act 2001 in accordance with the Commission's obligations to review aspects of the legislation as required by the Local Government Act 2002
- Commissioned research into the effect of the population criteria on representation arrangements and development recommendations for improvement
- Responded to requests from councils for advice on the implementation of the Remuneration Authority's remuneration model and provided advice to the Remuneration Authority when sought to enhance the model
- Updated and published the new tax brochure for elected members
- Developed the active citizenship project in partnership with a range of agencies. The major project initiated during this year was the Kids Voting Project, which simulated local government elections for students at year nine level
- Contribute to the development of the e-participation framework and guideline for using the e channel as a mechanism to promote and encourage more citizen participation in the decision making process of local government.

Developed the active citizenship project in partnership with a range of agencies. The major project initiated during this year was the Kids Voting Project, which simulated local government elections for students at year nine level

6. Strengthening local government finances and capacity

Outcomes

- Councils have access to the necessary funds and funding tools to meet statutory and community expectations
- Councils are fully aware of their statutory responsibilities and act innovatively and effectively to meet them
- National organisations and academic institutions are mobilised to assist local authorities to enhance capacity and performance.

Activities

- Contributed to the officials' joint project team on funding including sub-groups concerned with Crown Contributions and financial governance
- Published an update of the *Local Government New Zealand* Devolution Survey which itemises examples of devolution and cost shifting by central government
- Published the "Structure and Efficiency" report which undertook a literature review to determine whether or not there was a link between council size and efficiency and promoted examples of shared services
- Prepared a guide (to be published mid-2007) to assist local authorities to take a sustainable development approach. Contributed to development of a graffiti guide to assist local authorities deal with graffiti problems. Provided information to central government agencies on monitoring and reporting, which was published on the Quality Planning Website as guidance material for local authorities.
- The agreed Standards New Zealand work programme for 2006/2007 was completed and the content of the 2007/2008 work programme agreed. In addition to the input of *Local Government New Zealand* it is important to note the considerable efforts of staff from various councils for their selfless contribution to the standards development work being undertaken for the benefit of the sector as a whole
- Responded to the request from the Independent Inquiry into Local Government Rates and worked with the Society of Local Government Managers to publish a joint framing paper and contributed to the preparation of a joint submission
- Contributed to the development and distribution of the Tourism Flows Model planning tool for local government. Further promotion of the Film Friendly Protocol and another five councils signed during the year. Updated and promoted the Action Bio-community website with information and guidance materials to assist local authorities with their work in this area
- Prepared and collated materials to raise the capacity of local authorities to work on biodiversity matters, which was disseminated through the Action Bio-community website. Worked directly with individual councils to support their biodiversity work programmes
- Provided assistance to local authority officers on implementing new local authority responsibilities. This work included supporting the implementation of the National Dogs Database, providing guidance to councils on Hazardous Substances and New Organisms Act enforcement, and working with central government agencies and local authorities on aquaculture implementation issues

Responded to the request from the Independent Inquiry into Local Government Rates and worked with the Society of Local Government Managers to publish a joint framing paper and contributed to the preparation of a joint submission

- Supported central government programmes aimed at enhancing local government performance, including contributing to work on developing and delivering the Making Good Decisions Programme, enhancing and developing the Quality Planning website, supporting the EnergyWise Councils Programme (until it was ended by Energy Efficiency and Conservation Authority in July 2006), and supporting the Communities for Climate Protection Programme
- Contributed to the Local Futures research project into local government strategic decision making, a project funded by the Foundation for Research, Science and Technology and undertaken under the auspices of Victoria University. Contributed to the Planning Under Cooperative Mandates project.
- Contributed to the production of the Regional Economic Development Strategy good practice guidelines.

7. Building local government capability

Outcomes

- Elected members have the opportunity to undertake training and development appropriate to their needs
- Excellence in local authority practice is recognised locally, nationally and internationally
- Councils aware of and understanding good practice in the relationship between local government and Iwi/Maori.

Activities

- Delivered a pilot professional development programme in six modules for elected members. The evaluation is being used to “rollout” an ongoing programme after the election in October 2007
- Commissioned the development of a series of templates to assist local authorities in the process of hiring chief executives and managing performance
- Continued to support local authority professional environmental and regulation networks, including the Coastal Planners Group, Biosecurity Managers, Resource Managers Group, New Zealand Planning Institute, Building Officials Institute, Waste Management Institute, Ecologists Network, Building Consent Authority Managers Group

8. Delivering good regulatory outcomes

- Contributed to the Commonwealth Local Government Forum's Pacific Good practice Scheme in the Pacific and encouraged technical relationships between councils in New Zealand and those in the Pacific, including a review of council provided libraries in Fiji
- Assisted central government with the organisation of the fourth Commonwealth Local Government Forum which was held in Auckland. *Local Government New Zealand* took specific responsibility for a scheme which saw more than 50 delegates from developing parts of the Commonwealth hosted by councils throughout New Zealand prior to the conference
- Continued to support the Commonwealth Local Government Pacific Project's Good Practice Scheme
- Published a series of case studies on Co-management of Sites by Maori and Local Government
- Established a steering group to guide the development of resources to support engagement between Councils and Maori and commenced development of a range of good practice materials.

Outcomes

- Central government agencies work collaboratively and effectively with local government with full awareness of the implications of regulatory matters on local government
- Local government provides high quality input into the development of regulation to ensure it meets the needs of local communities with minimised compliance costs
- Programmes for the implementation of local government regulatory responsibilities are effective and workable.

Activities

- Worked with the Department of Internal Affairs on the Regulatory Framework Project and assisted with finalising the guidance material for central government agencies dealing with regulation that impacts on local government. This guidance is available on the Department of Internal Affairs website. Worked with the Ministry of Economic Development on the Quality Regulations Review project, at the taskforce, officials group and project team levels
- Worked with central government agencies and local authorities to provide input into the development of policy and legislation impacting on the local government sector. This work included commenting on policy papers, Cabinet papers, discussion documents, involvement in reference/working groups,

liaison with officials relating to the Police Act review; Food Safety review, Public Health Act review, Walking Access review, the Waste Bill and the review of the New Zealand Waste Strategy, the Pandemic Planning Bill and related Influenza Action Plan and guidance materials, the Resource Management (Climate Protection) Amendment Bill, various climate change policy and energy policy discussion papers, the Review of Fire and Rescue Services, the Flood Risk Management review, the Sustainable Water Programme of Action, Unit Titles Act Review, the Weathertight Homes Resolution Services Act Review, Building (Late Consent is a Free Consent) Amendment Bill; Building Code Review, various policy papers on the Quality Regulations Review, various vehicle emissions policy papers, the ERMA review of 1080, contaminated land policy framework review, the Government's biosecurity research priorities, and on numerous other matters

- Worked with central government agencies and local authorities contributing to the implementation of legislation, including work on: the Building Act, local authority accreditation as Building Consent Authorities, the accreditation assistance package including participating in workshops and allocation of project funding, weathertight homes issues including development of guidance on the new Weathertight Homes Resolution Services Act, the Resource Management Act, the Dog Control Act and the National Dogs Database, the Prostitution Reform Act,

aquaculture, the Fencing of Swimming Pools Act and development of a related New Zealand Standard, the Hazardous Substances and New Organisms Act and related enforcement activities, the Transpower proposed North Island Transmission Line project, and on various other matters

- Participated in the development of all proposed National Policy Statements and National Environmental Standards and commented on the related policy papers, Cabinet papers and discussion documents, including on the New Zealand Coastal Policy Statement review, Electricity Transmission National Policy Statements and related National Environmental Standards, Flood Risk Management National Policy Statements, Water Management National Policy Statements and related National Environmental Standards including the water measuring devices National Environmental Standard, Drinking Water Catchments National Environmental Standard, Contaminated Land National Environmental Standard, Telecommunications National Environmental Standard, Land Transport Noise National Environmental Standard, Biodiversity National Policy Statements.
- Provided advice to the National Council on the Ready Response request for funding to assist with the development of a New Zealand Standard on Flood Risk Management.



Participated in the development of all proposed National Policy Statements and National Environmental Standards

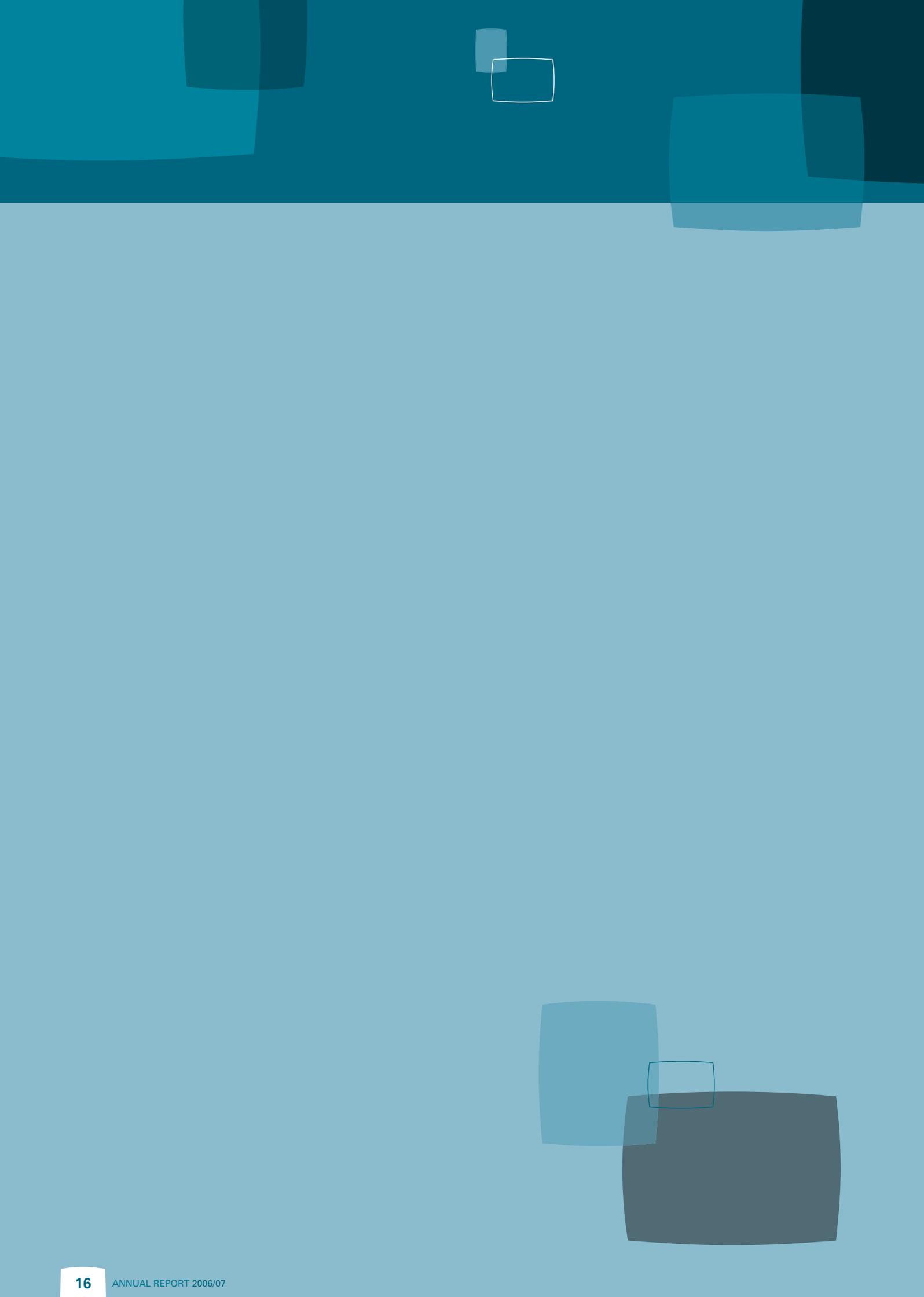
Connecting with our members

Outcomes

- The member councils of *Local Government New Zealand* are well informed on the organisation's activities and of all regulatory and policy developments likely to affect them, and their input is accurately captured in representations to Government.

Activities

- Held a successful *Local Government New Zealand* conference and Annual General Meeting in Wellington in 2006. There were 622 delegates at the Conference, comprising 446 full registrations plus additional registrations for specific days, accompanying partners and the social functions. The conference evaluation was very positive with particular reference to the good keynote speakers and enjoyable social functions
- Began planning for the *Local Government New Zealand 2007* conference, to be held 15–18 July 2007 at the Dunedin Centre, Dunedin
- Supported the National Council in its governance role through the organisation of regular meetings and preparation of supporting material for the meetings
- Presented *Local Government New Zealand* key issues report and participated in all zone meetings
- Co-ordinated and distributed an annual schedule of meetings to all members and key stakeholders
- Supported each sector group through the organisation of regular meetings and preparation of supporting material
- Supported the Community Boards' Executive Committee through the organisation of regular meetings, preparation of supporting material and participation at the annual forum
- Carried out national research into public perceptions of local government and the rating system and communicated the results of the research to the local government sector. Using the results of the research as background, developed a communications plan for the 2006/2007 year to build awareness of local government and increase understanding of rating issues
- Maintained effective records, library and archive services, and implemented new software for the maintenance of contact information
- Liaised with the media to ensure a continuing high profile for *Local Government New Zealand*, particularly on the policy, regulatory and rating issues which dominated the public agenda. During the year *Local Government New Zealand* issued 26 media releases and responded to 240 media enquiries
- Continued to provide timely and quality information to the local government sector through LGNewz, E-newz, the *Local Government New Zealand* website and other policy and research publications
- Commenced organisation of an inter-agency group for co-ordination of communications activities for the 2007 local elections. This group has representatives from several councils, SOLGM, and the four central agencies involved with the elections (Department of Internal Affairs, Ministry of Health, Electoral Enrolment Centre and the Electoral Commission). The group will continue to meet monthly until November 2007.



Financial Statements

for the year ended 31 March 2007

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Audit Report

To the readers of New Zealand Local Government Association Incorporated's Financial Statements for the year ended 31 March 2007

The Auditor-General is the auditor of New Zealand Local Government Association Incorporated (the Association). The Auditor-General has appointed me, G R Mitchell, using the staff and resources of Deloitte, to carry out the audit of the financial statements of the Association, on his behalf, for the year ended 31 March 2007.

Unqualified Opinion

In our opinion:

- The financial statements of the Association on pages 4 to 15:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Association's financial position as at 31 March 2007; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 6 June 2007 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

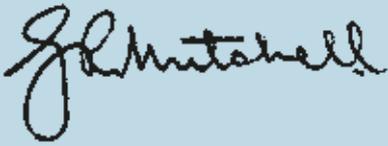
The National Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Association as at 31 March 2007. They must also fairly reflect the results of its 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.

A handwritten signature in black ink that reads "G R Mitchell". The signature is written in a cursive, flowing style.

G R Mitchell
Deloitte
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Financial Performance

for the year ended 31 March 2007

		2007	2007	2007	2006	2006	2006
		Core Activities	LGITO + Funds	Local Govt.NZ	Core Activities	LGITO + Funds	Local Govt.NZ
Note		\$	\$	\$	\$	\$	\$
Income							
		2,862,999	76,919	2,939,918	2,743,637	77,814	2,821,451
			318,252	318,252	–	265,475	265,475
		526,404	685	527,089	911,727	3,150	914,877
	8	712,688	–	712,688	559,897	–	559,897
		122,410	37,995	160,405	132,446	39,562	172,008
		4,224,501	433,851	4,658,352	4,347,707	386,001	4,733,708
Expenditure							
	3	692,405	79,084	771,489	698,057	66,493	764,550
		302,978	12,683	315,661	245,116	17,815	262,931
	11	–	53,494	53,494	–	50	50
		99,759	–	99,759	102,262	–	102,262
		814,722	(1,450)	813,272	840,562	9,770	850,332
		9,750	2,500	12,250	12,900	2,500	15,400
	5	120,412	2,701	123,113	83,196	1,794	84,990
		173,685	4,855	178,540	148,087	4,881	152,968
		292,146	103,902	396,048	204,071	93,733	297,804
	8	552,271	–	552,271	433,039	–	433,039
		79,157	–	79,157	64,806	–	64,806
		1,626,503	210,241	1,836,744	1,351,950	169,202	1,521,152
		4,763,788	468,010	5,231,798	4,184,046	366,238	4,550,284
		(539,287)	(34,159)	(573,446)	163,661	19,763	183,424
	4(b),11 & 12	37,756	11,553	49,309	40,830	12,043	52,873
		(577,043)	(45,712)	(622,755)	122,831	7,720	130,551

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 2007

	Note	2007 Core Activities \$	2007 LGITO + Funds \$	2007 Local Govt.NZ \$	2006 Core Activities \$	2006 LGITO + Funds \$	2006 Local Govt.NZ \$
<i>Accumulated Funds as at 1 April</i>		955,716	689,909	1,645,625	858,885	682,189	1,541,074
Net Surplus/(Deficit) After Taxation		(577,043)	(45,712)	(622,755)	122,831	7,720	130,551
Total Recognised Revenue and Expenses		(577,043)	(45,712)	(622,755)	122,831	7,720	130,551
Movement to Conference Reserves	13	(60,000)	–	(60,000)	(26,000)	–	(26,000)
Accumulated Funds as at 31 March		318,673	644,197	962,870	955,716	689,909	1,645,625
Conference Reserves	13	172,000	–	172,000	212,000	–	212,000
Total Equity		490,673	644,197	1,134,870	1,167,716	689,909	1,857,625

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

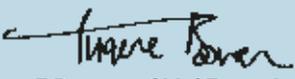
Statement of Financial Position

for the year ended 31 March 2007

Note	2007	2007	2007	2006	2006	2006
	Core Activities	LGITO + Funds	Local Govt.NZ	Core Activities	LGITO + Funds	Local Govt.NZ
	\$	\$	\$	\$	\$	\$
Total Accumulated Funds	490,673	644,197	1,134,870	1,167,716	689,909	1,857,625
<i>Represented By:</i>						
<i>Current Assets</i>						
Petty Cash	250	50	300	250	50	300
Bank	413,771	340,777	754,548	108,588	300,958	409,546
Accrued Interest	3,364	1,266	4,630	7,865	3,458	11,323
Prepayments	9,529	625	10,154	30,201	625	30,826
Sundry Debtors	195,949	83,258	279,207	355,450	68,688	424,138
Provision for Doubtful Debts	(6,240)	–	(6,240)	(16,481)	–	(16,481)
Tax Refund Due	4(a) 6,658	–	6,658	1,175	–	1,175
	623,281	425,976	1,049,257	487,048	373,779	860,827
Investments						
Term Deposits	425,000	270,000	695,000	1,205,000	350,000	1,555,000
Shares in Local Government Online Ltd	30,000	–	30,000	30,000	–	30,000
Paintings/Artwork	6,449	–	6,449	6,449	–	6,449
	461,449	270,000	731,449	1,241,449	350,000	1,591,449
Total Current Assets	1,084,730	695,976	1,780,706	1,728,497	723,779	2,452,276
<i>Fixed Assets</i>	5					
Furniture, Fittings, Office Equipment	324,898	3,713	328,611	256,113	6,414	262,527
Total Fixed Assets	324,898	3,713	328,611	256,113	6,414	262,527
Total Assets	1,409,628	699,689	2,109,317	1,984,610	730,193	2,714,803
<i>Current Liabilities</i>						
Sundry Creditors	466,218	37,374	503,592	567,568	23,910	591,478
Mayors Taskforce for Jobs	15 300,377	–	300,377	81,909	–	81,909
Utilities Advisory Group	49,360	–	49,360	59,706	–	59,706
Provision for Holiday Leave	103,000	10,772	113,772	82,200	9,579	91,779
Deferred Income	–	–	–	25,511	–	25,511
Tax payable	–	7,346	7,346	–	6,795	6,795
Total Current Liabilities	918,955	55,492	974,447	816,894	40,284	857,178
Total Liabilities	918,955	55,492	974,447	816,894	40,284	857,178
Excess of Assets over Liabilities	490,673	644,197	1,134,870	1,167,716	689,909	1,857,625


B Morrison – President

Date: 18 June 2007


E Bowen – Chief Executive

Date: 18 June 2007

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 2007

Note	2007	2007	2007	2006	2006	2006
	Core Activities	LGITO + Funds	Local Govt.NZ	Core Activities	LGITO + Funds	Local Govt.NZ
	\$	\$	\$	\$	\$	\$
<i>Cash Flows from Operating Activities</i>						
<i>Cash was Provided from:</i>						
Subscriptions and Cost Recoveries Received	4,123,469	381,485	4,504,954	4,172,747	341,794	4,514,541
Interest Received	126,911	40,187	167,098	129,325	38,450	167,775
GST Received/(Paid)	(13,861)	231	(13,630)	(40,199)	(3,805)	(44,004)
	4,236,519	421,903	4,658,422	4,261,873	376,439	4,638,312
<i>Cash was Applied to:</i>						
Payments to Suppliers and Employees	4,478,900	451,082	4,929,982	4,630,428	364,670	4,995,098
Income Tax Paid	43,239	11,002	54,241	33,759	9,566	43,325
	4,522,139	462,084	4,984,223	4,664,187	374,236	5,038,423
<i>Net Cash Inflow/(Outflow) from Operating Activities</i>	7 (285,620)	(40,181)	(325,801)	(402,314)	2,203	(400,111)
<i>Cash Flows from Investing Activities</i>						
<i>Cash was Applied to:</i>						
Purchase of Fixed Assets	189,197	–	189,197	164,354	7,951	172,305
Purchase of Shares	–	–	–	30,000	–	30,000
	189,197	–	189,197	194,354	7,951	202,305
<i>Net Cash (Outflow) from Investing Activities</i>	(189,197)	–	(189,197)	(194,354)	(7,951)	(202,305)
Net Increase/(Decrease) in Cash Held	(474,817)	(40,181)	(514,998)	(596,668)	(5,748)	(602,416)
Opening Cash Balance as at 1 April	1,313,838	651,008	1,964,846	1,910,506	656,756	2,567,262
Closing Cash Balance as at 31 March	839,021	610,827	1,449,848	1,313,838	651,008	1,964,846
Being:						
Petty Cash	250	50	300	250	50	300
Bank	413,771	340,777	754,548	108,588	300,958	409,546
Term Deposits	425,000	270,000	695,000	1,205,000	350,000	1,555,000
	839,021	610,827	1,449,848	1,313,838	651,008	1,964,846

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 2007

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 for *Local Government New Zealand* 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.

Telephone System	3 years
Furniture, Fittings, Office Equipment	3 to 9 years
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.

Comparative Information

Certain comparatives within note 5 have been amended to ensure comparability with current year disclosures. These changes do not have an effect on reported surplus.

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.

Note 3

Expenditure

Included in the Administration expenses are the following expenses:

	2007	2007	2007	2006	2006	2006
	Core Activities	LGITO +	Local Govt NZ	Core Activities	LGITO +	Local Govt. NZ
	\$	Funds	\$	\$	Funds	\$
Rental Expense	133,704	18,189	151,893	138,815	13,974	152,789
Telephone and Tolls	62,334	4,518	66,852	47,617	3,614	51,231
Maintenance	13,217	35	13,252	14,176	47	14,223
Computer Outsourcing	78,251	–	78,251	57,360	–	57,360
Staff Recruitment & Training	121,484	–	121,484	148,976	–	148,976
Bad Debts	5,547	6,597	12,144	13,957	–	13,957
Temporary Staff	13,795	–	13,795	25,192	–	25,192
Insurance	30,201	257	30,458	30,201	257	30,458
Subscriptions – Local Organisations	22,171	–	22,171	22,643	–	22,643
Other	211,701	49,488	261,189	199,120	48,601	247,721
Total	692,405	79,084	771,489	698,057	66,493	764,550

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 for 2006/07.

(b) Taxation Expense

	2007	2007	2007	2006	2006	2006
	Core Activities	LGITO +	Local Govt NZ	Core Activities	LGITO +	Local Govt. NZ
	\$	Funds	\$	\$	Funds	\$
Interest Income Earned	122,410	37,995	160,405	132,446	39,562	172,008
Less Deductions						
Standard Exemption	(913)	(1,087)	(2,000)	(913)	(1,087)	(2,000)
Deduction on Interest Income	(7,084)	(1,900)	(8,984)	(7,804)	1,982)	(9,786)
Total Taxable Income	114,413	35,008	149,421	123,729	36,493	160,222
Taxation Expense @ 33%	37,756	11,553	49,309	40,830	12,043	52,873

Note 5

Fixed Assets

	2007 Core Activities \$	2007 LGITO + Funds \$	2007 Local Govt NZ \$	2006 Core Activities \$	2006 LGITO + Funds \$	2006 Local Govt. NZ \$
Fixed Assets at cost	1,080,070	16,265	1,096,335	906,481	16,265	922,746
less Accumulated Depreciation at 31/03/06	(634,760)	(9,851)	(644,611)	(567,172)	(8,057)	(575,229)
	445,310	6,414	451,724	339,309	8,208	347,517
less Depreciation for 2006/07	(120,412)	(2,701)	(123,113)	(83,196)	(1,794)	(84,990)
Book Value	324,898	3,713	328,611	256,113	6,414	262,527
Total Fixed Assets	324,898	3,713	328,611	256,113	6,414	262,527

Note 6

Operating Lease Commitments

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

	2007 Core Activities \$	2007 LGITO + Funds \$	2007 Local Govt NZ \$	2006 Core Activities \$	2006 LGITO + Funds \$	2006 Local Govt. NZ \$
not later than one year	174,472	6,000	180,472	179,146	6,000	185,146
later than one year but not later than two years	151,100	–	151,100	174,472	–	174,472
later than two years but not later than five years	324,568	–	324,568	419,958	–	419,958
later than five years	–	–	–	55,710	–	55,710.00
	650,140	6,000	656,140	829,286	6,000	835,286

Note 7

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

	2007	2007	2007	2006	2006	2006
	Core Activities	LGITO +	Local Govt NZ	Core Activities	LGITO +	Local Govt. NZ
	\$	\$	\$	\$	\$	\$
<i>Reported Surplus/(Deficit) after Taxation</i>	(577,043)	(45,712)	(622,755)	122,831	7,720	130,551
<i>Add non-cash items</i>						
Depreciation	120,412	2,701	123,113	83,196	1,794	84,990
Conference Reserves Contribution	(100,000)	–	(100,000)	–	–	–
<i>Add/(Less) movements in other working capital items</i>						
Sundry debtors, prepayments	185,924	(15,936)	169,988	(106,438)	(5,225)	(111,663)
Sundry creditors, deferred income and other items	102,061	14,657	116,718	(462,082)	(751)	(462,833)
Accrued Interest	4,501	2,192	6,693	(3,121)	(1,112)	(4,233)
Taxation (Receivable)/Payable	(5,483)	551	(4,932)	7,071	2,477	9,548
GST	(15,992)	1,366	(14,626)	(43,771)	(2,700)	(46,471)
	271,011	2,830	273,841	(608,341)	(7,311)	(615,652)
Net Cash Inflow/(Outflow) from Operating Activities	(285,620)	(40,181)	(325,801)	(402,314)	2,203	(400,111)

Note 8

Conference

	2007	2007	2007	2006	2006	2006
	Core Activities	LGITO +	Local Govt NZ	Core Activities	LGITO +	Local Govt. NZ
	\$	\$	\$	\$	\$	\$
Registration and Sponsorship Income	612,688	–	612,688	559,897	–	559,897
Contribution from LGNZ Conference Reserves	100,000	–	100,000	–	–	–
	712,688	–	712,688	559,897	–	559,897
Less: Direct Expenses	552,271	–	552,271	433,039	–	433,039
	160,417	–	160,417	126,858	–	126,858
Less: Staff Salaries and Overheads*	100,000	–	100,000	100,000	–	100,000
Surplus	60,417	–	60,417	26,858	–	26,858

* 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 operation.

Note 9

Financial Instruments

Financial Assets and Liabilities

The carrying amounts of all balance sheet financial assets and liabilities 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 as at 31 March 2007 are as follows:

Asset	Effective Interest Rate 2007	Maturity Date 2007	Maturity Value 2007	Effective Interest Rate 2006	Maturity Date 2006	Maturity Value 2006
Term Cash Deposits: ANZ Banking Group	7.61%	11/04/2007	\$225,000	7.20%	05/04/2006	\$205,000
Term Cash Deposits: ANZ Banking Group	–	–	–	7.35%	12/04/2006	\$120,000
Term Cash Deposits: ANZ Banking Group	–	–	–	7.48%	19/04/2006	\$350,000
Term Cash Deposits: ANZ Banking Group	–	–	–	7.42%	03/05/2006	\$110,000
Term Cash Deposits: BNZ	–	–	–	7.30%	05/04/2006	\$410,000
Term Cash Deposits: BNZ	–	–	–	7.63%	19/04/2006	\$60,000
Term Cash Deposits: BNZ	–	–	–	7.53%	14/06/2006	\$60,000
Term Cash Deposits: Westpac	7.69%	18/04/2007	\$200,000	7.40%	19/04/2006	\$240,000
Bank: ANZ Banking Group	0-7.50%	Call	\$394,088	0-1.75%	Call	\$124,510
Multiple Deposit Account: WestpacTrust	4.90%	Call	\$235,284	4.90%	Call	\$281,184
Bank: WestpacTrust	0-1.75%	Call	\$3,796	0-1.75%	Call	\$3,852
Bank: National	0-1.75%	Call	\$1,768	–	–	–

Note 10

Honoraria of National Council Members

Honoraria paid to National Council Members during the year ended 31 March 2007 amounted to \$79,157 (2006: \$64,806). This was made up of the Honoraria paid to the President \$61,108 (2006:\$49,780) and the Vice-President \$18,049 (2006:\$15,026). 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 2007 amounted to \$15,683 (2006: \$10,000).

No other remuneration was paid to board members.

Note 11

New Zealand Local Government Association Funds

Statement of Financial Performance for the year ended 31 March 2007

Funds	2007 Grants/ Expenses \$	2007 Taxation Expense \$	2007 <i>Surplus</i> \$	2006 Interest Income \$	2006 Grants/ Expenses \$	2006 Taxation Expense \$	<i>Surplus</i> \$
Regional Government Association Fund	(56)	(2,783)	6,108	8,166	(50)	(2,541)	5,575
Bertlesmann Award Fund	(53,438)	(809)	(51,647)	4,339	–	(1,350)	2,989
	(53,494)	(3,592)	(45,539)	12,505	(50)	(3,891)	8,564

Statement of Movements In Funds for the year ended 31 March 2007

	Funds 1 April 2006	Surplus After Tax	Funds 31 March 2007
Regional Government Association Fund	176,577	6,108	182,685
Bertlesmann Award Fund	92,894	(51,647)	41,248
	269,471	(45,539)	223,933

Statement Of Financial Position as at 31 March 2007

Funds	2007	2006
Regional Government Association Fund	182,685	176,577
Bertlesmann Award Fund	41,248	92,894
Accumulated Funds	223,933	269,471
<i>Represented by:</i>		
Current Assets		
Bank – Westpactrust	221,170	267,619
Sundry Debtors	1,852	867
Total Assets	223,022	268,486
Funds	2007	2006
Current Liabilities		
Tax Payable	(911)	(985)
Total Liabilities	(911)	(985)
Excess of Assets over Liabilities	223,933	269,471

Description of Funds' Activities

The following funds are managed by *Local Government New Zealand*:

These funds were, following resolution of the National Council, amalgamated into the Core Activities of *Local Government New Zealand*.

> Regional Government Association Fund

At the meeting of the Regional Government 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.

Note 12

Local Government Industry Training Organisation

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 2007

	2007	2006
Income	422,304	373,496
Less: Expenditure	414,516	366,188
<i>Net Surplus/(Deficit) before Taxation</i>	7,788	7,308
Taxation	7,961	8,152
Net Surplus/(Deficit)	(173)	(844)

Statement of Movements in Equity for the year ended 31 March 2007

	2007	2006
Opening Balance	420,438	421,282
Net Surplus/(Deficit) for the year	(173)	(844)
Equity as at 31 March	420,265	420,438

Statement of Financial Position as at 31 March 2007

	2007	2006
TOTAL EQUITY	420,265	420,438
Represented by:		
Assets	476,668	461,707
Less: Liabilities	56,403	41,269
Excess of Assets over Liabilities	420,265	420,438

Note 13

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.

	2007	2006
Opening Balance	212,000	186,000
Contribution to Conference	(100,000)	–
Conference Surplus	60,000	26,000
Closing Balance	172,000	212,000

Note 14

Related Parties

Local Government New Zealand received an administration fee of \$9,000 (2006: \$9,000) from the Local Government Rural Trust.

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 \$300,377 (2006 \$81,909) was held on account of the entity, in ANZ and Westpac term deposits and in *Local Government New Zealand's* ANZ current account.

	2007	2006
Opening Balance	81,909	698,537
Grants Received from The Tindall Foundation	767,000	110,000
Other Income	296,338	280,596
Total Income	1,063,338	390,596
Grants Paid for employment projects	(572,500)	(664,000)
Other Expenses	(272,371)	(343,224)
Total Expenditure	(844,871)	(1,007,224)
Closing Balance	300,377	81,909

Local Government New Zealand Staff

(as at 31 March 2007)

Eugene Bowen Chief Executive

Chief Executive's Team

Vacant Personal Assistant to the Chief Executive / Office Manager

Amanda Kirby Receptionist

Leeanne Brewerton Human Resources Manager

Kylie Williamson Internal Governance Manager

Governance Team

Mike Reid Manager

Victoria Owen Senior Policy Analyst

Chrissy MacDonald Personal Assistant

Development and Infrastructure Team

Geoff Swainson Manager

Colin Drew* Policy Analyst,
Economic Development

Phillip Eyles⁺ Policy Analyst

Christine Makumbe Policy Analyst

Environment and Regulatory Team

Susan Edwards Manager

Irene Clarke Senior Policy Analyst

Jane Johnston Senior Policy Analyst

Natasha Bava Personal Assistant

Communications Team

Kirsty Anderson Manager

Meredith Barker Senior Communications Advisor

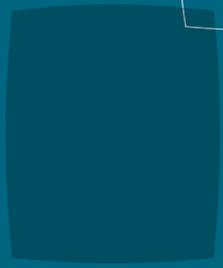
Sandra Scrimshaw Events and Team Coordinator

Srimathi Mathavan Information Centre Manager

Sam Hou* Library Assistant

* part time

+ shared staff member with the Environment and Regulatory team





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Local Government New Zealand

te pūtahi matakōkiri