

*Annual Report
2007/08*



Contents

| | | | |
|---|----------|---|-----------|
| President's Foreword | 1 | New Zealand Local Government Association | 13 |
| Chief Executive's Introduction | 2 | Incorporated (trading as <i>Local Government</i> | |
| Sector Goals | 3 | <i>New Zealand</i>) Financial Statements for the | |
| 1. Supporting community well-being | 3 | Year ended 31 March 2008 | |
| 2. Enhancing environmental outcomes | 4 | Audit Report | 14 |
| 3. Supporting regional growth | 5 | Statement of Financial Performance | 17 |
| 4. Sustaining transport and other infrastructure | 6 | Statement of Movements in Equity | 18 |
| 5. Maintain and enhance the framework for local governance and democratic participation | 7 | Statement of Financial Position | 19 |
| 6. Strengthening local government finances and capacity | 8 | Statement of Cash Flows | 20 |
| 7. Building local government capability | 9 | Notes to the Financial Statements | 21 |
| 8. Delivering good regulatory outcomes | 10 | <i>Local Government New Zealand</i> Staff | 31 |
| 9. Connecting with our members | 12 | | |

President's Foreword

This will be my last commentary on our annual achievements, this time for the 2007/08 year. Ahead of us we have the prospect of a general election, with sustained good relations with the Government at the political level, and significantly improved relations with other parties. Regrettably, I will not be present as President to view what actually happens.

In my introduction to the 2007/08 Work Programme I identified five priority issues. The first, very important set of activities related to the 2007 local government elections. Our involvement in the lead-up to the elections was more in the nature of support, in responding to considerable media interest about the generic issues facing local government, and working with Government to encourage voter turnout. Post-election, our focus turned firmly on our members, with training for newly elected Mayors, and New Elected Members workshops for over 300 people at nine locations across New Zealand.

The Independent Inquiry into Local Government Rates presented what was potentially the most open-minded opportunity to debate local government funding issues since I have been in local government. While we did not agree with all the recommendations, those addressing the sustainability of government finances and the need for additional Government assistance to infrastructure opened up the debate. I commend the teams at both *Local Government New Zealand* and the Society of Local Government Managers (SOLGM) for the quality of excellent response as the Inquiry proceeded, from the initial pre-submission widely used by councils, to the most recent analysis of the consequences of recommended changes to the rating regime ("No Magic Answers"). It is one my deepest regrets that a favourable outcome to the Funding Assistance Rate review, a long-standing undertaking of the current Government, did not occur.

We came to appreciate in 2007/08 how much of *Local Government New Zealand's* resource is involved in responding to Government initiatives affecting local government. As both the number and complexity of regulations grows, our resources are engaging across an increasingly broad front. A lot of this activity has been preventative, in reducing rather than eliminating the cost and compliance consequences of new regulation. We remain opposed to some legislation in principle, like the Health (Drinking Water) Amendment Act, while we work with agencies to improve others, such as the Waste Minimisation Bill, and the Summary Offences (Tagging and Graffiti Vandalism) Bill.

I set a goal last year to work at a higher level to improve the Government/local government relationship. We have continued to engage through the Central Local Government Forum and this remains a critical arena for engagement.

Finally, I placed emphasis on strengthening and, for our newly elected members, establishing communication with our membership. We have continued our regular and visible accountability through the zone and sector meetings, and worked hard to develop a sense of value for money among our membership.

Thank you for your support and understanding over the seven years of my Presidency. It has been one of the defining experiences of my life.

Basil Morrison
President

Chief Executive's Introduction

The following pages set out the detail of the year's activities and achievements. The 2007 local elections set a focus on membership training and development, where I believe we delivered consistently and well.

Our own *Local Government New Zealand* elections produced nine new National Council members, who moved quickly and competently up to speed to address important policy decisions, as we worked with our membership to develop our priorities and the sector manifesto for the 2008 general elections. That document is now in the public domain and provides the basis for our engagement with all political parties. The high pace of government legislation did not abate during 2007 and has accelerated in the first half of 2008.

Our finances have returned to surplus, as a higher than predicted uptake of new elected member training and sale of publications provided income to restore our reserves. Other income streams, in particular contributory funding from Government, have shrunk in recent years and we remain primarily dependent

on subscriptions to fund our activities. Operating costs have generally been well contained, although competition in Wellington for core skills is a persistent cost driver. Overall, our financial health is good.

Concerning our interaction with our members, a major development over the last two or three years has been an increase in the frequency and policy content of the sector meetings. The rural/provincial sector meetings are now a well-attended overnight event and all sector meetings have developed their discrete sets of priorities and actions. We have worked hard to assist communications between sectors and to develop our members' understanding of the extent to which their interests overlap. The zone meetings also continue to attract good attendance.

Thank you all for your continued support and contribution to the activities of *Local Government New Zealand*.

Eugene Bowen
Chief Executive

Sector Goals

1. Supporting community well-being

Outcomes

- councils are supported to promote the social, economic, environmental and cultural well-being 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 well-being 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.
- provided policy leadership and tools to assist councils to apply the principles of sustainable development. This included:
 - developing a range of case studies on the sustainable development approaches of councils around the country
 - input on the proposed methodology for the next Office of the Auditor-General (OAG) audit of Long Term Council Community Plans (LTCCPs) in relation to sustainable development
 - reporting on and revising the *Local Government New Zealand* Urban Design Protocol Action Plan for the coming two year period

Activities

- advocated for local government interests and provided policy leadership in relation to emergency management including:
 - supporting work to develop the Flood Risk Management Protocol into a New Zealand standard and preparing a submission on the draft standard
 - input into work on reviewing the civil defence strategy, civil defence plan and guide
 - advocacy on the development of national policy on the review of fire and rescue services
- advocated for local government interests and provided policy leadership on social issues of national significance, including affordable housing, community safety, alcohol, gambling, graffiti, weathertight homes and other issues as required
- submitted on a range of Bills, including Affordable Housing: Enabling Territorial Authorities Bill, Policing Bill, Gaming Amendment Bill, Summary Offences (Tagging and Graffiti Vandalism) Bill. We also contributed to the policy development phase of the review of the Private Investigators and Security Guards Act 1974

2. Enhancing environmental outcomes

Outcomes

- worked with councils to identify key issues and priority actions requested of Government in relation to alcohol policy. This included a Review of the Sale and Supply of Alcohol to Minors, a Review of Advertising Standards for Alcohol, and a Review of the National Alcohol Strategy
- co-organised an Affordable Housing Summit and regional Affordable Housing workshops for councils and other stakeholders. Worked with Housing New Zealand and various councils in attempts to influence the proposed Government legislation. When the Affordable Housing: Enabling Territorial Authorities Bill was announced, *Local Government New Zealand* developed a number of discussion papers for councils, and worked closely with councils to develop submissions on the Bill (including an alternative Bill)
- supported councils to share good practice and build capability by providing training in Crime Prevention Through Environmental Design and hosting sessions at the Diversity Forum in 2007
- worked with the Families Commission and Office of the Commissioner for Children which intend to develop Child and Family Impact Assessment tools for local government
- contributed to a range of youth related policy work and implementation, including Youth Transition Services and Youth Development Partnership Fund
- supported the metro sector in research on the health impacts of leaky homes, scoping the scale of the weathertightness issue, and advocated for alternative options to resolve the weathertightness issue and fix leaky homes
- advocated for local government interests and worked with cultural agencies to develop the Graduates in Museums project and a guide for Museums on working with local government.
- 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 environmental well-being is recognised by both central government and communities.

Activities

- advocated for local government interests in the development of central government policy on climate change including:
 - comment and submissions on the proposed emissions trading scheme
 - supporting the local government representatives on the climate change leadership group, peak group, central government project teams and National Council sub-committee
 - supporting communities for the climate protection programme
 - ongoing communication with councils on climate change matters
- provided policy leadership in relation to local government interests in energy policy, through a reformed local government energy advisory group, which provided input into the New Zealand Energy Strategy and National Energy Efficiency and Conservation Strategy. This included proposals for a National Policy Statement (NPS) on renewable electricity generation and solar hot water heating initiatives
- continued involvement in the development of government policy on the Sustainable Water Programme of Action including:
 - supporting the Regional Affairs Committee water sub-committee and officials group

3. Supporting regional growth

Outcomes

- advocating and commenting on implementation issues on the water metering National Environmental Standard (NES)
- commenting on the NES on ecological flows and water levels
- advocating the local government position on the possible content and direction of a future water management NPS
- supporting a “stock-take” of current council policy approaches to water allocation
- monitoring the implementation of the Clean Streams and Dairying Accord and participation into developing an approach to the review of the Accord
- provided input and comment on future waste legislation, with the preparation of a local government submission on the Supplementary Order Paper (SOP) to the Waste Minimisation Bill and participated in local government workshops on implications of the Bill
- advocated for local government interests through membership of the Packaging Accord Governing Board and participated in a central government strategic review of the Accord. Worked with the Ministry for the Environment to develop a process to review the Waste Strategy targets. Participated in the steering group for the Recycling in Public Places Project, and participated in a number of product stewardship initiatives
- worked with central government agencies and local authorities to enhance understanding of environmental well-being issues, including work on biosecurity and commenting on environmental research proposals seeking government funding.
- 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 to maintain influential participation in developing and delivering sustainable economic development interventions and policy.

Activities

- supported the development and implementation of regional economic development policy and programme changes announced in April. This included partnering with the Economic Development Agency of New Zealand (EDANZ) to develop and launch the economic development information and monitoring website “Proving It”. There was ongoing project work with Ministry of Economic Development (MED) reviewing regional governance structures and a stocktake of activities to help identify delivery gaps throughout the country
- developed and planned local government responses to the update of the NZ Tourism Strategy 2010. *Local Government New Zealand's* submission to the draft NZTS 2015 resulted in significant changes being made to the final document, which better recognised the role of local government in tourism. Progress was made in elevating the funding of tourism related infrastructure to the top priority for the Ministry of Tourism. In response to the NZTS 2015, *Local Government New Zealand* developed an integrated local government action plan called the “Visitor Friendly” project, which will be implemented throughout 2008/09
- promoted the application of tourism planning, management tools and strategies to support sustainable tourism development, including work on general principles and policies for freedom camping, waste management practices, and research on council planning practices for destination management.



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

- maintained support and liaison with all key transport sector agencies and groups. The "Next Steps" review announced on 25 May 2007 culminated in the Land Transport Management Amendment Bill and increased activity and engagement particularly with the Ministry of Transport and Land Transport New Zealand. *Local Government New Zealand* worked with officials on development of the Bill and in the preparation of a submission to the Select Committee
- co-ordinated and made submissions on the Passenger Transport Management Bill and a number of other documents including NZ Coastal Shipping, and the Updated New Zealand Transport Strategy. *Local Government New Zealand* continued to advocate with Government, through regular liaison meetings with the Minister of Transport,

for an increase in the Financial Assistance Rate. Whilst not being successful in that regard, some flexibility in the use of "R" funding was achieved

- maintained involvement with the Road Controlling Authorities forum and the New Zealand Utilities Advisory Group. The focus of involvement was in the preparation of a Code to better define responsibilities for access to the road corridor. We believe significant gains to advance the sector's interests have been made, particularly in relation to the Land Transport Management Bill. *Local Government New Zealand* was also a partner in organising the very successful Transport Futures conference in Christchurch during July 2007
- worked with the Ministry of Health on development of criteria for the Drinking Water Assistance Programme subsidy scheme. We maintained membership of the Sanitary and Water Technical Advisory Committee and participated in the allocation of funding through the Drinking Water Assistance Programme. Additionally, *Local Government New Zealand* lobbied the Minister of Health on numerous occasions for an increase in funding to ensure the continuance of the Sanitary Works Subsidy Scheme. Despite a modest increase in Budget 2008 to the Sanitary Works Subsidy Scheme, the Government has yet to address an equitable and sustainable funding regime for council water infrastructure
- maintained a close working relationship with INGENIUM and participated in the National Asset Management Steering (NAMS) group and the Water Infrastructure Management Steering (WIMS) workgroup as resourcing

permitted. Opportunities to enhance the broader understanding of infrastructure need and funding have been taken in relation to the Rating Inquiry and the ongoing workstreams. The concepts of sustainable infrastructure underpinning sustainable communities have also been promoted at every opportunity

- worked alongside Land Information New Zealand, Ministry for Economic Development and State Services Commission to progress work in relation to geospatial, broadband, e-government and digital strategy issues. This work also included advocacy in relation to the National Address Register, which has not advanced as quickly as many of our members would have liked. In February 2007, *Local Government New Zealand* organised the Local Government Broadband Forum, which was well attended. Work has been progressed on a broadband “Know How” guide and a number of other initiatives.

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

- contributed to the Local Government Commission’s assessment of the Local Government Act 2002 and Local Electoral Act 2001. Following a series of regional workshops held in 2006, a submission on desired changes was forwarded to the Commission along with a submission from SOLGM
- developed and implemented a programme to raise public awareness about the 2007 local government elections and assist councils to promote increased participation. This work included: an elections resource kit (including the Vote 2007 logo and *Make a Stand* booklets); rating graph templates; six fact sheets on funding local government, strengthening communities, effective leadership, making good decisions, engaging with the community and council-Māori engagement; and an interactive website game to promote the elections
- issued several opinion pieces and media releases on local government and took advantage of the high media interest just prior to the elections. This media coverage increased the profile of local government and *Local Government New Zealand* and possibly helped to improve voter turnout

6. Strengthening local government finances and capacity

- co-ordinated the inter-agency group for communications activity for the elections. This group had 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)
- prepared a submission for the Justice and Electoral Committee's review of the 2007 local authority elections
- maintained a relationship with the Remuneration Authority and assisted it to increase the list of Resource Management functions for which councillors should receive compensation. We also commissioned a pilot study of a sample of Mayors' roles to determine whether or not current levels of remuneration reflect the demands made on the position
- continued to co-ordinate the Growing Active Citizens Group, which is a collaboration of councils and central agencies set up to increase active participation in local communities, local government and other community decision-making processes. In 2007/08 we:
 - developed and implemented the first nationwide Kids Voting programme in conjunction with the local government elections. The evaluation showed that Kids Voting increased awareness and understanding of the elections
 - developed the Youth Citizens Jury kit. The Growing Active Citizens Group is currently finalising a second resource for use by schools and councils.

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

- worked with SOLGM on the preparation of a joint submission to the Independent Inquiry into Local Government Rates. Following the publication of the Report, established a joint *Local Government New Zealand/SOLGM* Task Force to oversee the local government sector's response to the Inquiry's recommendations. This involved:
 - an overview paper comparing the Inquiry's recommendations with the local government position, which was sent to all members
 - working with the Department of Internal Affairs on their assessment of the Inquiry's recommendations
 - commissioning advice in order to strengthen the local government view that there should be greater central government contribution to the cost of local government infrastructure
- managed the annual programme of standards development and revision through Standards New Zealand

7 Building local government capability

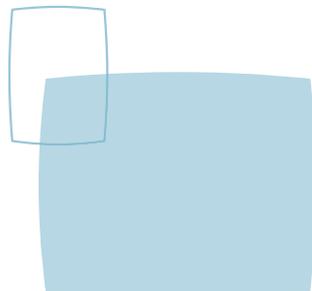
- managed the Action Bio-community project through to its completion in September 2007. This included development of a biodiversity funds guide for councils, ongoing updates to the Action Bio-community website, and discussions with the Department of Conservation and Ministry for the Environment about the future non-statutory work programme to support local government in biodiversity responsibilities
- developed good practice material and promoted the application of this material, notably information communication technology, tourism planning tools and Film Friendly Protocol. Another four councils have signed up to the Film Friendly Protocol, bringing the total to 33 councils
- assisted with implementation of new local authority responsibilities to ensure good practice, notably supporting the initial implementation of the national dog database, and developing/supporting the initial administrative arrangements for implementation of the Land Information Memorandum (LIM) requirements of the new Weathertight Homes Resolution Services Act
- supported central government programmes targeting councils and aimed at enhanced performance by local government. This included involvement in governance groups, reviewing guidance/training material, distributing programme material and promoting programmes for the Resource Management Act (RMA) quality planning website, RMA Making Good Decisions Programme, Communities for Climate Protection and the Confederation of Future Computer Professionals.

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/Māori.

Activities

- organised a series of "introduction to local government" courses for more than 300 elected members throughout New Zealand, plus a workshop for new mayors and regional council chairs to help them prepare for their responsibilities
- organised training programmes for elected members, including a workshop on hiring and managing relationships with chief executives and a series of workshops on how to be a successful community board member. Commissioned the preparation of a guide on financial governance for elected members, to be used as a basis for developing modules
- published a new edition of the Elected Members' Handbook as well as guidelines for hiring and managing chief executive performance
- supported councils that were interested in establishing relationships with Pacific Island councils and offered technical expertise as part of the Commonwealth Local Government Forum
- promoted and organised the programme for the *Local Government New Zealand* good practice trip to Queensland for elected members, to be held in 2008



8. Delivering good regulatory outcomes

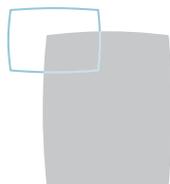
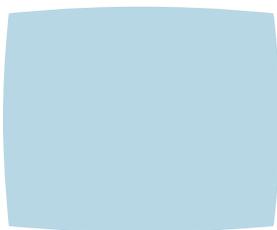
Outcomes

- developed two new resources to support councils in building stronger relationships with iwi, hapū and other Māori groups. The first resource is an easy to read fact sheet that provides information on the benefits of building good relationships with Māori, statutory responsibilities, and ways of strengthening engagement. The second provides responses to frequently asked questions by councils about council-Māori engagement
- developed materials to support the delivery of workshops on council-Māori engagement. We have been working with interested councils to prepare for the delivery of workshops in 2008/09
- liaised with Te Maataapuna, the Iwi Liaison Officers' collective and attended their national forum
- provided general policy advice on Māori-local government relationships and Māori representation.

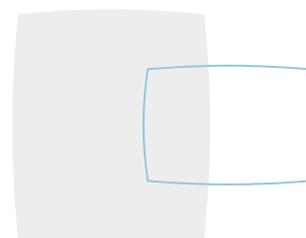
- central government agencies work collaboratively and effectively with local government with full awareness of the implications of regulatory matters on local government
- local government provides high quality input into the development of regulation to ensure it meets the needs of local communities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

Activities

- advocated for local government interests and provided policy leadership in contributing to the development of new policy and legislation relevant to local government. *Local Government New Zealand:*
 - sat on a reference group, made submissions and reviewed draft Bills and implementation plans for the Food Safety Review
 - liaised with officials, made a submission, and appeared at the Select Committee hearing for the Public Health Bill
 - commented on discussion documents and advocated on the Walking Access review and Unformed Legal Roads review
 - reviewed legislation for the Exclusive Economic Zone and Oceans Policy
 - prepared a local government submission on discussion documents on the Building Code review, private Building Consent Authority "adequate means", Building Consent Authority registration standards, and submissions
 - appeared at Select Committee hearings on the Building Amendment Bill and Building (Late Consent is a Free Consent) Amendment Bill



- prepared submissions on the Dog Control Act and Dog Control Amendment Bill
- prepared a submission and appeared at the Select Committee hearing on the Regulatory Responsibility Bill
- participated in development of climate change policy, flood risk management policy, fire and rescue services review, national civil defence strategy and new waste legislation
- Contributed to implementation of existing legislation. *Local Government New Zealand*:
 - advocated for improvements in the interpretation/administration of the Building Consent Authority accreditation process. This included providing councils with the opportunity to share accreditation resources via the *Local Government New Zealand* website, developing formal qualifications for building officials with stage one qualification, now registered with the New Zealand Qualifications Authority (NZQA), and stage two qualification, now under development in conjunction with the Local Government Industry Training Organisation (LGITO)
 - was involved in the development of infringement regulations and participated in a cross-sector project to scope the feasibility of a national system to share information on building products/systems and compliance with the Building Code
 - attended National Dogs Database meetings, and advised on dog control regulatory guidelines and implementation issues relating to the Dog Control Act
 - prepared a research paper on the interface issues between the Hazardous Substances and New Organisms (HSNO) Act 1996 and Resource Management Act
- advocated for alternative solutions to resolving weathertight homes claims under the Weathertight Homes Resolution Services Act
- undertook a survey of councils on LIM activity in the 2006/07 year and published a report on the findings under the Local Government and Official Information and Meetings Act
- participated in the Aquaculture Implementation team, and advocated for central government resources to assist councils in implementation
- participated in the development of all proposed NPS and NES. *Local Government New Zealand* commented on policy papers and scoping proposals, prepared local government submissions to discussion documents and submissions to proposed NPS/NES, appeared at Board of Inquiry hearings, hosted local government workshops/project team meetings, advocated and commented on implementation proposals and issues. Involvement related to the New Zealand Coastal Policy Statement review, electricity transmission NPS and NES, telecommunications NES, renewable energy NPS, urban design NPS, water management NPS, water metering NES, contaminated land NES and flood management NPS
- participated in the Ministerial Review of Quality Regulation led by the Ministry of Economic Development. Advocated for outcomes of benefit to local government on the Officials Group and the project relating to Building Act/Resource Management Act interface.



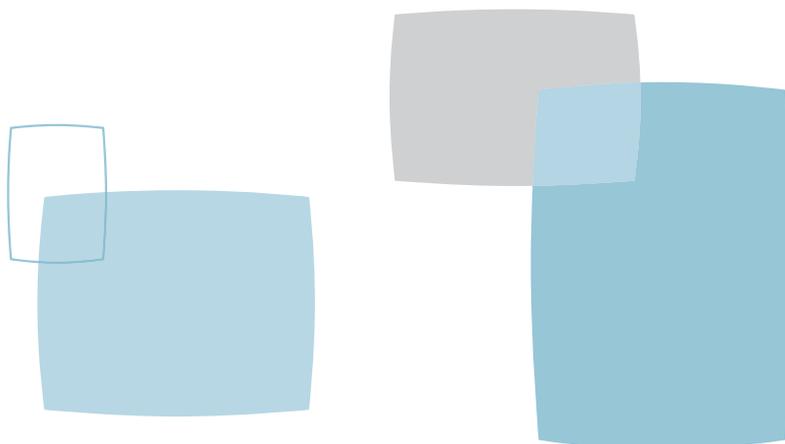
9. Connecting with our members

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

- supported the National Council in its governance role through the organisation of regular meetings and preparation of supporting material for the meetings
- held regularly scheduled sector meetings and participated in all zone meetings
- supported and participated in regular Community Boards' Executive Committee meetings through the organisation of regular meetings and preparation of supporting material
- held a successful *Local Government New Zealand* conference and Annual General Meeting in Dunedin in 2007. There were 561 delegates at the conference, comprising 348 full registrations plus additional registrations for specific days, accompanying partners and social functions. The conference evaluation was very positive with particular reference to excellent keynote speakers and enjoyable social functions
- published and distributed the 2006/07 Annual Report, the 2008 Manifesto and the 2007/08 Work Programme commentary
- organised workshops to develop policy and to educate member councils on new legislation requirements. The workshops included the Local Government Broadband Forum, Hiring Chief Executives, five Community Board Workshops, the New Mayors' course, and twelve workshops for New Elected Members across the country
- produced publications to inform policy debate or provide guidance information for councils on new legislation requirements, including the production and distribution of the Elected Members' Handbook
- liaised with the media to ensure a continuing high profile for *Local Government New Zealand*, particularly on the elections and rating issues which dominated the public agenda. During the year *Local Government New Zealand* issued 20 media releases and responded to 239 media enquiries
- continued to provide timely and quality information to members and stakeholders through newsletters (*Quarterly News* and *E-news*), the website and library and information services.



Financial Statements

for the year ended 31 March 2008

| <i>Contents</i> | <i>Pages</i> |
|------------------------------------|--------------|
| Audit Report | 14 to 16 |
| Statement of Financial Performance | 17 |
| Statement of Movements in Equity | 18 |
| Statement of Financial Position | 19 |
| Statement of Cash Flows | 20 |
| Notes to the Financial Statements | 21 to 30 |

*To the readers of New Zealand Local Government
Association Incorporated's Financial Statements for
the year ended 31 March 2008*

The Auditor-General is the auditor of New Zealand Local Government Association 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 his behalf, for the year ended 31 March 2008.

Unqualified Opinion

In our opinion:

- The financial statements of the Association on pages 17 to 30:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect:
 - the Association's financial position as at 31 March 2008; and
 - the results of its operations and cash flows for the year ended on that date.
- Based on our examination the Association kept proper accounting records.

The audit was completed on 18 June 2008 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 2008 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 and the provision of taxation advice, 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 2008

| | | 2008 | 2008 | 2008 | 2007 | 2007 | 2007 |
|--|--------------|------------|---------|-------------|------------|----------|-------------|
| | | Core | LGITO + | Local Govt. | Core | LGITO + | Local Govt. |
| | Note | Activities | Funds | NZ | Activities | Funds | NZ |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Income | | | | | | | |
| Subscriptions | | 3,111,281 | 80,834 | 3,192,115 | 2,862,999 | 76,919 | 2,939,918 |
| Grants Received | | – | 368,911 | 368,911 | – | 318,252 | 318,252 |
| Project Income | | 1,140,566 | 4,366 | 1,144,932 | 526,404 | 685 | 527,089 |
| Conference Income | 8 | 528,003 | – | 528,003 | 712,688 | – | 712,688 |
| Interest | | 134,199 | 45,026 | 179,225 | 122,410 | 37,995 | 160,405 |
| <i>Total Income</i> | | 4,914,049 | 499,137 | 5,413,186 | 4,224,501 | 433,851 | 4,658,352 |
| Expenditure | | | | | | | |
| Administration Expenses | 3 | 664,974 | 78,200 | 743,174 | 692,405 | 79,084 | 771,489 |
| Travel and Accommodation | | 243,300 | 15,984 | 259,284 | 302,978 | 12,683 | 315,661 |
| Grant/Expenses – NZLGA Funds | 11 | – | 11,350 | 11,350 | – | 53,494 | 53,494 |
| Legal Fees | | 219,713 | – | 219,713 | 99,759 | – | 99,759 |
| Consultants Fees | | 685,424 | 3,920 | 689,344 | 814,722 | (1,450) | 813,272 |
| Audit Fees | | 14,200 | 4,063 | 18,263 | 9,750 | 2,500 | 12,250 |
| Depreciation | 5 | 120,106 | 4,698 | 124,804 | 120,412 | 2,701 | 123,113 |
| Printing Stationery & Photocopying | | 202,640 | 6,419 | 209,059 | 173,685 | 4,855 | 178,540 |
| Other Operating Expenditure | | 256,738 | 79,910 | 336,648 | 292,146 | 103,902 | 396,048 |
| Conference Expenditure | 8 | 514,941 | – | 514,941 | 552,271 | – | 552,271 |
| National Council Remuneration | | 102,991 | – | 102,991 | 79,157 | – | 79,157 |
| Staff Remuneration | | 1,753,562 | 263,157 | 2,016,719 | 1,626,503 | 210,241 | 1,836,744 |
| <i>Total Expenditure</i> | | 4,778,589 | 467,701 | 5,246,290 | 4,763,788 | 468,010 | 5,231,798 |
| <i>Operating Surplus/(Deficit) Before Taxation</i> | | 135,460 | 31,436 | 166,896 | (539,287) | (34,159) | (573,446) |
| Less Taxation Expense | 4(b),11 & 12 | 41,500 | 13,752 | 55,252 | 37,756 | 11,553 | 49,309 |
| Net Surplus/(Deficit) after Taxation | | 93,960 | 17,684 | 111,644 | (577,043) | (45,712) | (622,755) |

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 2008

| | | 2008 | 2008 | 2008 | 2007 | 2007 | 2007 |
|---|------|----------------|----------------|------------------|----------------|----------------|------------------|
| | | Core | LGITO + | Local Govt. | Core | LGITO + | Local Govt. |
| | | Activities | Funds | NZ | Activities | Funds | NZ |
| | Note | \$ | \$ | \$ | \$ | \$ | \$ |
| Accumulated Funds as at 1 April | | 318,673 | 644,197 | 962,870 | 955,716 | 689,909 | 1,645,625 |
| Net Surplus/(Deficit) After Taxation | | 93,960 | 17,684 | 111,644 | (577,043) | (45,712) | (622,755) |
| Total Recognised Revenue and Expenses | | 93,960 | 17,684 | 111,644 | (577,043) | (45,712) | (622,755) |
| Movement from / (to) Conference Reserves | 13 | 86,938 | – | 86,938 | (60,000) | – | (60,000) |
| Accumulated Funds as at 31 March | | 499,571 | 661,881 | 1,161,452 | 318,673 | 644,197 | 962,870 |
| Conference Reserves | 13 | 85,062 | – | 85,062 | 172,000 | – | 172,000 |
| Total Equity | | 584,633 | 661,881 | 1,246,514 | 490,673 | 644,197 | 1,134,870 |

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 2008

| Note | 2008 | 2008 | 2008 | 2007 | 2007 | 2007 |
|----------------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|----------------------|
| | Core Activities \$ | LGITO + Funds \$ | Local Govt. NZ \$ | Core Activities \$ | LGITO + Funds \$ | Local Govt. NZ \$ |
| | 584,633 | 661,881 | 1,246,514 | 490,673 | 644,197 | 1,134,870 |
| <i>Represented By:</i> | | | | | | |
| <i>Current Assets</i> | | | | | | |
| | 250 | 50 | 300 | 250 | 50 | 300 |
| | 404,221 | 315,101 | 719,322 | 413,771 | 340,777 | 754,548 |
| | 3,999 | 3,864 | 7,863 | 3,364 | 1,266 | 4,630 |
| | 28,509 | 625 | 29,134 | 9,529 | 625 | 10,154 |
| | 419,099 | 31,488 | 450,587 | 195,949 | 83,258 | 279,207 |
| | (1,913) | – | (1,913) | (6,240) | – | (6,240) |
| 4(a) | 618 | – | 618 | 6,658 | – | 6,658 |
| | 854,783 | 351,128 | 1,205,911 | 623,281 | 425,976 | 1,049,257 |
| Investments | | | | | | |
| | 625,000 | 385,000 | 1,010,000 | 425,000 | 270,000 | 695,000 |
| | 30,000 | – | 30,000 | 30,000 | – | 30,000 |
| | 6,449 | – | 6,449 | 6,449 | – | 6,449 |
| | 661,449 | 385,000 | 1,046,449 | 461,449 | 270,000 | 731,449 |
| | 1,516,232 | 736,128 | 2,252,360 | 1,084,730 | 695,976 | 1,780,706 |
| <i>Fixed Assets</i> | | | | | | |
| 5 | 237,525 | 7,807 | 245,332 | 324,898 | 3,713 | 328,611 |
| | 237,525 | 7,807 | 245,332 | 324,898 | 3,713 | 328,611 |
| | 1,753,757 | 743,935 | 2,497,692 | 1,409,628 | 699,689 | 2,109,317 |
| <i>Current Liabilities</i> | | | | | | |
| | 650,008 | 54,470 | 704,478 | 466,218 | 37,374 | 503,592 |
| 15 | 243,244 | – | 243,244 | 300,377 | – | 300,377 |
| | 114,577 | – | 114,577 | 49,360 | – | 49,360 |
| | 86,045 | 14,515 | 100,560 | 103,000 | 10,772 | 113,772 |
| | 75,250 | – | 75,250 | – | – | – |
| | – | 13,069 | 13,069 | – | 7,346 | 7,346 |
| | 1,169,124 | 82,054 | 1,251,178 | 918,955 | 55,492 | 974,447 |
| | 1,169,124 | 82,054 | 1,251,178 | 918,955 | 55,492 | 974,447 |
| | 584,633 | 661,881 | 1,246,514 | 490,673 | 644,197 | 1,134,870 |

For and on behalf of the National Council



B Morrison – President

Date: 18 June 2008



E Bowen – Chief Executive

Date: 18 June 2008

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 2008

| Note | 2008 Core Activities \$ | 2008 LGITO + Funds \$ | 2008 Local Govt. NZ \$ | 2007 Core Activities \$ | 2007 LGITO + Funds \$ | 2007 Local Govt. NZ \$ | |
|--|----------------------------------|--------------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|-----------|
| <i>Cash Flows from Operating Activities</i> | | | | | | | |
| <i>Cash was Provided from:</i> | | | | | | | |
| Subscriptions and Cost Recoveries Received | 4,627,992 | 498,074 | 5,126,066 | 4,123,469 | 381,485 | 4,504,954 | |
| Interest Received | 133,564 | 42,428 | 175,992 | 126,911 | 40,187 | 167,098 | |
| GST Received/(Paid) | 36,984 | 16,497 | 53,481 | (13,861) | 231 | (13,630) | |
| | 4,798,540 | 556,999 | 5,355,539 | 4,236,519 | 421,903 | 4,658,422 | |
| <i>Cash was Applied to:</i> | | | | | | | |
| Payments to Suppliers and Employees | 4,539,897 | 450,854 | 4,990,751 | 4,478,900 | 451,082 | 4,929,982 | |
| Income Tax Paid | 35,460 | 8,029 | 43,489 | 43,239 | 11,002 | 54,241 | |
| | 4,575,357 | 458,883 | 5,034,240 | 4,522,139 | 462,084 | 4,984,223 | |
| <i>Net Cash Inflow/(Outflow) from Operating Activities</i> | 7 | 223,183 | 98,116 | 321,299 | (285,620) | (40,181) | (325,801) |
| <i>Cash Flows from Investing Activities</i> | | | | | | | |
| <i>Cash was Applied to:</i> | | | | | | | |
| Purchase of Fixed Assets | 32,733 | 8,792 | 41,525 | 189,197 | - | 189,197 | |
| | 32,733 | 8,792 | 41,525 | 189,197 | - | 189,197 | |
| <i>Net Cash (Outflow) from Investing Activities</i> | | (32,733) | (8,792) | (41,525) | (189,197) | - | (189,197) |
| Net Increase/(Decrease) in Cash Held | 190,450 | 89,324 | 279,774 | (474,817) | (40,181) | (514,998) | |
| Opening Cash Balance as at 1 April | 839,021 | 610,827 | 1,449,848 | 1,313,838 | 651,008 | 1,964,846 | |
| Closing Cash Balance as at 31 March | 1,029,471 | 700,151 | 1,729,622 | 839,021 | 610,827 | 1,449,848 | |
| Being: | | | | | | | |
| Petty Cash | 250 | 50 | 300 | 250 | 50 | 300 | |
| Bank | 404,221 | 315,101 | 719,322 | 413,771 | 340,777 | 754,548 | |
| Term Deposits | 625,000 | 385,000 | 1,010,000 | 425,000 | 270,000 | 695,000 | |
| | 1,029,471 | 700,151 | 1,729,622 | 839,021 | 610,827 | 1,449,848 | |

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 2008

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 the 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:

| | 2008 | 2008 | 2008 | 2007 | 2007 | 2007 |
|-------------------------------------|----------------|---------------|----------------|----------------|---------------|----------------|
| | Core | LGITO + | Local Govt. | Core | LGITO + | Local Govt. |
| | Activities | Funds | NZ | Activities | Funds | NZ |
| Rental Expense | 133,704 | 24,067 | 157,771 | 133,704 | 18,189 | 151,893 |
| Telephone and Tolls | 65,297 | 4,647 | 69,944 | 62,334 | 4,518 | 66,852 |
| Maintenance | 13,362 | 151 | 13,513 | 13,217 | 35 | 13,252 |
| Computer Outsourcing | 84,422 | – | 84,422 | 78,251 | – | 78,251 |
| Staff Recruitment & Training | 97,883 | – | 97,883 | 121,484 | – | 121,484 |
| Bad Debts | 1,700 | – | 1,700 | 5,547 | 6,597 | 12,144 |
| Temporary Staff | 10,599 | – | 10,599 | 13,795 | – | 13,795 |
| Insurance | 29,937 | 257 | 30,194 | 30,201 | 257 | 30,458 |
| Subscriptions – Local Organisations | 11,477 | – | 11,477 | 22,171 | – | 22,171 |
| Other | 216,593 | 49,078 | 265,671 | 211,701 | 49,488 | 261,189 |
| Total | 664,974 | 78,200 | 743,174 | 692,405 | 79,084 | 771,489 |

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

| | 2008 | 2008 | 2008 | 2007 | 2007 | 2007 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Core | LGITO + | Local Govt. | Core | LGITO + | Local Govt. |
| | Activities | Funds | NZ | Activities | Funds | NZ |
| Interest Income Earned | 134,199 | 45,026 | 179,225 | 122,410 | 37,995 | 160,405 |
| Less Deductions | | | | | | |
| Standard Exemption | (897) | (1,103) | (2,000) | (913) | (1,087) | (2,000) |
| Deduction on Interest Income | (7,544) | (2,251) | (9,795) | (7,084) | (1,900) | (8,984) |
| Total Taxable Income | 125,758 | 41,672 | 167,430 | 114,413 | 35,008 | 149,421 |
| Taxation Expense @ 33% | 41,500 | 13,752 | 55,252 | 37,756 | 11,553 | 49,309 |

Note 5

Fixed Assets

| | 2008 Core Activities | 2008 LGITO + Funds | 2008 Local Govt. NZ | 2007 Core Activities | 2007 LGITO + Funds | 2007 Local Govt. NZ |
|-------------------------------|----------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------|
| Fixed Assets at cost | 1,112,803 | 25,057 | 1,137,860 | 1,080,070 | 16,265 | 1,096,335 |
| less Accumulated Depreciation | (755,172) | (12,552) | (767,724) | (634,760) | (9,851) | (644,611) |
| | 357,631 | 12,505 | 370,136 | 445,310 | 6,414 | 451,724 |
| less Depreciation | (120,106) | (4,698) | (124,804) | (120,412) | (2,701) | (123,113) |
| Book Value | 237,525 | 7,807 | 245,332 | 324,898 | 3,713 | 328,611 |
| Total Fixed Assets | 237,525 | 7,807 | 245,332 | 324,898 | 3,713 | 328,611 |

Note 6

Operating Lease Commitments

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

| | 2008 Core Activities | 2008 LGITO + Funds | 2008 Local Govt. NZ | 2007 Core Activities | 2007 LGITO + Funds | 2007 Local Govt. NZ |
|--|----------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------|
| not later than one year | 151,100 | 6,000 | 157,100 | 174,472 | 6,000 | 180,472 |
| later than one year but not later than two years | 135,154 | - | 135,154 | 151,100 | - | 151,100 |
| later than two years but not later than five years | 189,414 | - | 189,414 | 324,568 | - | 324,568 |
| later than five years | - | - | - | - | - | - |
| | 475,668 | 6,000 | 481,668 | 650,140 | 6,000 | 656,140 |

Note 7

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

| | 2008 Core Activities | 2008 LGITO + Funds | 2008 Local Govt. NZ | 2007 Core Activities | 2007 LGITO + Funds | 2007 Local Govt. NZ |
|--|----------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------|
| <i>Reported Surplus/(Deficit) after Taxation</i> | 93,960 | 17,684 | 111,644 | (577,043) | (45,712) | (622,755) |
| <i>Add non-cash items</i> | | | | | | |
| Depreciation | 120,106 | 4,698 | 124,804 | 120,412 | 2,701 | 123,113 |
| Conference Reserves Contribution | - | - | - | (100,000) | - | (100,000) |
| <i>Add/(Less) movements in other working capital items</i> | | | | | | |
| Sundry debtors, prepayments | (274,460) | 49,572 | (224,888) | 185,924 | (15,936) | 169,988 |
| Sundry creditors, deferred income and other items | 250,169 | 14,386 | 264,555 | 102,061 | 14,657 | 116,718 |
| Accrued Interest | (635) | (2,598) | (3,233) | 4,501 | 2,192 | 6,693 |
| Taxation (Receivable)/Payable | 6,040 | 5,723 | 11,763 | (5,483) | 551 | (4,932) |
| GST | 28,003 | 8,651 | 36,654 | (15,992) | 1,366 | (14,626) |
| Net Cash Inflow/(Outflow) from Operating Activities | 9,117 | 75,734 | 84,851 | 271,011 | 2,830 | 273,841 |
| | 223,183 | 98,116 | 321,299 | (285,620) | (40,181) | (325,801) |

Note 8

Conference

| | 2008 Core Activities | 2008 LGITO + Funds | 2008 Local Govt. NZ | 2007 Core Activities | 2007 LGITO + Funds | 2007 Local Govt. NZ |
|--|----------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------|
| Registration and Sponsorship Income | 528,003 | - | 528,003 | 612,688 | - | 612,688 |
| Contribution from LGNZ Conference Reserves | - | - | - | 100,000 | - | - |
| | 528,003 | - | 528,003 | 712,688 | - | 612,688 |
| Less: Direct Expenses | 514,941 | - | 514,941 | 552,271 | - | 552,271 |
| | 13,062 | - | 13,062 | 160,417 | - | 160,417 |
| Less: Staff Salaries and Overheads* | 100,000 | - | 100,000 | 100,000 | - | 100,000 |
| Surplus | (86,938) | - | (86,938) | 60,417 | - | 60,417 |

* 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 are as follows:

| Asset | Effective Interest Rate 2008 | Maturity Date 2008 | Maturity Value 2008 | Effective Interest Rate 2007 | Maturity Date 2007 | Maturity Value 2007 |
|---------------------------------------|------------------------------|--------------------|---------------------|------------------------------|--------------------|---------------------|
| Term Cash Deposits: ANZ Banking Group | 8.28% | 02/04/2008 | \$215,000 | 7.61% | 11/04/2007 | \$225,000 |
| Term Cash Deposits: ANZ Banking Group | 8.56% | 02/04/2008 | \$95,000 | – | – | – |
| Term Cash Deposits: BNZ | 8.45% | 10/04/2008 | \$155,000 | – | – | – |
| Term Cash Deposits: Westpac | 8.30% | 09/04/2008 | \$80,000 | 7.69% | 18/04/2007 | \$200,000 |
| Term Cash Deposits: Westpac | 8.59% | 16/04/2008 | \$80,000 | – | – | – |
| Bank: ANZ Banking Group | 0–8.00% | Call | \$344,529 | 0–7.50% | Call | \$394,088 |
| Multiple Deposit Account: Westpac | 4.90% | Call | \$228,040 | 4.90% | Call | \$235,284 |
| Bank: Westpac | 0–1.75% | Call | \$3,696 | 0–1.75% | Call | \$3,796 |
| Bank: National | 0–1.75% | Call | \$59,693 | 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 2008 amounted to \$102,991 (2007: \$79,157). This was made up of the Honoraria paid to the President \$78,710 (2007: \$61,108) and the Vice-President \$24,281 (2007: \$18,049). 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 2008 amounted to \$16,477 (2007: \$15,683).

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 2008

| Funds | 2008 | | | | 2007 | | | |
|---|--------------------------|---------------------------|---------------------------|---------------|--------------------------|---------------------------|---------------------------|---------------|
| | Interest Income \$ | Grants/ Expenses \$ | Taxation Expense \$ | Surplus \$ | Interest Income \$ | Grants/ Expenses \$ | Taxation Expense \$ | Surplus \$ |
| Regional Government Association Fund | 12,001 | (100) | (3,736) | 8,165 | 8,947 | (56) | (2,783) | 6,108 |
| Bertlesmann Award Fund | 3,452 | (11,250) | (1,075) | (8,873) | 2,600 | (53,438) | (809) | (51,647) |
| | 15,453 | (11,350) | (4,811) | (708) | 11,547 | (53,494) | (3,592) | (45,539) |

Statement of Movements In Funds for the year ended 31 March 2008

| | Funds 1 April 2007 | Surplus after tax | Funds 31 March 2008 |
|--------------------------------------|--------------------------|----------------------|---------------------------|
| Regional Government Association Fund | 182,685 | 8,165 | 190,850 |
| Bertlesmann Award Fund | 41,248 | (8,873) | 32,375 |
| | 223,933 | (708) | 223,225 |

Statement of Financial Position as at 31 March 2008

| Funds | 2008 | 2007 |
|--|----------------|----------------|
| Regional Government Association Fund | 190,850 | 182,685 |
| Bertlesmann Award Fund | 32,375 | 41,248 |
| Accumulated Funds | 223,225 | 223,933 |
| <i>Represented by:</i> | | |
| Current Assets | | |
| Bank – Westpac | 231,737 | 221,170 |
| Sundry Debtors | 2,763 | 1,852 |
| Total Assets | 234,500 | 223,022 |
| <i>Current Liabilities</i> | | |
| Sundry Creditors | 11,250 | – |
| Tax Payable | 25 | (911) |
| Total Liabilities | 11,275 | (911) |
| Excess of Assets over Liabilities | 223,225 | 223,933 |

Description of Funds' Activities

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

> New Zealand Counties Association History Fund & Municipal Association of New Zealand History Fund

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 2008

| | 2008 | 2007 |
|--|---------------|--------------|
| Income | 483,685 | 422,304 |
| Less: Expenditure | 456,350 | 414,516 |
| <i>Net Surplus/(Deficit) before Taxation</i> | 27,335 | 7,788 |
| Taxation | 8,941 | 7,961 |
| Net Surplus/(Deficit) | 18,394 | (173) |

Statement of Movements in Equity for the year ended 31 March 2008

| | 2008 | 2007 |
|------------------------------------|----------------|----------------|
| Opening Balance | 420,265 | 420,438 |
| Net Surplus/(Deficit) for the year | 18,394 | (173) |
| Equity as at 31 March | 438,659 | 420,265 |

Statement of Financial Position as at 31 March 2008

| | 2008 | 2007 |
|--|----------------|----------------|
| Total Equity | 438,659 | 420,265 |
| Represented by: | | |
| Assets | 502,983 | 476,668 |
| Less: Liabilities | 64,324 | 56,403 |
| Excess of Assets over Liabilities | 438,659 | 420,265 |

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.

| | 2008 | 2007 |
|----------------------------|---------------|----------------|
| Opening Balance | 172,000 | 212,000 |
| Contribution to Conference | - | (100,000) |
| Conference Surplus | (86,938) | 60,000 |
| Closing Balance | 85,062 | 172,000 |

Note 14

Related Parties

Local Government New Zealand received an administration fee of \$9,000 (2007: \$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 \$243,244 (2007 \$300,377) was held on account of the entity, in ANZ and Westpac term deposits and in *Local Government New Zealand's* ANZ current account.

| | 2008 | 2007 |
|---|-----------|-----------|
| Opening Balance | 300,377 | 81,909 |
| Grants Received from The Tindall Foundation | 100,000 | 767,000 |
| Other Income | 334,255 | 296,338 |
| Total Income | 434,255 | 1,063,338 |
| Grants Paid for employment projects | (220,000) | (572,500) |
| Other Expenses | (271,387) | (272,371) |
| Total Expenditure | (491,387) | (844,871) |
| Closing Balance | 243,244 | 300,377 |

Local Government New Zealand Staff

(as at 31 March 2008)

Eugene Bowen Chief Executive

Chief Executive's Team

Jan Horan Personal Assistant to the
Chief Executive / Office Manager

Christine Northover Receptionist

Leeanne Brewerton Human Resources Manager*

Bridgette Connor 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 Senior Policy Analyst

Phillip Eyles Policy Analyst+

Christine Makumbe Policy Analyst

Carla Krejczisz Personal Assistant

Environment and Regulatory Team

Irene Clarke Manager

Kate Barker Senior Policy Analyst

Vacant Policy Analyst

Natasha Bava Personal Assistant

Communications Team

Kirsty Anderson Manager

Charlotte Brown Communications Advisor

Sandra Scrimshaw Events and Team Co-ordinator

Srimathi Mathavan Information Centre Manager

Sam Hou Library Assistant

+ shared staff member with the Environment and Regulatory team

* part time

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Local Government New Zealand

te pūtahi matakōkiri