Annual report

1 April 2025-31 March 2026

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From the President >

Never has local government been under more pressure. We are working heroically to balance books while costs soar, our communities expect more, and reform is heaped on us. But councils keep doing the work. As I write, you are putting together Head Start applications at pace while progressing the huge amount of other business already planned for June and July. I want to thank Mayors, Chairs, councillors, and all council staff for your dedication to delivering for your communities.

This annual report looks back at the period 1 April 2025 to 31 March 2026. I stepped into the role of President in late 2025, after Sam Broughton stood down. Sam was President for most of the time this report covers, and I want to acknowledge his hard work and dedication to local government. I also want to acknowledge Campbell Barry, who was Vice President until October 2025. And to acknowledge the 2022-2025 National Council for their service.

I want to thank Mayor Dan Gordon, who is serving alongside me as your new Vice President. Since we took up the leadership, reset has been our byword. That means resetting the tone with the Government so that LGNZ has more influence on behalf of members, while maintaining strong relationships across the political spectrum. We have made a decent start on that work, which is a long-term project and will take 12-18 months to bed in. I want to thank members for the vote of confidence you recently gave Dan and me in electing us unopposed to serve out this triennium.

Your new National Council was elected in late 2025 and we have really found our stride. Member feedback is at the centre of our discussions and decision making. You have an extremely capable group of leaders from all points of view around the National Council table and I am proud of the work we are doing.

One of our first tasks was selecting a new Chief Executive for LGNZ after the departure of Susan Freeman-Greene in September 2025. I want to thank Susan for the talented team she put together, who continue to deliver a very significant workload for members. For our new Chief Executive, National Council chose Scott Necklen, who was already Interim CE. Scott's vision and dedication really stood out, as did the results he has delivered since 1 September. I want to thank him for making the overall LGNZ leadership transition so smooth and so effective.

LGNZ has bold plans for 2026 and beyond, and I am excited to work with National Council, our members and our team to deliver lasting value for members and the communities you serve.

Mayor Rehette Stoltz,
President

From the Chief Executive >

The third year in a triennium always presents an extraordinary workload for LGNZ, and we rose to the occasion. Our induction events attracted more than 400 people over a few short weeks post-election, with significantly better feedback than any other past inductions. Setting new members up for the triennium is fundamental to their success, and these elections produced a very large intake of new elected members.

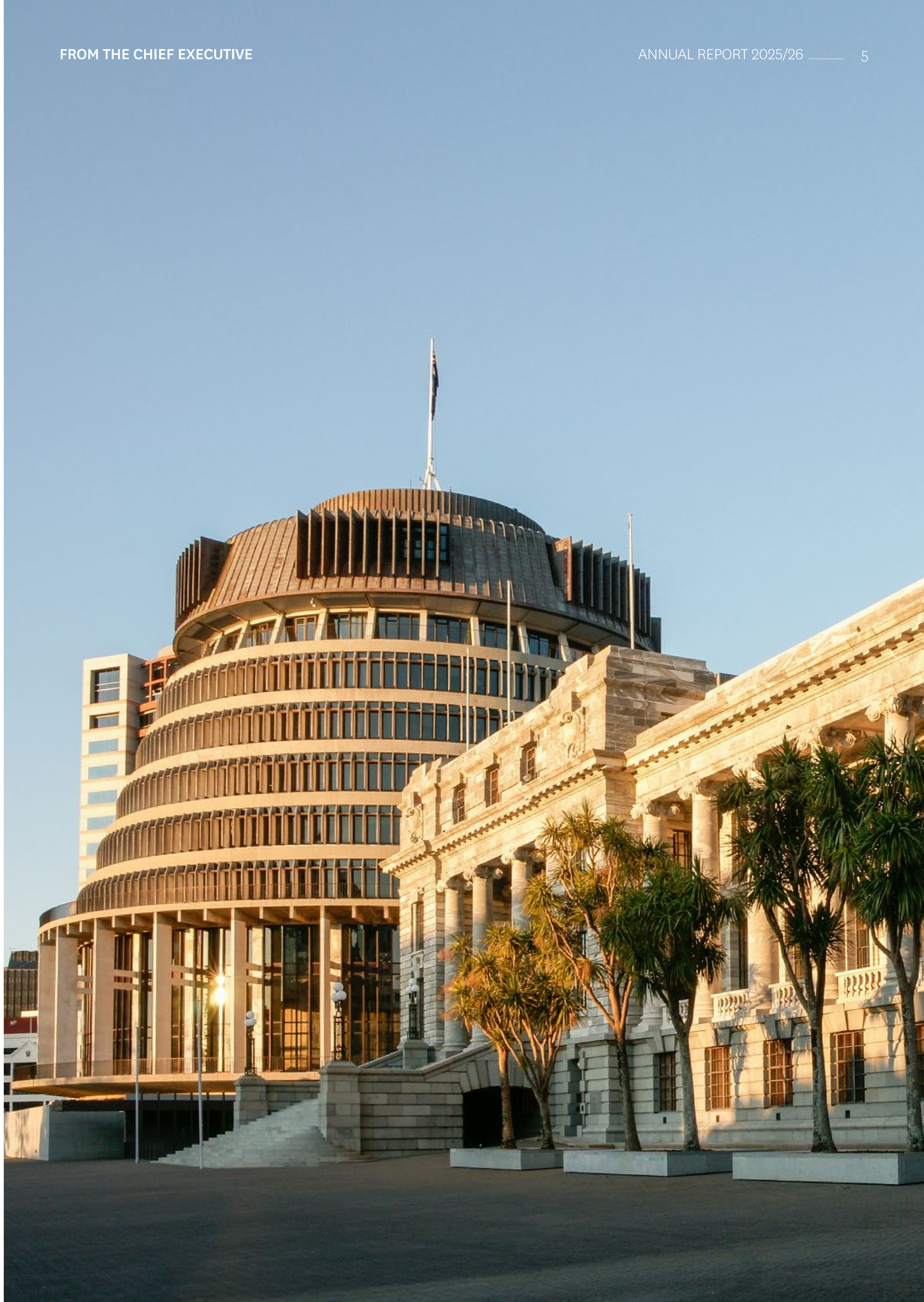
Post induction, our focus shifted to a rolling maul of reform announcements, which has kept pace well into 2026. LGNZ has produced resources, zooms, draft submissions and expert advice for members, all at pace. Supporting you to engage with reform by commissioning work we can share with all councils is a critical part of our value.

The reset President Rehette referred to has been front of mind. We have met multiple times with the Prime Minister, with key Ministers, with coalition partners and with the Opposition. We have also built relationships with officials and staff in Ministers' offices. Our team has frequent conversations behind the scenes as we work on members' behalf.

This report sets out the full range of LGNZ's work over this financial year. For me, this was a year of two halves, given I took up the Interim CE role on 1 September. I want to thank former CE Susan Freeman-Greene for her leadership and support. And to thank the whole LGNZ team for frequently going above and beyond, especially in the intensely busy final three months of 2025.

Our priority has been to provide practical value to councils while strengthening local government's ability to meet the challenges ahead. We are dedicated to delivering for local government and our members. I look forward to building on the foundations we have laid in the past few months.

Scott Necklen,
Chief Executive



By the numbers >

$8 billion

How much the Government estimates the new seismic strengthening regime will save. As advocated for by LGNZ, strengthening requirements are now focused on high-risk buildings in risky seismic zones rather than applying everywhere in New Zealand.

$330 million

How much councils have paid out in the past 10 years for building defects they were not primarily responsible for. The building system will shift to proportionate liability, reducing councils' potential liability – something LGNZ has long advocated for.

$4,500

How much elected members can receive to install a security system at their home, thanks to an allowance advocated for by LGNZ (if a council adopts the allowance).

20

Number of recommendations in our Electoral Reform Working Group's final report, which explored voter disengagement, postal system decline and how to run elections.

21

Number of councils that have signed up to support the Ratepayers Assistance Scheme, which would support ratepayers impacted by cost-of-living issues, remove a barrier to housing development and support the installation of solar etc, all at about 2% less than a standard floating mortgage rate.

458

People who logged into Ākona between October 2025 and March 2026.

482

Elected members who attended our induction events in October and November 2025.

176

People part of Te Maruata network.

147

People part of Young Elected Members.

16

Submissions made to government.

726

People who attended our SuperLocal25 conference.

Our strategy >

A new National Council was elected in late 2025 and has reset our strategy. The strategy has been in place since early 2026.

LGNZ strategy 2026

Ko Tātou LGNZ.

Elevator pitch >

Local Government New Zealand is the national peak body for councils and local democracy. We bring local voices into national policy, influence decisions early, and work with government to deliver practical solutions. Our legitimacy comes from a strong membership base.

Long-term goals >

Our long-term goals have been reset in 2026 by National Council. They drive LGNZ's work and are integrated into everything we do.

01. **LGNZ effectively influences central government.**

02. **New Zealanders value councils. Local decisions matter and councils are financially sustainable.**

03. **Strong Te Tiriti partnerships deliver positive outcomes for people, place and the economy.**

04. **More people participate in local government.**

We deliver long-term goals through influence, connection and support

INFLUENCE/

- Shape policy early, before it is developed, through relationships with officials, Ministers, all political parties.
- Work with all political parties, key stakeholders and local government to advance our advocacy priorities (listed below) in the short and long term.
- Improve policy through the legislative process.
- Spearhead solutions to local government's intractable problems.
- Use media to set the agenda and raise local government's voice.
- Give members the right tools to boost local government's influence.
- Integrate a te ao Māori lens throughout our advocacy.

CONNECTION/

- Bring members together at our sector, All-of-local-government and conference events to hear from key speakers and Ministers, share ideas and connect.
- Use events as an opportunity for members to influence key decision makers and officials.
- Make sure members are in the loop on everything LGNZ does, with input into decisions and submissions.
- Support Te Maruata, Young Elected Members and the Community Boards Executive Committee to connect and equip elected members and progress their kaupapa.
- Connect women in local government online and in-person pre conference.

SUPPORT/

- Build elected members' capability and knowledge through our Ākona professional development.
- Launch a formal qualification for elected members in partnership with Victoria University.
- Advocate to protect elected members' safety and security.
- Deliver initiatives like Street Lights Profiles and the Road Efficiency Group that support best practice and generate efficiency and financial savings for councils.
- Develop and update key guides and templates for councils.
- Provide confidential support to councils in difficulty.
- Develop and deliver value-add services, including shared services, that meet councils' needs.

Our advocacy priorities >

Members generated these priorities and then ranked them at our February All-of-local-government meeting:

01. **Financially sustainable and cost-effective local government**

02. **Meeting current and future infrastructure needs**

03. **Resilient communities, economies, and environments**

04. **A responsive and accountable local government system**

Each priority will be driven by a reference group.

Regional, Metro and Rural & Provincial sectors will each have the opportunity to create sector goals under each priority.

Influence >

Government relations

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Over the year, we met regularly with Local Government Minister Simon Watts and with the Prime Minister. We began quarterly engagement with Opposition parties. We also built relationships with officials to increase early engagement on policy.

Following our leadership reset in late 2025, these relationships shifted in tone. President Rehette and Vice President Dan have lifted engagement, with members seeing the shift in regular zooms with Minister Watts and other Ministers, including the Finance Minister on fuel resilience and supply issues. We have deliberately shifted our approach to maintain influence while remaining non-partisan.

We have secured advance briefings on key policy proposals from Ministers and advisors, and continued to build our network of influence behind the scenes. This meant we regularly influenced policy before legislation was introduced through officials and working groups.

Media

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Over the past year, LGNZ has used media to make the challenges facing councils more visible and influence government decision-making. Coverage focused heavily on issues affecting local government's future, including rates capping, electoral reform, infrastructure funding, resource management reform and the need for broader funding tools. LGNZ has responded to hundreds of media queries and generated widespread coverage, including in the pre-election period to support candidates standing and voter turnout. We have also provided local government spokespeople on a broad range of national and topical issues, including increasing severe weather events, fuel supply challenges and dog control reform. This coverage helped reinforce LGNZ's advocacy by explaining the practical impacts of Government policy decisions on councils and communities. With the release of new DIA council profiles/report cards in mid 2025, we worked proactively with national media to provide council context.

Ratepayer Assistance Scheme

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LGNZ has continued to spearhead development of the Ratepayer Assistance Scheme (RAS), which would give ratepayers access to low-cost, long-term finance for rates-related charges and property improvements (like solar panels). By mid-2025, we had secured strong support across the sector and sufficient funding to progress toward a formal establishment decision. We then completed the final business case and undertook extensive advocacy with Ministers, MPs and officials. By early 2026, the focus had shifted to securing Government approval, and we continued working closely with Ministers and officials to build confidence in the proposal and address implementation questions.

Infrastructure funding and financing

At our February 2025 All-of-local-government meeting, the Government announced changes to New Zealand's infrastructure funding and financing settings, including replacing development contributions with a development levy system that would allow councils to better fund infrastructure costs from growth. We welcomed this change, which reflected recommendations in our funding and financing toolkit. We advocated for alignment between the proposed funding tools, future resource management reforms, and broader funding initiatives such as GST-sharing arrangements. When consultation proposals were released, we engaged with growth councils and councils experienced with development contributions to inform our submissions and provide practical feedback on implementation issues. We advocated for improvements to the exposure draft of the Local Government (development levies and other changes) Bill and discussion document and worked closely with high-growth councils on these submissions.

Rates capping

Because of the negative impact it would have on councils and communities, rates capping has been a key advocacy issue over the past year. We have repeatedly discussed the risks it presents, including around infrastructure maintenance, with Ministers. We have also written to all Ministers on Cabinet's Economic Policy Committee outlining the potential impacts of rates capping on their specific portfolio area. In late 2025, the Government proposed a formula which would result in a rates band of 2-4%. Our submission was strongly informed by member feedback and set out the challenges of this approach. We commissioned independent advice and argued strongly for a different methodology to calculate the band to ensure it better reflected the real cost pressures on councils, including growth councils. We have also raised the risks with other political parties, including coalition partners.

Infometrics Insights

We launched the **Local Government Quarterly Economic Insights** report in partnership with Infometrics in April 2025. The report was designed as an exclusive member benefit to ensure all elected members had access to high-quality economic data and analysis relevant to local government. Over the year, each edition has received strong engagement and positive feedback from members, including participation in associated zooms. Special topics explored by Infometrics in the past year include: comparisons between rates and other household costs, regional sector-specific economic issues, rates increases in the context of inflationary pressures and taxes, investment in water infrastructure and public transport usage trends. Councils can use this data to support strategic planning, public communications and discussions with central government.

The Government's new "council profiles"

Using metrics sourced from data from Long-term Plans and annual reports, DIA produced a profile for each council. After feedback from members, we worked to delay the release of these new profiles until concerns had been addressed. This included sharing data ahead of release so councils could prepare; providing links to supporting information on council websites; and explaining why councils might be outliers (for example; high growth, tourism pressures or recovery from natural disaster). We also produced a communications guide for members and worked proactively with media to ensure councils' local circumstances and service delivery contexts were understood.

Simplifying Local Government

On 25 November, the Government released its first Simplifying Local Government proposal. This initial proposal suggested elected regional councillors would be replaced by Combined Territories Boards (CTBs) made up of the Mayors from each region. These boards would be responsible for developing plans to reorganise councils and/or service delivery over a two-year period. Before the announcement, LGNZ received confidential briefings from DIA and embargoed material from the Government, allowing it to prepare members and develop an initial response. We submitted on this proposal in February following two weeks of consultation with members. We argued that Combined Territories Boards should have a single purpose: to develop regional reorganisation plans, rather than also assuming responsibility for regional council governance. We recommended that elected regional councillors remain responsible for regional governance until either the end of the current electoral term or regional reorganisation plans had been completed. We also proposed that CTBs should include regional council Chairs, Mayors and, where appropriate, external members to strengthen governance and ensure regional expertise was retained.

After listening to this feedback, the Government released a new Head Start proposal in May 2026. This retained regional councillors for their elected term and proposed an optional fast track process for councils to reorganise themselves. Influence and support for members around this proposal and the alternative backstop will be a strong focus for LGNZ in the 2026-27 financial year.

Water

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During this period, water services reform has shifted from policy development to implementation. Alongside implementation, the regulatory framework for water services has continued to evolve. Key developments included the finalisation of Commerce Commission information disclosure requirements and the introduction of new Wastewater Environmental Performance Standards that replaced existing regional wastewater rules. LGNZ has supported member councils through these changes by providing updates and advocacy and by supporting the attendance of the Commerce Commission and Taumata Arowai at sector meetings. We successfully secured amendments to the Local Government (Water Services) Bill through the select committee process.

Resource management reform

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On 9 December, the Government introduced legislation to replace the Resource Management Act with two new Acts intended to create a more enabling, directive and simplified planning system. We established a member reference group to guide our response, commissioned expert legal advice, provided member briefings and prepared detailed submissions on making the legislation more workable. These submissions were shared with members to inform your own work. We were also involved behind the scenes on implementation as well as policy development.

Transport

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LGNZ's Transport Forum informed our advocacy and provided a leadership role in this space until the triennium concluded in September. LGNZ successfully advocated against NZTA's proposed changes to emergency works funding, which would have reduced financial support for councils repairing transport infrastructure after natural disasters. Advocacy included direct engagement with the Minister of Transport and NZTA, a formal submission, and media engagement. Following this advocacy, NZTA withdrew the proposal and committed to developing alternative options. We supported the introduction of time-of-use (congestion) charging while suggesting tweaks to make the system more practical. We also supported the Government's introduction of greater flexibility to use tolling on new and some existing roads; and modernisation of the Road User Charges system as the first step towards an electronic RUC system.

Climate change

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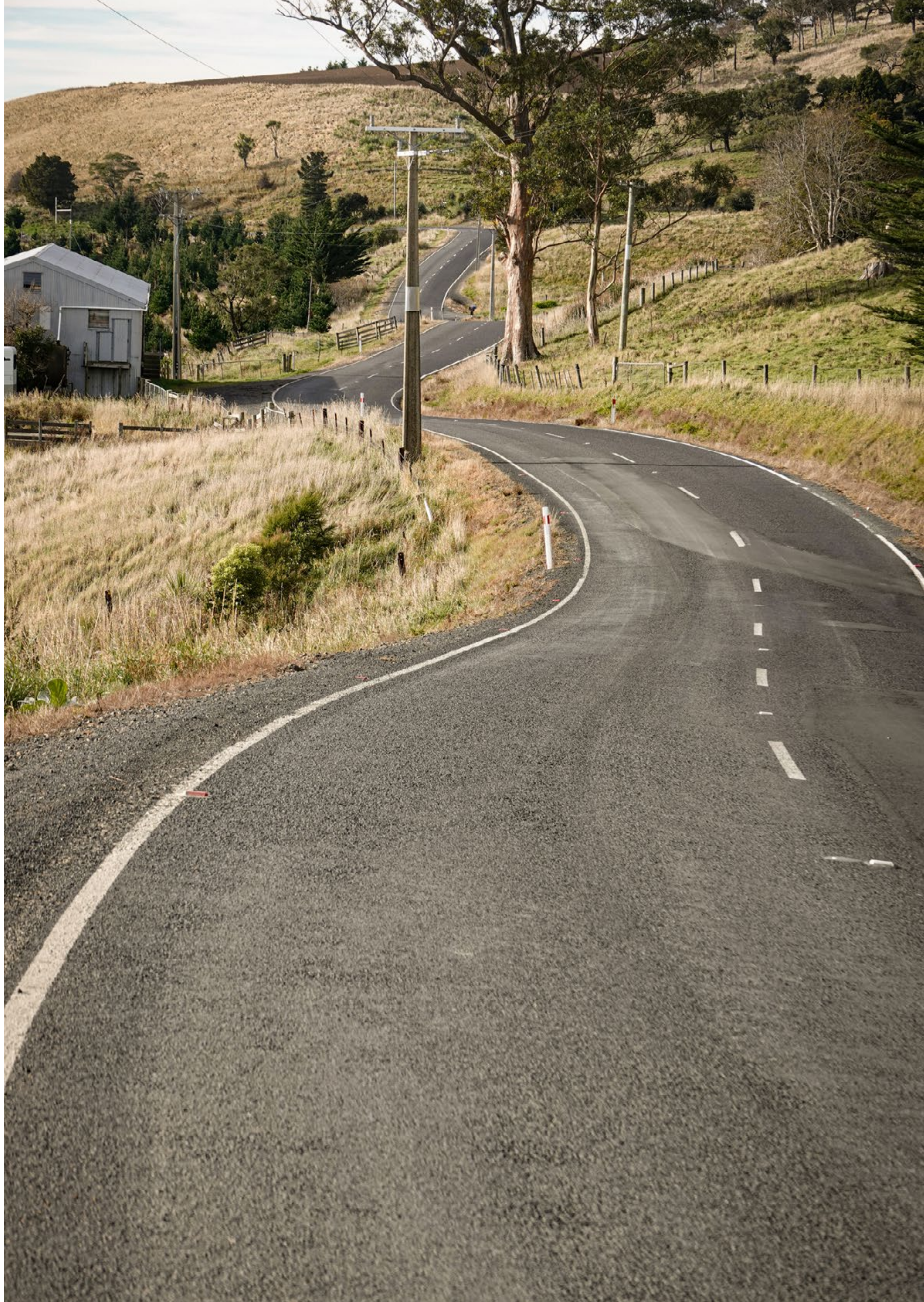
As the Government's adaptation framework developed, we welcomed greater clarity around council responsibilities but continued advocating for stronger national leadership on funding climate adaptation and managing existing development in high-risk areas. Through our policy work and quarterly *Infometrics Insights*, we highlighted the increasing frequency of severe weather events and the growing financial pressures they are placing on councils, reinforcing the need for sustainable long-term adaptation and resilience funding.



Electoral reform

We progressed electoral reform from consultation to direct engagement with Government. Following extensive consultation with councils and sector groups, National Council endorsed the Electoral Reform Working Group's recommendations, which were subsequently launched by Chair Mayor Hon Dr Nick Smith at SuperLocal25. The need to move away from postal voting has attracted cross-party support and we will continue to advocate for the working group's recommendations to be fully implemented.

Seismic strengthening

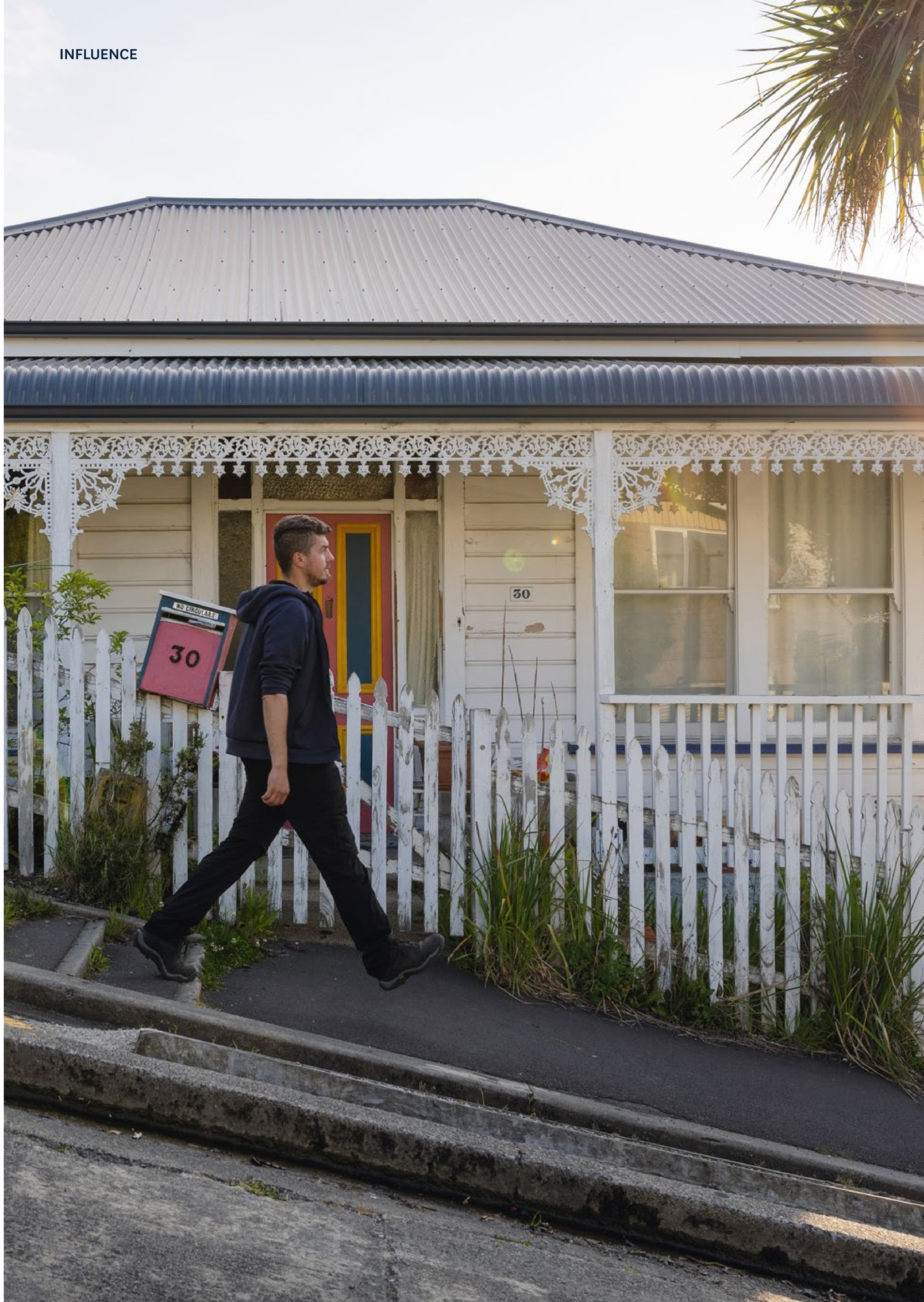
In late September, the Government announced a comprehensive reform of the earthquake-prone building system following sustained advocacy from LGNZ, spearheaded by our seismic strengthening reference group, chaired by then Deputy Mayor Michael Ford. The resulting reforms will refocus the regime on the highest-risk buildings in the highest-risk seismic areas, reducing unnecessary compliance costs for many councils and communities. Following introduction of the Building (Earthquake-prone Buildings) Amendment Bill, LGNZ strongly supported the legislation while recommending targeted refinements to improve implementation.

Building system reform

Alongside reforms to Building Consent Authority arrangements and exemptions for smaller residential buildings, we have strongly supported replacing the current joint and several liability regime with proportionate liability – a long-standing advocacy priority for the sector. The proposed liability reforms are significant for councils and ensure each party is responsible only for its share of any building defects (rather than leaving councils exposed when other parties cannot meet their obligations).

Emergency management

LGNZ has actively represented councils during development of the Emergency Management Bill, supporting the overall direction of reform while advocating for implementation that is practical and appropriately funded. LGNZ was an invited member of the central government steering group developing the legislation. We have highlighted the need for sustainable funding to support councils' expanded emergency management responsibilities, particularly given increasing resilience costs and the potential financial impacts of rates capping.



Connection >

Zone meetings >

Over the past year, we have used zone meetings to engage directly with member councils, consult on major policy issues and test priorities. Zone meetings supported consultation on electoral reform, informed the development of LGNZ's advocacy priorities for the new triennium, and provided opportunities for councils to provide feedback on government reforms.

SuperLocal25 >

Held from 15–17 July in Christchurch, SuperLocal25 attracted record attendance and strong sponsorship support. Member feedback showed a significant improvement in overall satisfaction compared with the previous year. Networking opportunities, ministerial engagement and practical reform-focused sessions were consistently identified as highlights.

Metro sector >

Metro Sector is a dedicated forum for New Zealand's metropolitan councils to engage directly with Ministers, shape LGNZ's advocacy programme and discuss issues of particular relevance to urban areas. Key focuses during this period were infrastructure funding reforms, tourism and business community engagement.

Rural & Provincial sectors >

Rural & Provincial Sector meetings were very well attended over the past year and provided important opportunities to connect with Ministers, share best practice and discuss reform.

Regional sector >

Over the past year, the Regional Sector has been a key forum for regional councils to engage on major policy reforms and shape LGNZ's advocacy. Key themes have been resource management reform, freshwater regulation, local government reform and the need to retain regional council functions, and establishing advocacy priorities.

Te Maruata

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Te Maruata strengthened its role as the network for Māori elected members within local government. As well as providing support to members, it developed a strategy focused on supporting Māori leadership through dedicated events, networking opportunities and advocacy around Māori wards, governance and leadership from a te ao Māori perspective. Te Maruata has strengthened its strategic relationships by progressing a Memorandum of Understanding for LGNZ with the National Iwi Chairs Forum. It also provided strategic advice on the SuperLocal programme, and began documenting Te Maruata's contribution to local government.

Young Elected Members

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YEM held a very successful pre-SuperLocal hui in mid 2025. After the elections, YEM focused on supporting newly elected councillors through networking, professional development and leadership opportunities. In early 2026, the committee began developing its strategic direction and governance arrangements for the new term. This work will support and connect younger elected members, helping them build capability and contribute effectively to local government leadership.

Community Boards

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The Community Boards Executive Committee (CBEC) developed and successfully launched its Council–Community Board Relationship Guide at SuperLocal25. The guide gives councils and community boards practical guidance on building stronger working relationships. Following the 2025 local elections, a new Community Boards Executive Committee was elected and quickly established a work programme for the triennium. Priorities include developing a new council–community board accord, expanding training and networking opportunities, planning a future Community Boards Conference, and surveying members to shape CBEC's advocacy priorities.

Women in Local Government

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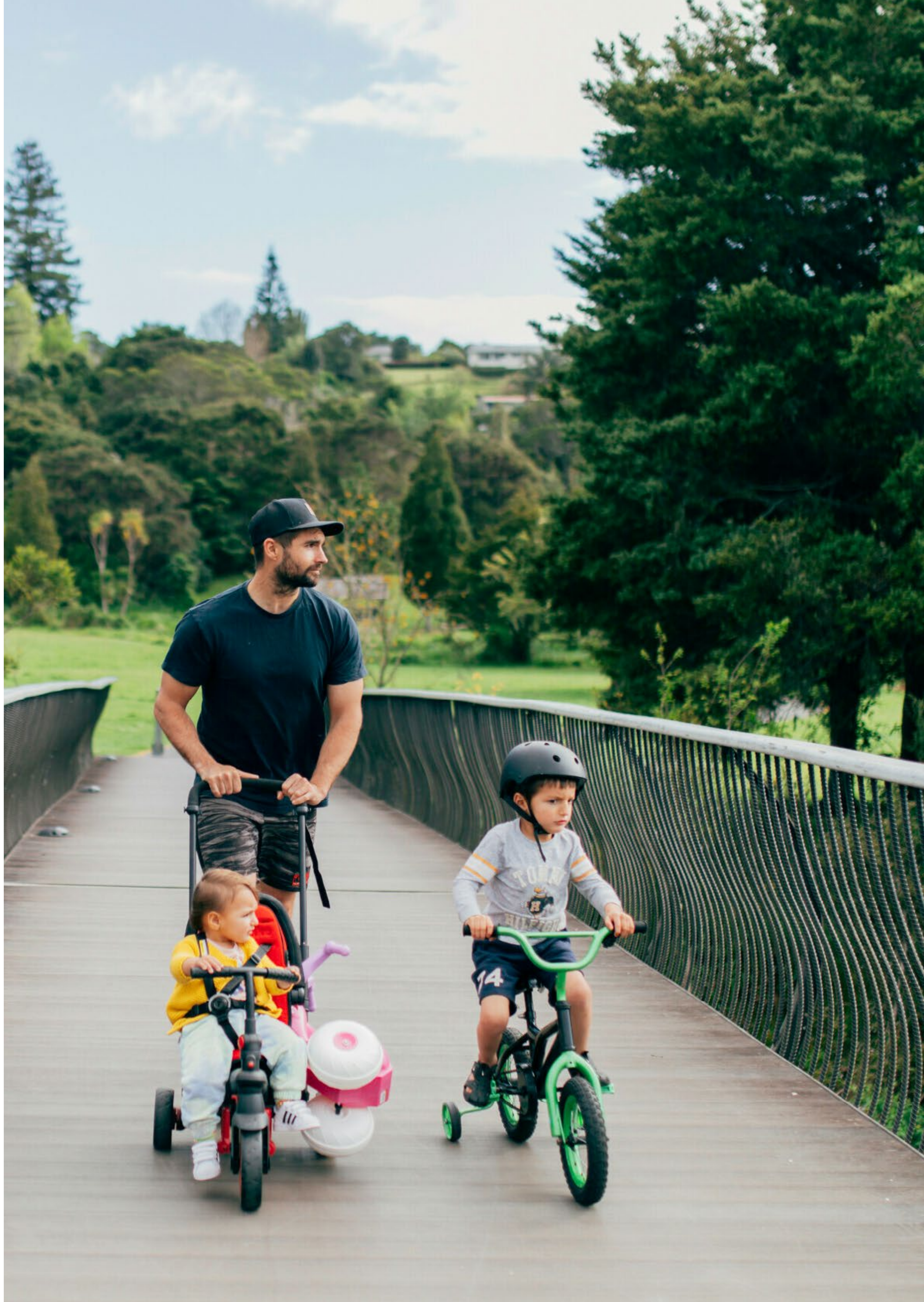
LGNZ has increased our support for women elected members through targeted communications, networking and advocacy. This advocacy benefits all elected members but has included issues disproportionally affecting women. For example, we submitted on the anti-stalking legislation and restrictions on protests outside people's homes. We also raised public awareness of the threats and abuse experienced by elected members through media engagement. Minister for Women Nicola Grigg launched a toolkit for women leaders at our All-of-local-government meeting in May. The Women in Local Government breakfast before SuperLocal25 featured a keynote address by former Minister Tracey Martin and was extremely well attended. LGNZ has a dedicated WhatsApp group that elected women can join and we also provide regular email updates on relevant issues. In 2026, we have helped promote Face Forward, a tool that provides real-time protection from online abuse, through zoom meetings with guest speakers.



Support >

Ākona induction programme

Before nominations opened, LGNZ launched pre-elected learning to help prospective candidates understand the role of elected members. It was free for anyone to access and included videos, e-learning modules and downloadable resources covering council structures, governance, funding and the realities of elected office. Uptake was strong, with more than 1,000 site visits and strong positive feedback from councils, many of which promoted the resources locally.

Significant planning went into our induction programme for the 2025-28 triennium. More than 400 elected members attended induction events held across 13 locations nationwide. We delivered dedicated induction events for Mayors. Fifty-two Mayors attended Mayors Induction, including some non-members. We also ran an induction for Regional Council Chairs, with tailored content reflecting their governance responsibilities. The Prime Minister and Minister of Local Government Simon Watts attended Mayors Induction, which received extremely positive feedback. Overall feedback about induction was exceptionally positive, especially when compared with inductions in the past. Participants gave an average satisfaction score of 4.6 out of 5, with 91% of attendees feeling confident or very confident in their role after induction.

We also developed a suite of plain-language reform explainers to support elected members when major Government reforms were announced immediately after the elections.

Ākona platform

We updated the Ākona platform ahead of the elections, with 24 learning catalogues available, covering governance, financial management, media skills, public speaking, te reo Māori and other core capabilities. The most popular courses were chairing, asset management and intergenerational costing.

LGNZ continued to develop a recognised local government accreditation in partnership with Victoria University, targeting launch in mid 2026, and worked with Alicia McKay on a new elected member resource. During early 2026, Ākona continued to evolve in response to the Government's reform programme, with new content supporting Long Term Plans, Simplifying Local Government, rates capping and resource management reform.

Vote25

LGNZ updated the Candidates Guide and supporting material on the Taituarā-hosted Vote Local website, aligning these resources with our new Ākona pre-election learning programme discussed above.

We created assets that we shared with councils as well as running our own social media to encourage people to:

- enrol to vote;
- stand for council; and
- participate in local elections.

LGNZ coordinated funding from councils to ensure Policy.nz remained available for the 2025 local elections after the platform faced a funding shortfall. Policy.nz provides a neutral, nationwide source of candidate information and had been identified by LGNZ's Electoral Reform Working Group as an important tool for supporting informed voting and strengthening local democracy. The platform launched on 29 August, hosted profiles for 1,340 candidates across 67 territorial authorities and 11 regional councils, and attracted more users than in any previous local election.

Governance support

We gave governance advice to councils dealing with sensitive governance issues, and responded to numerous requests for day-to-day governance support.

During this period LGNZ completed or released:

- updated Standing Orders templates and Guide;
- Guidance for New Mayors and Chairs;
- Community Boards Governance Guide;
- Tax Guide for Elected Members;
- Elected Members' Guide to Governance and Local Government;
- Designing Governance and Decision-making Structures guide;
- Elected Members' Guide to the Local Government (Rating) Act 2002.

Elected member safety

LGNZ advocated for the safety and wellbeing of elected members, recognising the increasing levels of abuse, intimidation and harassment experienced by those serving in local government. We launched our *How to Stay Safe* guide, which pulls together information, resources and key contact details for elected members to use.

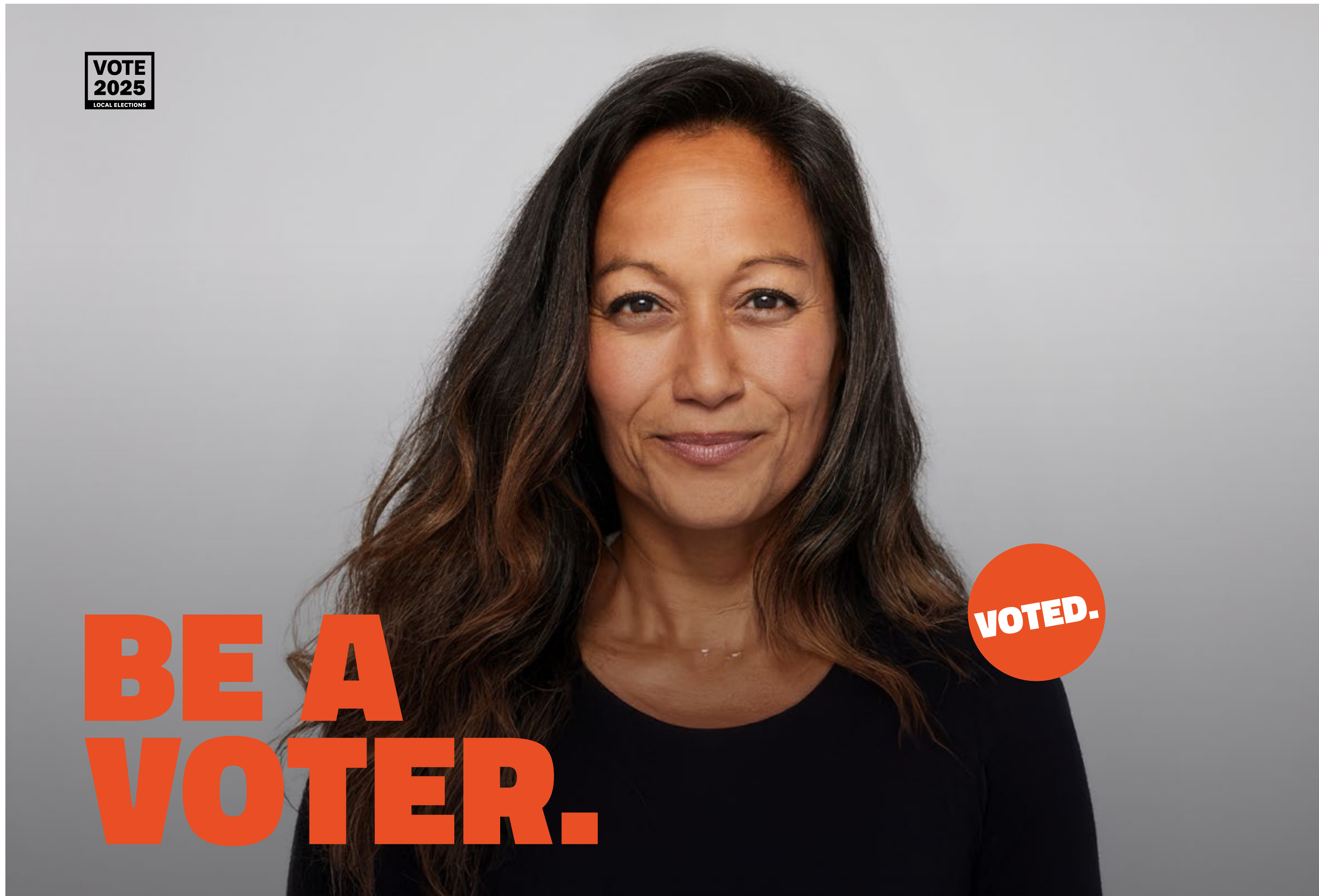
LGNZ also successfully advocated to the Remuneration Authority for a new security allowance, enabling eligible Mayors, Chairs and councillors to install and maintain home security systems where appropriate.

Te Korowai

Over the past year, LGNZ has refreshed Te Korowai, our continuous improvement programme. The programme was relaunched with a new website and flexible participation options, including the Integrity Survey and targeted assessments, allowing councils to engage at a level that suits their needs. Six councils completed assessments under the refreshed model.

Road Efficiency Group

LGNZ has continued to support the Road Efficiency Group, which supports best-practice asset management and reviews Asset Management Plans. The programme strengthened its alignment with LGNZ's Transport Forum, expanded its learning offer through workshops and Asset Management Plan reviews, and continued to provide councils with practical tools and guidance to improve planning, investment and service delivery. This work supports more consistent, evidence-based transport asset management and helps councils improve the efficiency and effectiveness of their roading services.



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Directory

New Zealand Local Government Association Incorporated
For the year ended 31 March 2026

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

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

Address
Level 8
175 Victoria Street
Te Aro
Wellington 6011

IRD Number
049-455-479

Incorporation Number
374615

Incorporation Date
1 February 1988

Status
Registered Incorporated Society

Chartered Accountant
Grant Thornton New Zealand Limited

Auditor
Deloitte Limited (on behalf of the Audit Office)

Banker
ANZ Bank Limited

Solicitor
Simpson Grierson

Consolidated Statement of Comprehensive Revenue and Expenses

New Zealand Local Government Association Incorporated
For the year ended 31 March 2026

	Notes	2026	2025
Revenue from exchange transactions			
Annual Subscription Income		4,562,597	4,336,322
Annual Conference Income	6	1,271,819	1,282,754
Te Korowai Assessment Income	7	110,000	60,000
Consultancy Income		1,737,516	968,436
EquiP Limited Partnership Income	12	-	1,368,470
Interest Income		93,830	161,154
Libraries Partnership Programme Funding	11	-	52,304
MTFJ Income	20	188,638	208,000
Professional Development Income		387,070	-
Ratepayer Assistance Scheme Income		1,979,863	67,141
Sundry Income		230,504	93,010
DIA Reform Funding	8	-	312,500
Total Revenue from exchange transactions		**10,561,837**	**8,910,090**
Revenue from non-exchange transactions			
Rural Trust Distribution		-	193,635
Total Revenue from non-exchange transactions		**-**	**193,635**
Total Revenue		**10,561,837**	**9,103,725**

	Notes	2026	2025
Less Direct Costs			
Annual Conference Expenditure	6	782,261	878,091
Sector Events and Committee Expenditure		286,606	180,656
Communications Expenditure		22,469	10,506
Consultancy Expenditure		1,216,442	687,850
Te Korowai Expenditure	7	75,133	41,363
EquiP Limited Partnership Expenditure	12	-	1,048,867
Governance Expenditure		86,868	117,085
Libraries Partnership Programme Expenses	11	-	47,136
People Costs		3,897,465	3,812,147
Policy Expenditure		150,461	108,289
Professional Development Expenditure		376,118	168,175
Ratepayer Assistance Scheme Expenditure	9	1,979,863	67,141
DIA Reform Expenditure	8	-	312,500
Sector Engagement Projects	10	103,995	219,394
Symposium and Event Expenditure		74,261	23,141
Total Less Direct Costs		**9,051,940**	**7,722,339**
Gross Surplus		**1,509,897**	**1,381,386**
Less Operating Expenses			
Accommodation/Occupancy		160,834	156,849
Advisory		44,284	62,778
Audit Fees Paid to Deloitte Limited	25	46,231	44,743
Te Korowai LGNZ Contribution	7	82,405	99,972
Financial		33,600	72,139
Honoraria	22	183,271	169,470
Insurance		59,340	59,985
Information Technology		180,169	177,916
Library		22,794	33,275
Office		80,179	113,683
Other Expenses	13	133,667	188,068
Staff Expenses		220,360	197,520
Total Less Operating Expenses		**1,247,133**	**1,376,400**
Total Expenses		**10,299,073**	**9,098,739**
Net Surplus/(Deficit) Before Tax		**262,764**	**4,986**
Total Comprehensive Revenue and Expense		**262,764**	**4,986**
Total Surplus/(Deficit) Attributable to Owners of the Controlling Entity		**262,764**	**4,986**

Consolidated Statement of Changes in Net Assets / Equity

New Zealand Local Government Association Incorporated
For the year ended 31 March 2026

	2026	2025
Accumulated Comprehensive Revenue and Expenses		
Opening Balance	1,702,305	1,275,066
Comprehensive Revenue and Expenses		
Surplus/(Deficit) for the Year	262,764	4,986
Total Comprehensive Revenue and Expenses	**262,764**	**4,986**
Transfers		
Transfers from / (to) Counties Fund Reserve	1,419	(193,635)
Transfers from / (to) other Reserves	322,292	615,888
Total Transfers	**323,711**	**422,253**
Total Accumulated Comprehensive Revenue and Expenses	**2,288,781**	**1,702,305**
Emerging Issues Reserve		
Opening Balance	370,605	370,605
Total Emerging Issues Reserve	**370,605**	**370,605**
Other Reserves		
Opening Balance	1,240,271	1,856,159
Transfer (to) / from Accumulated Comprehensive Revenue and Expenses	(322,292)	(615,888)
Total Other Reserves	**917,979**	**1,240,271**
Counties Fund Reserve		
Opening Balance	193,635	-
Transfer (to) / from Accumulated Comprehensive Revenue and Expenses	(1,419)	193,635
Total Counties Fund Reserve	**192,216**	**193,635**
Total Equity	**3,769,580**	**3,506,816**

These statements should be read in conjunction with the notes to and forming part of the financial statements.

Consolidated Statement of Financial Position

New Zealand Local Government Association Incorporated
For the year ended 31 March 2026

	Notes	2026	2025
Assets			
Current Assets			
Cash and Cash Equivalents	14	7,634,789	4,486,496
Short-term Investments	15	510,232	-
Receivables from Exchange Transactions	16	268,919	462,379
Income Tax Receivable		15,534	78,457
GST Receivable		387,628	260,849
Prepayments		51,452	233,121
Total Current Assets		**8,868,554**	**5,521,301**
Non-Current Assets			
Property, Plant and Equipment	19	104,789	113,913
Intangibles	18	87,706	160,261
Investments	17	1,475	1,475
Total Non-Current Assets		**193,969**	**275,650**
Total Assets		**9,062,523**	**5,796,950**
Liabilities			
Current Liabilities			
Payables from Exchange Transactions		1,059,564	791,395
Provision for Annual Leave		158,446	160,374
Community Board Executive Committee Levy		80,709	75,557
Mayors Taskforce for Jobs	20	2,351,731	1,092,291
Event Funds Income in Advance	5	202,000	82,660
Contract Funds Income in Advance	5	1,440,494	87,857
Total Current Liabilities		**5,292,944**	**2,290,134**
Total Liabilities		**5,292,944**	**2,290,134**
Net Assets		**3,769,580**	**3,506,816**

These statements should be read in conjunction with the notes to and forming part of the financial statements.

	Notes	2026	2025
Net Assets Attributable to the Owners of the Controlling Entity			
Retained Earnings		2,288,781	1,702,305
Counties Fund Reserve		192,216	193,635
Emerging Issues Reserve		370,605	370,605
Other Reserves		917,979	1,240,271
Total Net Assets Attributable to the Owners of the Controlling Entity		**3,769,580**	**3,506,816**

The National Council approved and authorised to issue the consolidated financial statements on 19 June 2026.

Signed By:

Rolette Stoltz

President

Date: 22 June 2026

Scott Mcklen

Chief Executive

Date: 22 June 2026

These statements should be read in conjunction with the notes to and forming part of the financial statements.

Consolidated Statement of Cashflows

New Zealand Local Government Association Incorporated
For the year ended 31 March 2026

	Notes	2026	2025
Cashflow			
Cashflow from Operating Activities			
Cash was Provided from:			
Receipts from Members & Stakeholders		12,133,444	8,531,856
Interest and Dividends Received		88,481	163,966
Receipt of Rural Trust Distribution		-	193,635
RWT Refund		62,923	-
Total Cash was Provided from:		**12,284,848**	**8,889,457**
Cash was Applied to:			
Payments to Suppliers & Employees		(8,586,004)	(9,759,960)
RWT Paid		-	(12,841)
Total Cash was Applied to:		**(8,586,004)**	**(9,772,800)**
Total Cashflow from/(applied to) Operating Activities		**3,698,844**	**(883,343)**
Cashflow from Investing Activities			
Cash was Provided from:			
Sale of Short-term Investment		500,000	-
Sale of Property, Plant & Equipment		-	1,584
Total Cash was Provided from:		**500,000**	**1,584**
Cash was Applied to:			
Purchase of Short-term Investment		(1,004,882)	-
Purchase of Property, Plant & Equipment		(45,668)	(89,113)
Total Cash was Applied to:		**(1,050,550)**	**(89,113)**
Total Cashflow applied to Investing Activities		**(550,550)**	**(87,529)**
Net Increase/(Decrease) in Cash and Cash Equivalents		3,148,294	(970,872)
Cash and Cash Equivalents at beginning of year		4,486,496	5,457,368
Cash and Cash Equivalents			
Bank and Cash		7,634,789	4,486,496
Total Cash and Cash Equivalents		**7,634,789**	**4,486,496**

These statements should be read in conjunction with the notes to and forming part of the financial statements.

Notes to the Consolidated Financial Statements

New Zealand Local Government Association Incorporated
For the year ended 31 March 2026

1. Reporting Entity

New Zealand Local Government Association Incorporated (trading as Local Government New Zealand (LGNZ)) is an incorporated society registered under the Incorporated Societies Act 2022, re-registered as of 2 October 2025.

The Consolidated Financial Statements of Local Government New Zealand includes EquiP Limited Partnership ("the Group"). Local Government New Zealand and EquiP GP Limited were the partners of EquiP Limited Partnership. EquiP GP Limited was owned 100% by Local Government New Zealand. The Partners of EquiP Limited Partnership resolved to wind up the Partnership on 10 February 2025 and it was also resolved on 10 February 2025 to wind up EquiP GP Limited. Assets of EquiP Limited Partnership were transferred to Local Government New Zealand on 26 February 2025. There was minimal impact to the Consolidated Financial Statements of these transactions as EquiP Limited Partnership contracts were transferred to Local Government New Zealand Association Incorporated prior to the transfer of assets and liabilities.

EquiP Limited Partnership was officially deregistered on 10 July 2025, and EquiP GP Limited was officially deregistered on 27 June 2025. Therefore, only the figures for the year ended 31 March 2025 in these financial statements were consolidated, those for the 2026 year are not.

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

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

2. Statement of Compliance

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

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

3. Summary of Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements as set out below have been applied consistently to both years presented in these consolidated financial statements.

3.1 Basis of Preparation

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

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

3.2 Functional and Presentation Currency

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

3.3 Basis of Consolidation

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

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

3.4 Revenue

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

Revenue from exchange transactions

Subscription Income

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

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

Government contract revenue

The DIA Reform Funding is an agreement between LGNZ and the Department of Internal Affairs to enable LGNZ to support the Local Government Sector with the volume of reform the government was proposing.

Revenue is recognised in the period the services are provided.

Event revenue

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

Interest revenue

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

Consulting revenue

Revenue from consulting services is recognised in the period that the services are provided.

Other Revenue

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

3.5 Financial Instruments

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

Financial Liabilities

The Group's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, loans and borrowings.

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

3.6 Cash and Cash Equivalents

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

3.7 Short Term Investments

Short term investments comprise term deposits which have a term of greater than three months but less than 12 months and therefore do not fall into the category of cash and cash equivalents.

3.8 Property, Plant, Equipment and Depreciation

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

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

Computer Hardware	50% - 67%	Diminishing Value
Furniture and Fittings	10% - 40%	Diminishing Value
Leasehold Improvement	20%	Diminishing Value

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

3.9 Intangible Assets

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

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

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

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

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

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

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

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

- Website 50%
- Computer Software 50%
- Governance Workshop 33%
- Streetlighting Profiles 13%

3.10 Leases

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

3.11 Borrowing costs

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

3.12 Employee Benefits

Wages, salaries, annual leave

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

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

3.13 Income Tax

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

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

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

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

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

3.14 Goods and Services Tax (GST)

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

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

3.15 Equity

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

Accumulated comprehensive revenue and expense

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

Emerging Issues Reserve

The National Council has approved creating a reserve for strategic matters. The reserve was initially $500,000. The balance is currently $370,605 (2025: $370,605).

Counties Fund Reserve

The Local Government Rural Trust distributed $193,635 to LGNZ in 2025 for the purposes of educational and other purposes focused on local government and improving leadership, services and living standards in connection with rural communities in New Zealand. The funds are accounted for separately and are not available for any other purpose. As of 31 March 2026, the balance of the reserve is $192,215 (2025: $193,635).

Other Reserves

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

Funding expected March 2027 deficits for LGNZ - $21,408 (2025: March 2026 deficits: $519,576).

Operational / Potential Organisational ceasing- $896,571 (2025: $720,694).

3.16 Operating lease commitments

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

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

4. Significant Accounting Judgements, Estimates and Assumptions

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

Income Tax Expense

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

Estimates and assumptions

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

Useful lives and residual values

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

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

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

5. Income in Advance

	2026	2025
Contract Funds Income in Advance		
Ratepayer Assistance Scheme Income in Advance	1,440,494	70,357
Te Korowai Income in Advance	-	17,500
Total Contract Funds Income in Advance	**1,440,494**	**87,857**
Event Funds Income in Advance		
Annual Conference Income in Advance	202,000	64,750
Te Maruata Whanui Hui Income in Advance	-	17,910
Total Event Funds Income in Advance	**202,000**	**82,660**
Total Income in Advance	**1,642,494**	**170,517**

Ratepayer Assistance Scheme is currently funded by eight councils and Energy Efficiency and Conservation Authority (EECA) by way of grant, any funds remaining after further development expenses is recorded as income in advance. See note 9 for further detail on the Ratepayer Assistance Scheme.

Te Korowai income in advance was a deposit received in the 2025 financial year for a Te Korowai programme assessment, which occurred starting in the 2026 financial year. See note 7 for further detail on the Te Korowai Programme.

Annual Conference income in advance is sponsorship funding received for LGNZ's 2026 annual conference which will be held in the 2027 financial year. See note 6 for further detail on the annual conference.

Te Maruata Whanui Hui income in advance was income received for the Hui which occured in April 2025.

6. Annual Conference

	2026	2025
Annual Conference Revenue	1,271,819	1,282,754
Annual Conference Expenditure	(782,261)	(878,091)
Staff Remuneration and Overheads	(286,436)	(258,893)
Net Annual Conference Profit	**203,122**	**145,770**

The figures shown are for the 2025 Conference held in July 2025.

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

The 2026 Conference is scheduled to be held on 14 - 15 October 2026 and final income and expenditure will be recorded in the financial statements dated 31 March 2027. Income and expenses as at 31 March 2026 relating to this conference are recorded as income in advance and prepayments on the Consolidated Statement of Financial Position.

7. Te Korowai Programme

	2026	2025
Te Korowai Assessment Income		
Te Korowai Assessment Income	110,000	60,000
Total Te Korowai Assessment Income	**110,000**	**60,000**
Te Korowai Expenditure		
Te Korowai Assessment Fees	(75,133)	(41,363)
Total Te Korowai Expenditure	**(75,133)**	**(41,363)**
Te Korowai LGNZ Contribution		
Te Korowai Board Expenses	(68,500)	(56,500)
Te Korowai Development Costs	(1,033)	(17,927)
Te Korowai Travel Expenses	(7,665)	(16,882)
Te Korowai Marketing	(5,207)	(8,663)
Total Te Korowai LGNZ Contribution	**(82,405)**	**(99,972)**
Total Te Korowai Programme	**(47,538)**	**(81,334)**

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

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

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

8. DIA Reform Funding

There was $Nil funding received in the 2026 year for DIA Reform work (2025: $312,500).

Expenditure relating to the funding is summarised in the table below:

LGNZ Financial Year	**2026**	**2025**
DIA Contract Period	**N/A**	**Jan 24 - Jun 24**
Actual LGNZ Financial Reporting Period	**N/A**	**Apr 24 - Sep 24**
DIA Reform Funding	$0	$312,500
DIA Reform Expenditure	$0	$11,265
Related Staff Remuneration	$0	$301,235

9. Ratepayer Assistance Scheme

The Ratepayer Assistance Scheme (Formerly Ratepayer Financing Scheme) income is a funding tool that supports affordability of local authority charges by providing ratepayers with very attractive financing terms while keeping councils whole as it is off balance sheet.

The revenue for Stage Three of the development phase, which was funded by two councils in the 2024 year, was recognised in full in the 2026 financial year as that stage of the project was completed. Costs incurred totalled $70,357 (2025: $67,141).

As we continue to advocate for the establishment of the scheme, Stage Four of the development phase began during the year and has been funded by eight councils and EECA by way of a grant. Stage Four involves a full comprehensive business case, including operational and legal design, and assessment of public benefit. As with the previous stages of the project, the revenue is recognized as costs are incurred. The costs in the 2026 financial year amounted to $1,909,506 with the balance of the Stage Four funding showing on the Consolidated Statement of Financial Position as Income in Advance of $1,440,494 (2025: $70,357).

10. Sector Engagement Projects

Sector Engagement Projects are special purpose projects involving focused engagement with the sector and public for the benefit of the sector. In the 2026 year, projects included:

- Local Government/Central Government Relations (Rates Capping);
- Te Ao Maori;
- Waitangi attendance and engagement with stakeholders, political representatives and Iwi; and
- Election Support.

In the 2026 financial year, total costs of $103,995 (2025: $219,394) were incurred relating to the Sector Engagement Projects.

11. Libraries Partnership Programme

The Libraries Partnership Programme (NZLPP) was funded by the DIA and the contract ended in the 2025 financial year. Costs incurred in 2026 were $Nil (2025: $47,136).

12. EquiP Limited Partnership

EquiP LP was a Limited Partnership and separate legal entity wholly owned by Local Government New Zealand. Its purpose was to deliver tailored services, best practice guidance, business solutions, government and management support to strengthen the local government sector. In preparation for the winding down of Equip services on 10 February 2025, contracts were transferred to LGNZ in August 2024. EquiP LP was officially deregistered on 10 July 2025.

EquiP Limited Partnership Income

	2026	2025
Consultancy Services Income	-	1,365,657
Interest Received	-	2,813
Total EquiP Limited Partnership Income	**-**	**1,368,470**

EquiP Limited Partnership Operating Expenses

	2026	2025
Accountancy Fees	-	14,746
Audit Fees	-	10,411
Consultancy Services Costs	-	1,021,590
Other Operating Expenses	-	2,120
Total EquiP Limited Partnership Operating Expenses	**-**	**1,048,867**

13. Other Expenses

	2026	2025
Depreciation/Amortisation	123,667	178,068
The Aotearoa Circle	10,000	10,000
Total Other Expenses	**133,667**	**188,068**

14. Cash and Cash Equivalents

	2026	2025
Cash and Cash Equivalents		
Bank	5,283,058	3,394,205
Monies held for Mayors Taskforce For Jobs	2,351,731	1,092,291
Total Cash and Cash Equivalents	**7,634,789**	**4,486,496**

15. Short-term Investments

	2026	2025
Accrued Interest	5,350	-
Term Deposits	504,882	-
Total Short-term Investments	**510,232**	**-**

The term deposit earns interest at a fixed rate of 3.25% p.a. and is set to mature on 2 April 2026.

16. Receivables from Exchange Transactions

	2026	2025
Annual Conference Debtors	55,200	54,331
Sundry Debtors	213,719	408,048
Total Receivables from Exchange Transactions	**268,919**	**462,379**

17. Investments

	2026	2025
Paintings/Artwork	1,475	1,475
Total Investments	**1,475**	**1,475**

18. Intangibles

	2026	2025
Computer Software		
Computer Software at Cost	504,314	504,314
Less Accumulated Amortisation	(433,908)	(363,503)
Total Computer Software	**70,406**	**140,811**
Other Intangible Assets		
Other Intangible Assets at Costs	30,604	30,604
Less Accumulated Amortisation	(13,304)	(11,154)
Total Other Intangible Assets	**17,300**	**19,450**
Total Intangibles	**87,706**	**160,261**

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

	2026	2025
Intangibles Reconciliation		
Computer Software		
Opening Balance	140,811	246,980
Additions	-	18,091
Disposals	-	(22)
LGNZ Amortisation	(70,405)	(124,227)
Equip Amortisation	-	(10)
Total Computer Software	**70,406**	**140,811**
Other Intangible Assets		
Opening	19,450	40,195
Additions	-	16,046
Disposals	-	(30,517)
LGNZ Amortisation	(2,150)	(2,168)
Equip Amortisation	-	(4,106)
Total Other Intangible Assets	**17,300**	**19,450**
Total Intangibles	**87,706**	**160,261**

19. Property, Plant and Equipment

	2026	2025
Furniture & Fittings		
Furniture & Fittings at Cost	279,414	296,228
Less Accumulated Depreciation	(186,927)	(182,316)
Total Furniture & Fittings	**92,487**	**113,913**

Leasehold Improvements		
Leasehold Improvements at Cost	12,510	-
Less Accumulated Depreciation	(209)	-
Total Leasehold Improvements	**12,301**	**-**
Total Property, Plant and Equipment	**104,789**	**113,913**

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

	2026	2025
Property, Plant and Equipment Reconciliation		
Furniture and fittings		
Opening Balance	113,913	122,526
Additions	33,157	96,837
Disposals	(3,680)	(57,892)
Depreciation	(50,903)	(47,558)
Total Furniture and fittings	**92,487**	**113,913**
Leasehold Improvements		
Opening Balance	-	-
Additions	12,510	-
LGNZ Depreciation	(209)	-
Total Leasehold Improvements	**12,301**	**-**
Total Property, plant and equipment	**104,789**	**113,913**

20. Mayors Taskforce For Jobs

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

For the purpose of these consolidated financial statements the monies held on behalf of MTFJ are recorded separately within cash and cash equivalents, see note 14, in the Consolidated Statement of Financial Position along with the corresponding liability.

MTFJ is grouped with LGNZ for GST purposes and LGNZ employs the Programme Manager and Programme Advisor, on behalf of MTFJ.

In June 2025 LGNZ, on behalf of MTFJ, signed another contract to continue the successful partnership between MTFJ and the Ministry of Social Development, providing funding to rural and provincial councils to assist them in the creation of sustainable employment placements for youth in their respective communities. The programme was initiated originally as part of central government's Covid response and has continued in recent years. The current contract runs until 30 June 2026.

MTFJ activity is overseen and governed by the MTF J Governance Group and Chairperson.

21. Leases

At the reporting date, Local Government New Zealand Association Incorporated has entered into the following non-cancellable operating lease, for the premises at, 8, 175 Victoria Street Wellington.

	2026	2025
Leases		
No later than one year	134,760	134,760
Later than one year and no later than five years	404,280	404,280
Later than five years	56,150	190,910
Total Leases	**595,190**	**729,950**

22. Related Parties

EquiP Limited Partnership

The partners resolved to wind up the Partnership on 10 February 2025 and transferred all Partnership funds to LGNZ. Local Government New Zealand Association Incorporated is the Initial Limited Partner of EquiP Limited Partnership. EquiP LP was officially deregistered on 10 July 2025.

There is net $Nil outstanding to/(from) EquiP Limited Partnership at balance date and up until date of deregistration (2025: $Nil).

EquiP GP Limited

EquiP GP Limited is the General Partner of EquiP Limited Partnership (who Local Government New Zealand Association Incorporated is the Limited Partner of). There were no transactions between the entities during the period ended 31 March 2026 (2025: Nil). EquiP GP Limited was officially deregistered on 27 June 2025.

There is net $Nil outstanding to/(from) EquiP GP Limited at balance date and up until date of deregistration (2025: $Nil).

The Mayors Taskforce for Jobs

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

Management Fees of $188,638 (2025: $208,000) were paid from MTFJ.

Local Government Rural Trust

The Local Government Rural Trust ("the Rural Trust") has a long standing relationship with LGNZ, with the Chief Executive of LGNZ being an ex-officio trustee since its establishment. During the 2025 financial year the Trustees resolved to wind up the Trust, and the sum of its cash assets of $193,635 was transferred to a special reserve in LGNZ. There were no additional transactions other than the cash transfer.

Key Management Personnel

Key management personnel are classified into three groups:

- Members of the Governing body (National Council)
- Members of the National Committees
- Senior leadership team members
  - Chief Executive
  - Director Advocacy & Strategic Partnerships
  - Director Commercial & Operations
  - Director Member Services
  - Director Policy

The aggregate remuneration of senior leadership team members and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows. Due to a change in the senior leadership team in the 2026 financial year the total includes remuneration for an extra leadership team member from September 2025:

	2026	2025
Key Management Remuneration		
Total Remuneration	1,171,791	1,112,397
Number of full-time equivalents	5	4

Honoraria paid to members of the National Council and National Committees and the number of individuals are as follows:

	2026	2025
Honoraria		
Audit & Risk Committee Chair (National Committee) - 1 (2025: 1)	28,012	9,332
CBEC Chairs (National Committee) - 1 (2025: 2)	3,733	8,000
President (National Council) - 1 (2025: 1)	98,568	98,568
Te Maruata Chairs (National Committee) - 2 (2025: 2)	12,000	12,000
Vice President (National Council) - 1 (2025: 1)	29,570	29,570
YEM Chairs (National Committee) - 2 (2025: 2)	11,387	12,000
Total Honoraria	**183,270**	**169,470**

Due to the elections in October 2025 and the resulting change in office holders there were more recipients over the whole year than the numbers show, but at any one time these numbers represent the maximum number of entitled recipients for monthly honorarium payments.

There were some officer vacancies at these times during the year, due mainly to the timing of the committee chair elections after October 2025. This accounts for some of the variances between the totals between 2025 and 2026 year.

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

23. Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the Consolidated Statement of Financial Position relate to the following categories of assets and liabilities:

	2026	2025
Financial Assets measured at Amortised Cost		
Cash and Cash Equivalents	7,634,789	4,486,496
Receivables from Exchange Transactions	268,919	462,379
Short-term Investments	510,232	-
Total Financial Assets measured at Amortised Cost	**8,413,940**	**4,948,874**

	2026	2025
Financial Liabilities measured at Amortised Cost		
Payables from Exchange Transactions	1,059,564	791,395
Community Board Executive Committee Levy	80,709	75,557
Mayors Taskforce for Jobs (MTFJ)	2,351,731	1,092,291
Provision for Annual Leave	158,446	160,374
Total Financial Liabilities measured at Amortised Cost	**3,650,449**	**2,119,617**

24. Income Tax Expense

	2026	2025
Components of tax expense		
Adjustments to current tax in prior years	-	-
Tax expense	**-**	**-**
Relationship between tax expense and accounting surplus		
Surplus before tax	262,764	4,986
Tax at 28%	**73,574**	**1,396**
Plus / (less) tax effect of:		
Non-deductible expenditure	710,514	1,215,826
Non-taxable revenue	(1,277,527)	(1,440,260)
Deferred tax not recorded	493,440	223,039
Tax expense	**-**	**-**
Deferred tax assets / (liabilities)	**-**	**-**
Opening balance	-	-
Charged to surplus or deficit	-	-
Closing balance	**-**	**-**

Income Tax Receivable on the Consolidated Statement of Financial Position refers to Resident Withholding Tax receivable at balance date. Local Government New Zealand has tax losses available to offset against future taxable income of $13,678,952 (2025: $ 11,916,668). Tax losses are subject to Inland Revenue confirmation.

No deferred tax asset has been recognised for an amount of $3,830,107 (2025: $3,336,667) due to uncertainty that Local Government New Zealand will report taxable profits in the future to offset against accumulated tax losses.

25. Audit Fees Paid to Deloitte Limited

	2026	2025
Audit of the financial statements	46,231	44,743
Total Audit Fees Paid to Deloitte Limited	**46,231**	**44,743**

26. Capital Commitments

There are no capital commitments at the reporting date (2025: $nil).

27. Contingent Assets and Liabilities

There are no contingent assets or liabilities at the reporting date (2025: $nil).

28. Events after the Reporting Date

There were no events that have occurred after the balance date that would have a material impact on the Consolidated financial statements (Last year- nil).

Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NEW ZEALAND LOCAL GOVERNMENT ASSOCIATION INCORPORATED'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

Opinion

We have audited the consolidated financial statements of the Association on pages 4 to 24, that comprise the consolidated statement of financial position as at 31 March 2026, the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year ended on that date and notes to the consolidated financial statements that include accounting policies and other explanatory information.

In our opinion, the consolidated financial statements of the Association:

- present fairly, in all material respects:
  - its financial position as at 31 March 2026; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards (Reduced Disclosure Regime).

Our audit was completed on 22 June 2026. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the National Council for the consolidated financial statements

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

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

The National Council's responsibilities arise from the Incorporated Societies Act 2022.

Responsibilities of the auditor for the audit of the consolidated financial statements

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

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

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

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

- We identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Council.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the National Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The National Council is responsible for the other information. The other information comprises the information included on page 3, but does not include the consolidated financial statements, and our auditor's report thereon.

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

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

Independence

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

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

Pam Thompson

Pam Thompson
for Deloitte Limited
on behalf of the Auditor-General
Wellington, New Zealand

National Council >

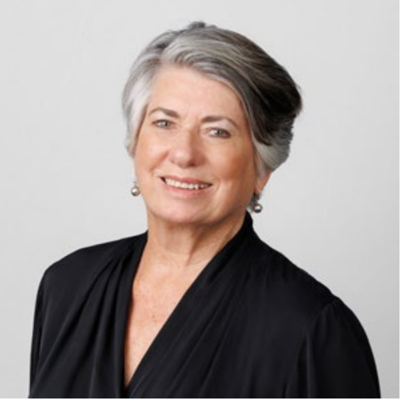
Mayor Rehette Stoltz
LGNZ President and Regional sector representative

Mayor Dan Gordon
LGNZ Vice President and Zone 5 representative

Mayor Ken Couper
Zone 1 representative

Mayor Toby Adams
Zone 2 representative

Mayor Craig Little
Zone 3 representative



Mayor Fran Wilde
Zone 4 representative

Mayor Tamah Alley
Zone 6 representative

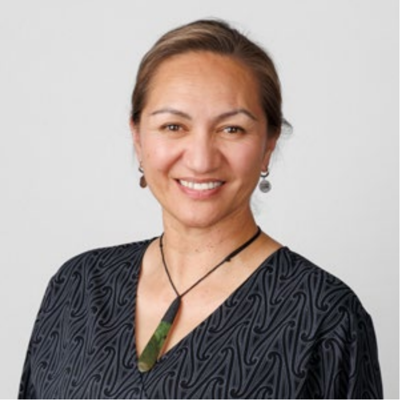
Mayor Grant Smith
Metro sector representative

Mayor Mahé Drysdale
Metro sector representative

Mayor Sophie Barker
Metro sector representative

Deputy Chair Bonita Bigham
Regional sector representative

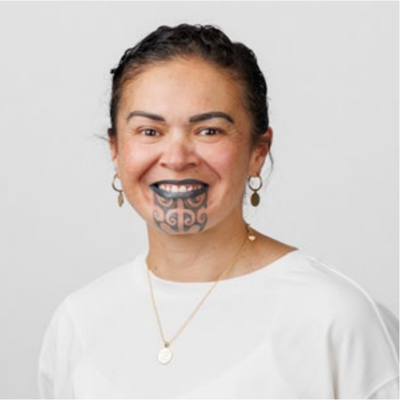
Chair Deon Swiggs
Regional sector representative



Mayor Faylene Tunui
Rural sector representative

Mayor Tania Tapsell
Provincial sector representative

Councillor Dinnie Moeahu
Te Maruata Co-Chair



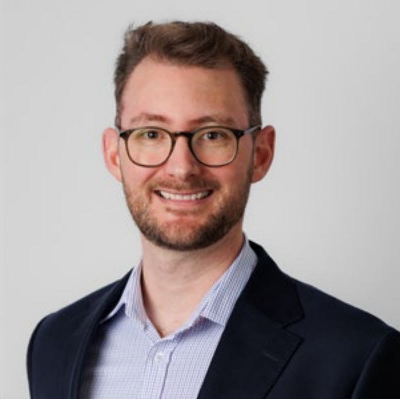
Deputy Mayor Aubrey Ria
Te Maruata Co-Chair

Councillor Alex Crackett
Young Elected Member Chair

Leadership Team >

Scott Necklen
Chief Executive

Amanda Wells
Director Member Services



Simon Randall
Director Policy

Ranjani Ponnuchetty
Director Partnerships and Advocacy

Mark McKeag
Director Commercial and Operations

Ko Tātou
LGNZ.