

Annual Report

For the year ended 30 June 2020

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About SOLGM

The NZ Society of Local Government Managers (SOLGM) is the national membership organisation for local government professionals. Our role is to promote and support professional management in local government. We do that through a range of services based on the criterion that each service must assist the sector to achieve successful outcomes for councils and their communities. Consequently, although we are a membership organisation, many of our services are not restricted to just our individual members but are available to everyone employed in the sector.

SOLGM would like to thank everyone from councils around New Zealand, who has contributed their time to our work programme this financial year.

Our Business Partners and Sponsors

We would like to thank the public and private sector organisations which financially support us for the extremely valuable contribution they make to our ability to provide services to our members and the wider sector. We would like to acknowledge and thank our Principal Business Partners for their continued support. These organisations are key players in local government and their financial support shows their ongoing commitment to helping the sector to advance its goals for New Zealand communities.

We would also like to thank our event sponsors who help us deliver events designed for the sector at the lowest possible price to local government professionals.



SOLGM — A Year in Review

871

SOLGM
MEMBERS

1,428

ROLES ADVERTISED
ON LGJOBS

494

SUBSCRIBED TO THE
COVID-19 DISCUSSION
GROUP

468

SEATS - HOW LOCAL
GOVERNMENT WORKS
E-LEARNING PROGRAMME

13

SUBMISSIONS ON
LEGISLATION

78

ATTENDEES -
ACCELERATED LEADERS
PROGRAMME

HR MGRS

MOST ACTIVE
DISCUSSION GROUP

34

COUNCILS USING
COMMUNITY WELL-BEING
DATA SERVICE

45

ENTRIES TO THE MCGREY
WINDER EXCELLENCE AWARDS
(a record number of entries)

President's Report

It has been a challenging year for SOLGM and for the wider sector, but we have achieved some amazing things, both in response to the COVID-19 pandemic, and as we move through the recovery phase.

Our advocacy and advisory work continues to be our most sought-after area of expertise and throughout the year we were called upon to make submissions and to provide expert advice in a number of areas.

On the policy side we have continued to provide input on local government policy. As with the previous year the flagship submission has been our response to the Productivity Commission. We also made submissions on thirteen pieces of

The 2019 Annual Summit held in Napier on 26–27 September was attended by almost 300 delegates. The theme '*If it takes a village*' focused on exploring the 'village' through the lens of our four well-beings, measuring and supporting not just economic activity, but quality of life, the things that people care about and what they want to achieve. There was a strong bicultural element, and I would like to thank the Napier City team for welcoming us with such warmth and passion.

Our Community Well-being Data Service is fully operational and 34 councils have utilised the data dashboards in their strategic planning to support well-being outcomes in their communities. The data warehouse contains 70 indicators and 234 measures across four aspects of well-being – social, economic, environmental, and cultural – and one demographics category.

Earlier this year we launched a report to support local government chief executives and managers in their statutory responsibility to promote the well-being of their communities in the present and for the future. The report, *Navigating Critical Transitions for the 21st Century*, outlines five transitions that the sector needs to steer their communities through over the next decades, and a framework to structure thinking on how each transition can be made.

We have played a critical role in supporting and guiding the local government sector through the COVID-19 pandemic. The establishment of the COVID-19 Local Government Response Unit supported councils to provide their essential services during the crisis response phase while dealing with the legislative and regulatory requirements. This Unit was established in partnership with the Department of Internal Affairs (DIA), Local Government New Zealand (LGNZ) and the National Emergency Management Agency (NEMA). It was a highly successful partnership and allowed for a cohesive approach between local and central government.



legislation including the COVID-19 Response Amendment Bill, the Resource Management Amendment Bill, Infrastructure Funding and Financing Bill and the Local Government (Rating of Whenua Māori) Amendment Bill.



The 2020 Gala Dinner, due to go ahead on 30 April in Wellington, was cancelled due to the COVID-19 restrictions. While we did not have a glitzy Gala Dinner to attend, we still celebrated the winners of our 2020 Excellence Awards and the recipients of Exchanges and Scholarships through an online awards ceremony, where we announced the winners and recipients through our social media channels and website. Thank you to our sponsors and the SOLGM team for making this a fun and exciting announcement, despite the adversity.

As the focus transitions to recovery efforts, there are evolving challenges facing the sector in the immediate and longer-term. The Unit will continue to offer guidance and support to the sector as we traverse these times. With much uncertainty in the economy, including uncertainty around the ability of ratepayers in our communities to pay their rates, there will be implications for our sector in terms of the services we can offer and the services our communities expect from councils.

As I write this, a joint Three Waters Steering Committee has been established to provide guidance and oversight to support progress towards water reform, and to assist with stakeholder engagement on options and proposals. The Steering Committee, at which SOLGM has a seat, will ensure that all perspectives and interests are considered.

The SOLGM Executive has had some changes. We reluctantly accepted a resignation from Sue Bidrose, Vice President and Chief Executive at Dunedin City Council and ICMA Vice President as she takes up the role of Chief Executive at AgResearch in Christchurch. Sue has made a huge contribution to SOLGM, and to the sector, and we miss her on the Executive. We also farewelled Steve Fabish, Midland Branch Representative and Group Manager – Community Services at Hauraki

District Council; Barbara McKerrow, Wellington area Branch Representative and Chief Executive of Wellington City Council and Sarah Gardner, 45 South Branch Representative and Chief Executive at Otago Regional Council. I want to thank all members of the Executive Board for their contribution to SOLGM this year.

Finally, I want to thank all of you who made an active contribution to SOLGM this year including those involved in Branch committees, working parties, making submissions, and contributing to or speaking at events. It's been a year of two halves, and we will continue to be challenged for a while to come. Thank you to Karen and the SOLGM team for their excellent work to support the sector.

Well done on what has been a challenging year.

Phil Wilson
SOLGM President

You can read more about our financial performance on page 36.

Sector Improvement

This section details the work undertaken by our Sector Improvement team during the 2019/20 year in review. The majority of this work was funded by our annual Sector Good Levy. We would like to thank all 78 councils for once again contributing to this work.

Following changes to the Local Government Act and the re-introduction of the four well-beings, the Sector Improvement team established a programme of work to launch a 'Community Well-being Service'.

This Service comprised a data warehouse which houses a range of well-being indicators, including a dashboard production facility. The Service was introduced to the sector in April 2019 and was launched in August 2019.

The Service also provides a toolkit and guidance, and a range of training and e-learning modules, to support councils to develop their approach to fulfilling their new purpose using the four well-beings.

There has been significant interest in the Community Well-being data warehouse with 34 councils, including regional councils and ATEED, signing up to the service.

The cohorts have a maximum of 12 people each to ensure there is a high level of one on one training in the use of Tableau Dashboards.

Good Practice

This year we have worked on several projects to develop guidance and support on:

- Legal Compliance
- Long-Term Planning
- Financial Planning
- Mandatory Registers
- Electoral COP
- Electoral Officer Guidance
- COVID-19

We also developed guidance for our SectorGoodToolkit on rates rebates, rates billing and alcohol regulation guidance (including the addition of alcohol case law).

We have been actively involved with the Government Regulatory Practice Initiative (G-REG). This initiative is a public sector collaboration involving public service ministries, Crown entities and local government in partnership with The Skills Organisation. It aims to improve the capability of individual regulators, regulatory organisations and the regulatory community as a whole.

In the past year, local government participation in the G-REG programme has involved 22 councils (and 297 people) participating in Level 3 Core Knowledge, 16 councils (185 people) participating in Level 4 Operational Knowledge, and 11 participants in Level 4 Operational Practice.

There were 12 council G-REG assessors for levels 4 and 5 as at June 2020.

The ongoing maintenance and renewal of the legal compliance programme has continued with the updating of five modules and the delivery of the Mandatory Register. This work has been supported by the members of the Regulatory Reference Group.

As the year ended, nine out of a projected 12 guides were legally reviewed and completed, with the remaining three in draft form awaiting legal review.

We completed a review of the existing set of four long-term plan (LTP) guides, the introductory webinar series, and contents for the triennial LTP roadshows. We added a fifth guide on LTP process management (more on this in the report from the Planning Working Party). We have three smaller practice notes in the works as the year ends (all completed in July 2020).

Policy Development and Legislation

This is the year when SOLGM's advocacy and policy development functions moved beyond the troika of local government legislation (the Local Government Act, the Rating Act and the Local Electoral Act) that have traditionally been our focus.

As with the previous year the flagship product has been the SOLGM response to the Productivity Commission. Our response to the draft report focussed on the more *outré* of the topics covered such as the vacant land tax, various comments about budgeting and so on, as well as a few hardy annuals (such as the need to reform the LTP and performance reporting).

The Government response to the report has, understandably, stalled while the Department of Internal Affairs (DIA) worked on

post-COVID-19 response issues. The sector will need to revisit this as part of its briefing to the incoming Minister.

Electoral reform has been a second core theme of the year. We responded to the Justice Committee's Inquiry into the 2019 elections. Much of our latest submission responded to the recommendations the Committee made in its report on the 2016 elections. We were pleased to support almost all of them – many having originated within the sector. We have also continued to work with DIA and other interested parties on the technical and procedural recommendations. There is much that can be done without changing the law.

And the third has been well-being and infusing it into 'hearts and minds' through our participation in the local governance and community well-being project, and our work on the various pieces of public sector legislation.

During the year we submitted on the following legislation:

- **Kainga Ora Homes and Communities Bill** – the Bill establishing Kainga Ora as the urban development authority (submission prepared in the previous year but lodged in July 2019)
- **Infrastructure Commission Bill** – the Bill establishing the New Zealand Infrastructure Commission and requiring it to prepare the 'pipeline' of infrastructure projects (submission prepared in the previous year but lodged in July 2019)
- **Zero Carbon Bill** – the Bill establishing the Independent Climate Change Commission
- **Public Finance (Wellbeing) Amendment Bill** – a Bill that amends the Public Finance Act to require The Treasury to identify and report against well-being indicators
- **Public Service Legislation Bill** – a Bill strengthening the accountability of the State Services Commissioner, creating new forms of public sector organisations, and reforming state sector law. Our main point on this Bill was the need for some joining up of central and local government on workforce issues
- **Resource Management Amendment Bill** – a Bill that reforms the freshwater management process (again) and undoes many of the amendments made in 2017 (the restoration of financial contributions not least)
- **Urban Development Bill** – the Bill empowers Kainga Ora to create development projects and provides it with powers to crash through plans and policies in the development area
- **Taumata Arowai – the Water Services Regulator Bill** – establishes Taumata Arowai
- **Infrastructure Funding and Financing Bill** – sets the legal framework for special purpose vehicles, a form of private financing initiative for specified infrastructure
- **Local Government (Rating of Whenua Māori) Amendment Bill**
- **COVID-19 Response (Further Management Matters) Amendment Bill** – and prior to this there was the Civil Defence Emergency Management Bill that we did not submit on but did contribute content (such as the need to allow for remote attendance at council meetings)
- **COVID-19 Response (Fast Track Consenting) Amendment Bill** – establishes the so-called fast track consent process
- **Building Products and Methods (Modular Components and Other Matters) Amendment Bill.**

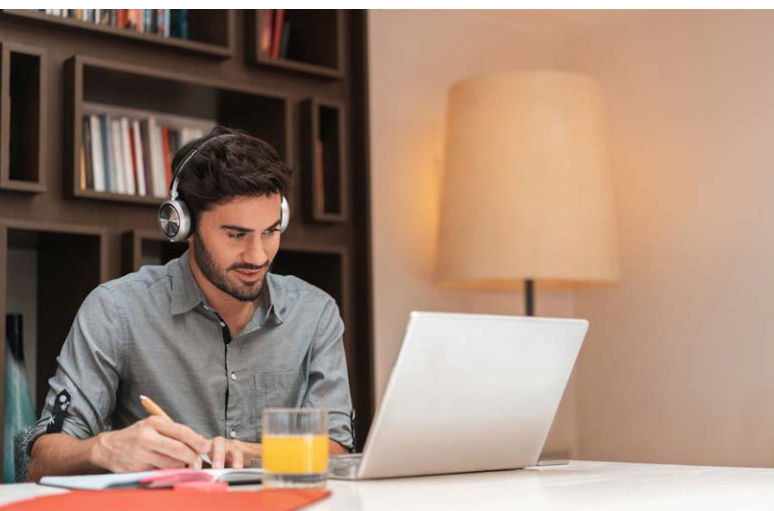
Requests for our advice and technical leadership continue to grow both from within and outside the sector.



Learning and Events

Learning and events have continued to be a cornerstone for us and our promotion and support of professional management in local government. Webinars, best practice forums and programmes, and online learning, have all been relevant and innovative.

During COVID-19 lockdown we delivered 13 training webinars to the sector, all of which related to service delivery.



The following webinars were delivered during the 2019/20 year:

Webinar	Council Registrations
Getting Ready for the Audit	20
The Funding Inquiry Report – The Journey Begins	55
The SOLGM/BERL Adjustors	28
LTP 101: An introduction to the 2021 Long Term Plan	60
Whatever Happened to the Local Government Amendment Bill (No 2)? The Fate of Better Local Government Services	27
Building Compliance Managerial Issues	14
Buyer Beware – Busting the Latest Procurement Myths	25

How to Win a SOLGM Award	36
Virtual Meetings: Managing engagement in a virtual environment	44
The 2020/21 Annual Plan and Rate Setting Post COVID-19	62
A New Beginning? The Rating of the Whenua Māori Amendment Bill	24
Mobilising Infrastructure Programmes in a Post COVID-19 Environment	22
The RMA Amendment Bill Report	33
Roading Essential Services	41 councils, 11 organisations
Mobilising Infrastructure Programmes with Rapid Procurement and Smart Processes	33
LGOIMA – Proactive release of information including publication of LGOIMA requests	35
Mobilising Infrastructure Programmes – Moving to Delivery – Making things happen	12
The Importance of Data – Planning for the Future	21
KPMG Procurement 2020 “Innovation and Smart Procurement”	42 councils, 9 organisations
Freshwater Reform Announcements	27
Achieving Regional Consistency: A framework and tools for working together in your region	31

Best Practice Forums

We delivered six best practice forums on a wide range of topics to varied audiences during the year (a lower number than previous years due to COVID-19 restrictions).

Forum	Attendees
Infocouncil – LG Hub Governance Professionals and Committee Advisors Forum	60
Community Plan Forum	117
Funding and Rating Forum	122
Communication and Engagement Forum	72

Funding and Financing Inquiry Forum	55
Civic Financial Services Strategic Finance Forum	92

These forums continue to be well attended, proving they are meeting the various learning needs of the sector.

Other Open Programmes

These training programmes were offered during the year.

Programme	Attendees
Persuasive Advisor Training for Senior Leaders	19
Queenstown LTP Roadshow – The Road to 2021	23
Christchurch LTP Roadshow – The Road to 2021	69
Auckland LTP Roadshow – The Road to 2021	56
Post-Election Workshop	77
Palmerston North LTP Roadshow – The Road to 2021	72
Project Management	6
Members only workshop: Goal Setting for our “New Normal” – Neuroscience of Goal Setting	7
Chief Executives only workshop: Goal Setting for our “New Normal” – Neuroscience of Goal Setting	6
Well-being Indicator Workshops	56 people (across 5 cohorts)

Online Learning

Our online learning platform has now been operational for two years. We now have a significant asset which allows us to offer blended learning to the sector that, over time, will become a sector repository of shared learning and of our own bespoke products. We continue to reinvest revenue into developing our online learning offerings.

The following e-learning content was developed and made available during the year:

- The **How Local Government Works Programme** has been very successful, with an additional 468 seats sold.
- **Rating KnowHow** was launched in 2019 and 36 seats were sold (186 since the launch).
- **Introduction to Well-being** launched in November 2019 and 54 seats were sold.
- **Managing Negative Social Media** was developed and will be on offer in the 2021 financial year.

We continue to be committed to building partnerships with councils in the online learning space and to become known as the ‘go to’ place for sector specific content. As the national membership organisation for local government professionals, we occupy the unique arena of being able to curate high quality information and knowledge and to disseminate it to the sector through various forms.

Central government has also become interested in the 'How Local Government Works' modules, with Audit New Zealand purchasing seats this year.



We have developed two 'Well-being' e-learning modules and are finalising module three. We are planning a series of mini modules which will enhance the topics within the SectorGoodToolkit for the next financial year.

Workforce Leadership

We deliver leadership and career development opportunities aimed at connecting people across local government. Our work also focuses on supporting the sector to attract and grow a diverse, adaptable workforce that is fit for now, and the future.

Workforce Leadership, Culture & Capacity

We have continued to focus on developing leading workplaces and developing workplace leaders over the past year.

We adjusted our work programme significantly in the wake of the pandemic, including providing support to the COVID-19 Local Government Response Unit. As councils focused on the COVID-19 pandemic response and, now, recovery planning for their communities, we continued to ensure our work supported chief executives, leaders and HR professionals through relevant and timely opportunities for learning and connecting.

We have continued to provide leadership development programmes throughout the year, albeit with a minor 'pause' during the pandemic. The speed at which we were able to work with our partners to reshape our core programmes meant that our Executive Leaders and our Accelerated Leadership participants were able to keep connecting and learning throughout this time. We appreciate the importance of enabling these programmes to continue, so that professional and personal development across the sector was supported at a time when prioritising it could be challenging.

The JLT Australasian Management Challenge was also affected by the pandemic. However, by working in conjunction with our Australian counterparts, we are delighted that the 2020 Challenge will be delivered virtually in July. This remains a significant opportunity for councils to develop teamwork, leadership, and decision-making skills across teams. The Challenge has been reshaped to ensure it provides development opportunities that are relevant in the post-COVID-19 environment, maximising virtual learning. We wish the participating councils good luck as they complete this development opportunity.

We continue to offer a range of professional development offerings aimed at connecting people across the sector. A new event this year was the Leading Community Well-being Forum which was attended by over 80 council leaders and staff. As part of our Community Well-being Service we brought together a range of New Zealand and international specialists and trainers to share knowledge, insights and practical learning opportunities. This blend of information sharing and practical skills development, as well as the opportunity for networking across the two-day forum, was well supported by the sector.

We are committed to ensuring our work programme supports the sector's leadership during these extraordinary times, providing value and benefit for themselves, their workplaces, and their communities.

Leadership Pathways

It was another successful year for our leadership programme offerings. Our elite offering for tier 2 managers, the Executive Leadership programme run in partnership with the Continuum Consulting group, continued to be a popular choice for local government senior leaders and aspiring chief executives. This year, 12 leaders explored and developed their own leadership styles in the cohort-based programme.

Our mid-tier offering, the Accelerated Leadership programme run by the Capability Group, had a total of 78 tier 3 and 4 leaders successfully completing the course in five regions around the country. This was a lower number than in previous years due to the disruption of the pandemic, however the opportunity for participants to learn and collaborate regionally continued to prove popular, with new cohort planning underway.

The popularity of our Overseas Manager Exchanges remained strong and we were delighted to add two new exchange



opportunities this year. Additionally, our Scholarship to the Melbourne Business School and the Emerging Leader of the Year Award proved popular, and the quality of applicants for all these opportunities was very strong this year. Although COVID-19 has delayed travel for our winners, we know they will relish the opportunity for personal development and connection with international counterparts in Australia, Canada, and the United States in the future.

Workforce Culture & Capacity

Our Workforce Working Party (WWP) welcomed a new Chair this year, Louise Miller, Chief Executive at Kaipara District Council. Under the stewardship of Louise and Deputy Chair Richard Bird, the group refocused the work programme to provide both strategic leadership as well as practical support and capacity building in sector workforce issues.

Sharing good practice and enabling HR professionals to connect and collaborate across the sector is at the forefront of the work which included delivering the People Leadership toolkit, the Staffshare initiative and the Whakaaro Pai connection sessions. These initiatives were developed to support the sector and were adapted to respond to the challenges of response to, and recovery from, the pandemic. Agile and flexible approaches to the work allowed fresh thinking to come through and created an innovative way of working for the Working Party, which will continue to drive the group into the new year.

As well as directly supporting workforce issues in the sector, other leadership and professional development events were offered this year. We acknowledge the support of our delivery partners to provide training that is professional and relevant to the local government sector.

The pandemic curtailed our planning for events to support

professional ethics and our HR professionals, as well as our annual PwC Chief Executive Forum and Senior Leaders Masterclass. We are working hard to ensure we deliver programmes, learning, and connection opportunities for these groups that acknowledge the challenges faced by councils in the post-COVID-19 environment. We look forward to welcoming leaders to virtual events and programmes in the new year.

Chief Executive Support

Supporting our chief executives is a key activity and in the latter half of the year our involvement in the COVID-19 Local Government Response Unit was fundamental to this support. Providing advice and information to chief executives and their teams on the key operational issues faced through the pandemic response was complemented with chief executive workshops and connection opportunities through the Workforce workstream.

We continued to provide advice on a range of 'business as usual' areas such as funding and rating, annual planning and LTP production. Regular updates on legislative changes and how these impact the sector is another ongoing focus. This work will continue to grow due to the significant changes on the horizon as a result of the pandemic and upcoming water reform.

Ultimately our job is to support local government chief executives in a range of ways to enable them to be as successful as possible in leading their staff and their communities. This is provided through professional development and collaboration opportunities, as well as legal opinions, advice and advocacy.

Recruitment and Retention

LGCareers is the brand under which SOLGM delivers its recruitment and retention initiative, which helps the sector to attract and retain quality talent. The work is funded by our annual Recruitment and Retention subscription, which is supported by 90% of New Zealand councils. Several of these councils choose to use LGCareers resources (banners, flyers and videos) in their recruitment efforts at events such as careers expos.

This year our plans to develop the Future Workforce Strategy, which is funded by the Recruitment and Retention subscription, were deferred as we focused on support through the pandemic in different ways. This included the release of our People Leadership toolkit, sharing examples of good practice and resources to help manage through the COVID-19 response phase, and articles and think pieces focused on strategic organisational development. The toolkit will continue to be updated to support leaders and HR professionals in the sector.

As we moved through the recovery and into the rebuild phase, our focus was on working to meet the needs of the sector in the post-COVID-19 environment. This included conducting workforce surveys with a specific focus on hard-to-fill roles and skill sets that the sector needs in the immediate and longer term. This information, and the insight it provides, will inform initiatives in the coming year that allow local government to attract, grow and potentially share people and skills across the sector. Advocating on behalf of the sector, and making connections with central government and other stakeholders, remains a focus for us. This includes tertiary training establishments (including participation in the Reform of Vocational Education review) and other professional groups that represent the key job groups in local government.



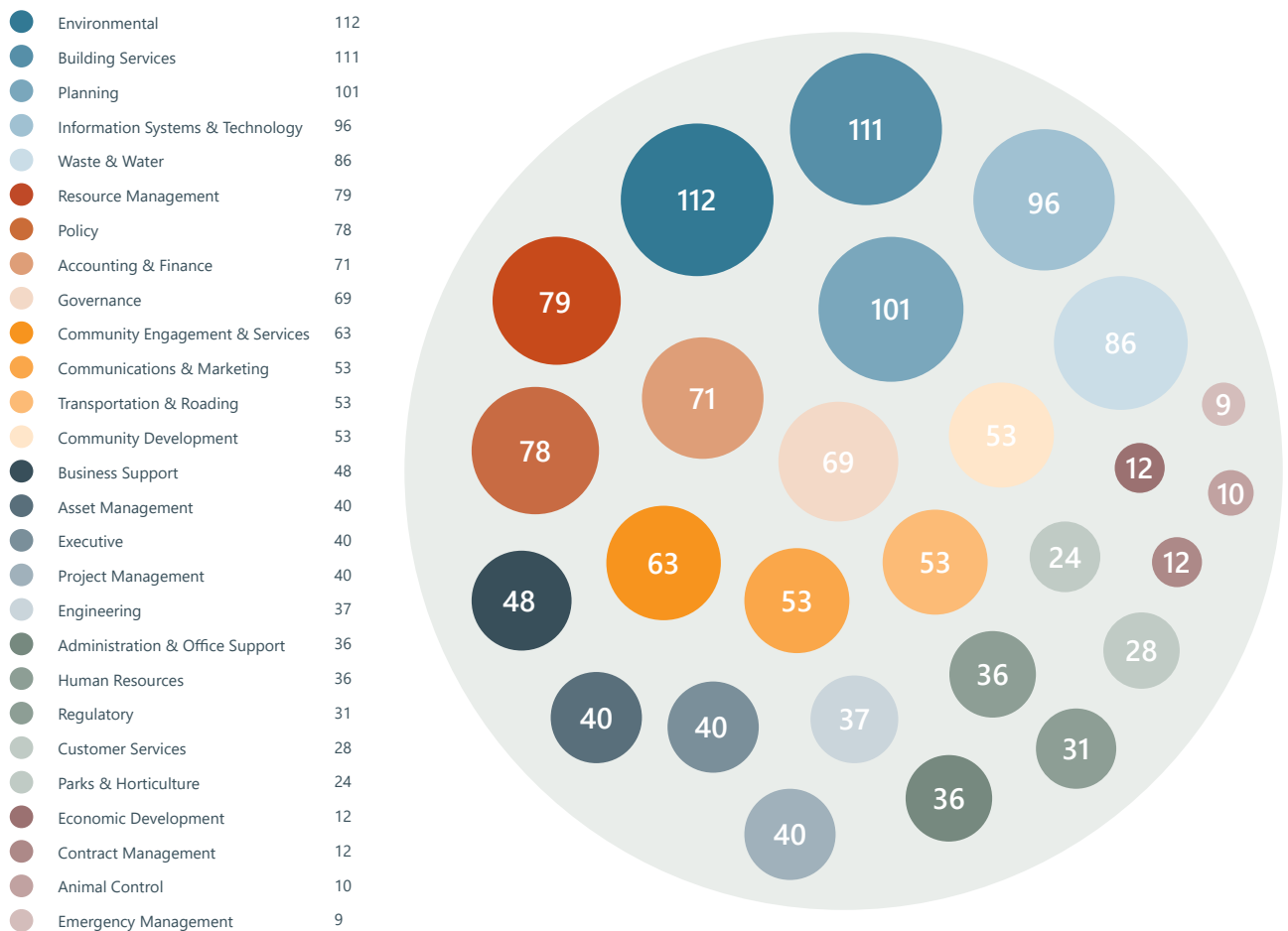
LGJobs

LGJobs is the only local government specific jobs board in New Zealand, so it is of particular value to councils looking to fill roles where potential applicants will already be working in the sector.

LGJobs provides a platform for self-managed advertising of any role based in a council or a council controlled organisation. LGJobs also seamlessly integrates with Trade Me.

This year all New Zealand councils advertised through LGJobs, posting 1,428 jobs – a decrease of 20%. Of these, 40% of the job listings had the Discussion Group add-on, which delivers the advertisement to targeted discussion groups and readers of SOLGM's weekly LG News Bulletin newsletter.

Number of Roles Advertised by Classification



Annual Gala Dinner and Summit

At the Dinner, six exceptional and innovative project winners were announced, in addition to a supreme award winner. Also announced were recipients of a leadership award, several overseas exchanges and a leadership scholarship.

Our Annual Summit was held in Napier in September. The theme was *'If it takes a village'*, focusing on the question: if it takes a village to raise a child, what does it take to raise a community? The village was explored through the lens of the four well-beings. We were warmly welcomed and cared for throughout by Ngāti Kahungunu who added a strong bicultural flavour to the event.

Keynote speakers included Dame Anne Salmond who discussed the idea of communities as living systems, public health specialist Lucy D'Aeth on the role of councils in disaster recovery, and Jo Miller on collaborative leadership. We were also joined by the Minister for Local Government, Nanaia Mahuta, who eloquently and constructively engaged with a group of young climate change protestors.

The Simpson Grierson Summit Dinner was themed around a casual vineyard picnic with a hat-tip to the 1930s.

Thank you to our 2019 Summit Sponsors:

- principal sponsor **Simpson Grierson**
- gold sponsors **PricewaterhouseCoopers, BERL, AskYourTeam** and **Diligent**
- silver sponsors **Civic Financial Services** and **Sheffield**
- bronze sponsors **JLT, LGHub** and **Datacom**
- dinner sponsor **Simpson Grierson**
- lunch sponsor **Hāpaitia te Oranga Tangata Safe and Effective Justice Programme**
- morning tea sponsor **Turley & Co**
- coffee cart sponsors **Heaney & Partners** and **GHD**
- name badge sponsor **Strategic Pay**
- pads & pens sponsor **Squiz**

Gala Dinner & The Marketplace

Our Gala Dinner & The Marketplace was due to take place in Wellington on 30 April but, like many events, it was cancelled as we locked-down. However, this small hitch didn't stop us celebrating, and on 8 May we released a series of videos on Facebook to announce the winners and recipients of the 2020 McGredy Winder SOLGM Local Government Excellence Awards®, the Brookfields Emerging Leader of the Year Award, our Overseas Manager Exchanges (sponsored by Civic Financial Services, AskYourTeam and Marsh), The Skills Organisation Melbourne Business School Leadership Scholarship, our SOLGM Distinguished Management Award, and the President's Award for Distinguished Contribution to SOLGM.

2020 McGredy Winder SOLGM Local Government Excellence Awards®

This year we received a new record of 45 entries across a diverse range of projects and across the full range of local authority services – from engagement on a major road project to a partnership to exterminate a noxious breed of fish.

The winner of the Supreme Award, selected from the six project categories, was Te Arawa Catfish Killas submitted by Bay of Plenty Regional Council. The project, an initiative with Bay of Plenty Regional Council and Te Arawa Lakes Trust, incorporated the matauranga and tikanga of Te Arawa to remove 80,000 catfish from Lake Rotorua and Rotoiti in three years.

The six project category winners were:

Te Puni Kōkiri Award for Bicultural Leadership

Bay of Plenty Regional Council and Te Arawa Lakes Trust, Te Arawa Catfish Killas



Bay of Plenty Regional Council and Te Arawa Lakes Trust, Te Arawa Catfish Killas



Summit 2019 - Napier



Kane McElrea, Biosecurity Manager – Partnerships & Strategy, Northland Regional Council.



Basil Chamberlain, Chief Executive, Taranaki Regional Council



Dunedin City Council, Ohinepouwera



Summit 2019 - Napier



Porirua City Council - At the Heart of Our City

The BERL Award for Collaborative Government Action

Bay of Plenty Regional Council, Kopeopeo Canal Remediation Project

The Minister for Local Government's Award for Innovation in Council/Community Relations

Rotorua Lakes Council, The 2019 Rotorua Child Equity Programme Pilot

Highly Commended: *Dunedin City Council, Ohinepouwera (Karitāne Sandspit Restoration)*

The Capability Group Award for Innovation in Organisation and People Development

Central Hawke's Bay District Council, Together We Thrive! E Ora Ngātahi Ana

The Tompkins Wake Award for Better Policy and Regulation

Porirua City Council, At the Heart of Our City: Strategic Framework for Children and Young People in Porirua

The Local Government Funding Agency Award for Transforming Service Delivery

Auckland Council, Request for Service

Brookfields Emerging Leader of the Year Award

This Award, sponsored by **Brookfields**, was presented to *Kane McElrea, Biosecurity Manager – Partnerships & Strategy, Northland Regional Council*.

2020 SOLGM Overseas Manager Exchanges

These Exchanges provide our members with the opportunity to focus on the development of their leadership career through a short exchange with a partner manager in another country. They are made possible through our long-time sponsors **Civic Financial Services** and **Marsh**, and a new sponsor this year, **AskYourTeam**.

The recipients were:

Civic Financial Services Overseas Manager Exchange to the United States

Kym Fell, Chief Executive, Whanganui District Council

Marsh Overseas Manager Exchange to British Columbia

Sarah Nichols, Governance Manager, Waimakariri District Council



Marsh Overseas Manager Exchange to Canada

Nicola Pinfold, Group Manager Community & Planning, Dunedin City Council

AskYourTeam Overseas Manager Exchange to New South Wales

Karel Boakes, Regulatory Manager, Manawatū District Council

AskYourTeam Overseas Manager Exchange to Queensland

Doug Tate, Group Manager Customer & Community Partnerships, Central Hawke's Bay District Council

AskYourTeam Overseas Manager Exchange to Australia

Martyn Cole, Water & Wastewater Asset Manager, Kāpiti Coast District Council

The 2020 Skills Organisation Melbourne Business School Leadership Development Programme

This leadership scholarship is part of SOLGM's LGLeadershipPathways initiative that provides an opportunity for a local government manager to develop their leadership skills. **The 2020 recipient is Sanchia Jacobs, Chief Executive, Central Otago District Council.**

SOLGM Distinguished Management Award

Basil Chamberlain, Chief Executive, Taranaki Regional Council

SOLGM President's Award for Distinguished Contribution to SOLGM

David Ward, Chief Executive, Selwyn District Council

Other SOLGM Services

Discussion Groups

This service provides email-based forums for easy communication between local government professionals working in specific industries around the country. All local government staff can subscribe at no cost via the SOLGM website –

solgm.org.nz/discussiongroups.

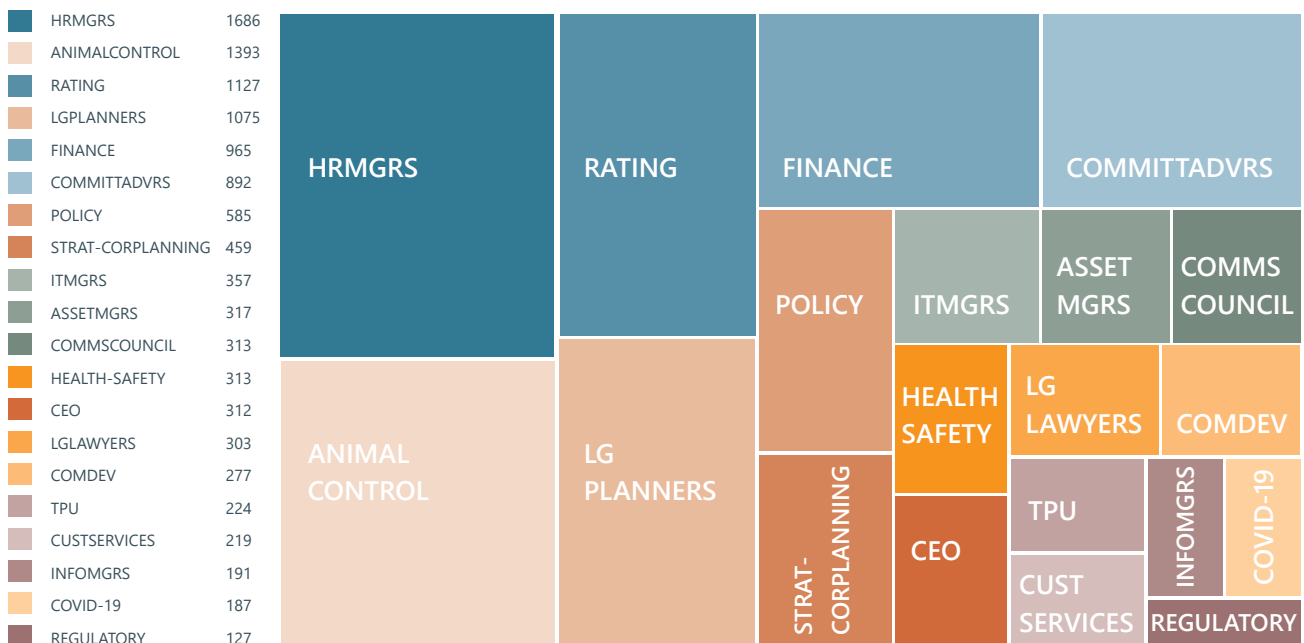
As at the end of the financial year, 100+ Discussion Groups were operating. The subscribers to these discussion groups, which cover roles and interest areas from animal control to policy, sent almost 14,000 messages during the year. The most active communication this year was the HR Managers group with 1,686 messages sent. Many local government staff subscribe to multiple groups, and the total number of subscriptions to Discussion Groups was 18,858 which is a similar level to the previous year.

LG News Bulletin

This service provides a curated list of current local government news in a weekly newsletter to more than 6,000 subscribers.

This newsletter features relevant and important news affecting the local government sector as well as upcoming events and programmes offered by SOLGM. It also provides a platform for councils to advertise current job vacancies. All subscribers to our Discussion Groups service automatically receive the bulletin.

20 Most Active Groups - Number of Posts





SOLGM Working Parties

The SOLGM working parties are formed from appointed experts to influence and support sector activities of national importance as well as contribute to our key work programmes.

Report from the Business Performance Working Party Chair – Jim Palmer, Chief Executive, Waimakariri District Council

There has been a very strong advocacy and policy development flavour to our work this year. The largest piece of advocacy lay in the development of SOLGM's submission to the Productivity Commission's draft report on local government funding and financing. We generally agreed with what the Commission had to say. However, we didn't support every recommendation, including the Commission's suggestion that every activity manager's budget be automatically adjusted for inflation. As a result of our representations (among others), the Commission made more of a shift between the draft and final report than is usually the case.

Additionally, we've had a hand in the development of submissions on seven pieces of legislation or other reviews on matters as diverse as the review of Fire and Emergency New Zealand (FENZ) funding and the Rates Rebate Amendment Bill.

Members of the Working Party contributed to the review of the LTP guidance which is covered in the Planning Working Party's report. Our contribution lay mostly in the redevelopment of the guidance on the financial and infrastructure strategies and (to a lesser extent) the review of the guide known as *Your Side of the Deal*.

We took our first tentative steps towards developing a set of business insight indicators. We compiled a set of test financial indicators for the nine councils represented on the Business Performance Working Party (BPP). These are common financial measures drawn from annual report data and information from Stats NZ. We've resolved to expand the test sample and to commence discussions with the Workforce Working Party regarding an expansion to human resources management indicators.

BPP also maintains a stable of leading practice events:

- The Funding and Rating Forum was held in October with 122 attendees. We took a conscious decision to develop a programme that emphasised 'funding' as opposed to 'rating', with expanded content on non-rates sources of funding – growth funding, the use of fees and charges, crowdfunding and sponsorship. We also received an in-depth briefing on the online rates rebates trial. Thanks to our sponsors – Ibis, LGFA and QV rating.
- This year's Marsh Risk Management Forum was held in late February with 52 attendees. There were three major areas of focus at this year's event – cybersecurity, audit and risk committees and climate risks.
- We were due to hold the Civic Financial Services Strategic Finance Forum on 26 and 27 March. With the increasing number of COVID-19 cases entering the country in mid-March we had no other option than to cancel the face-to-face Forum (the week before lockdown) and move the event online. Ninety-two individuals registered. I would like to thank the three sponsors – Civic Financial Services, Ibis and LGFA for their commitment during this time.

I thank my fellow working party members: Kevin Ramsay, Diane Brandish, Martin Fletcher, Sarah Markley, Olive McVicker, Mike Nield, Andrea Reeves, Bronda Smith and Hamish Waugh for their work during the year.

Report from the Planning and Accountability Working Party Chair – Wendy Walker, Chief Executive, Porirua City Council

Election year is always a peak year for the Planning Working Party – the majority of the review of the SOLGM suite of LTP guidance is undertaken in the period from May through to November.

SOLGM's LTP guidance is now quite mature, with most of it now in at least its fourth iteration. The bulk of the review this time around was to reflect the lessons from the 2018 LTP round and incorporate more examples of good practice. Consequently, the revised versions of the so-called *Jigsaw Guide*, *Dollars and Sense* (finance, infrastructure and the LTP) and the *Telling Our Stories* guide were all released on, or slightly ahead of, schedule.

One of the clear messages from the 2018 LTP round was that the LTP project managers needed more guidance on managing an LTP process. The one substantive 'new' guide for this round, *Living Though the LTP*, was released in August. This includes a process map and helpful tips on other process-related topics such as quality assurance, resourcing and working with elected members. This also includes an LTP readiness check. The one piece of work outstanding at year end, the LTP compliance checklist, also supports this guide.

Each triennium SOLGM undertakes a series of regional events to showcase the key messages from the guidance, and key areas of focus for the following LTP round. We were pleasantly surprised with both the numbers of attendees at the five events, and the range of occupational groupings represented. There were 220 participants across the five events – with only the asset managers conspicuous by their absence.

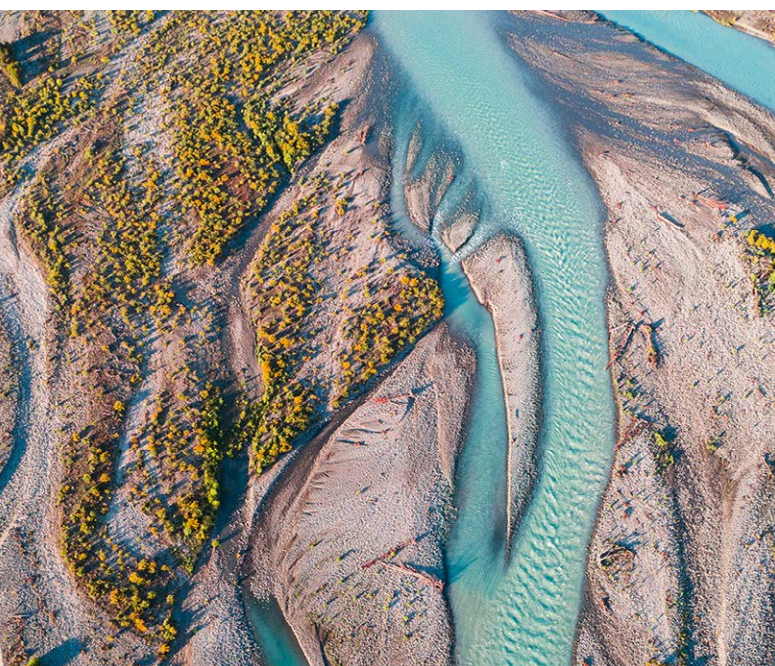
During the year, several of us contributed to the Department of Internal Affairs' Local Governance and Community Well-being project. The overall project sought to infuse community well-being into the way councils engage with communities. One of the workstreams considered how local authorities might use the community outcomes process to turn a set of what could be 'parenthood and apple pie' well-being statements into concrete actions. A second considered legislative and other barriers to engaging.

As a result of revisiting of the community outcomes process, we took a last-minute decision to issue the *Your Side of the Deal* guide in draft form. Part One of that guide received a fundamental rewrite to reflect the reimagining of the community outcomes process, and we wanted to seek the sector's input. Following that review, and a delay due to the COVID-19 response, we eventually issued the guide in May. The guide remains an invaluable resource for those who need to (or want to) review their performance frameworks from the ground-up.

As the year ended, we were jointly working with the Business Performance Working Party on two pieces of COVID-19 related guidance. The first is a pragmatic piece of guidance for the sector on the post-COVID-19 LTP, including areas of focus and how to make most use of the year between now and 30 June 2021. The second, of a more financial bent, provides some guidance on things to think about in 2019/20 annual reports.

We also undertook the annual Community Plan event, which was held in Christchurch. The sold-out event had 117 attendees who heard about well-being and the LTP, consultation documents, citizens juries and (of course) the best community engagement practices in 2019.

I thank the other working party members: Sheryl Bryant, Susan Edwards, Kataraina Belshaw, David McCorkindale, David Totman, Michael Hodder and Hugh Jory for their contributions during the year.



Report from the Sector Policy and Outlook Working Party Chair – Geoff Williams, Chief Executive, Rotorua Lakes Council

It's fair to say that this year has seen the Sector Policy and Outlook Working Party (SPO) focus more on the policy side of our brief than the 'outlook' side. Of course, this has been of necessity, as considering the flood of legislation and other policy proposals either side of Christmas has almost been a full-time occupation in itself.

Our major piece of outlook-focussed work for the year has been the release of the *Navigating Critical 21st Century Transitions* report at the Well-being Leadership Forum in February. We commissioned and worked with Dr Stephanie Pride of StratEDGY, one of New Zealand's leading futures thinkers to identify five transitions that New Zealand will have to make for life in the 21st Century. These are:

- transition to low emissions living
- transition to living in a disrupted climate
- transition to a low waste society
- transition to community interconnectedness
- transition to learning-empowered communities.

These will form the basis of our future work programme. It was perhaps good fortune that we were working with Dr Pride on this report at the same time we were developing our submission on the **Climate Change Commission Bill**.

One of the core planks in our last Briefing to the Incoming Minister was that central and local government are partners in promoting the well-being of the nation. Other working party chairs discuss SOLGM's well-being initiative and our involvement in the local governance and community well-being project being led out of the Department of Internal Affairs (DIA). Central government has also been reorganising the way it thinks about well-being, and how it's organised both centrally and in the regions, to deliver on well-being. We submitted on two innocuous sounding Bills – the **Public Finance (Well-being) Amendment Bill** and the **Public Service Legislation Bill**. In both instances we said these Bills could create stronger links between central and local government.

We've kept a close eye on the reform of the three waters sector this year. SOLGM's submission on Taumata Arowai – the **Water Services Regulator Bill** was led by this working party. Much of this Bill is mechanical. Our major concern with the content was the limited statutory provision for knowledge of water services provision or the perspectives of these operators at either governance or technical level. As the year ended, talk was turning back to structural reforms and how central and local government might work together on these.

Towards the end of the financial year we were also giving thought to SOLGM's Briefing to the Incoming Minister. The last, with its emphasis on well-being and partnerships, proved somewhat prescient. We welcome suggestions and comments on matters that should be included in the Briefing.

As always, we are dependent on the contributions of volunteers, so I thank Ross McNeil, Kathryn Ross, Denise O'Shaughnessy, Rex Capil, Brandy Griffin, Cameron McIntosh, Gillian Payne and Stephen Lamb.

Report from the Workforce Working Party Chair – Louise Miller, Chief Executive, Kaipara District Council

The last year has been one of transition for the Workforce Working Party (WWP), not least due to the impetus of COVID-19 and how that accelerated our new ways of thinking, engaging and delivering support to the sector.

Early in the year we came together to redesign our work programme based on practical support and capacity building for those working in, or having an interest in, workforce issues. We took what was working, carried forward some key projects like the Workforce Toolkit, and identified some new ideas – the key being we wanted to be flexible and informal. During the year we have utilised the skills and experience of the group and our contacts to try to create a responsive and agile approach to support the sector.

I am extremely grateful to this working party and the SOLGM team, who have been willing and able to put ideas out and trial different approaches quickly – with the knowledge we wouldn't always have a perfect model to begin with, but that it can be refined in time. A great example of this is the videos on Whakaaro Pai and, more recently, the workshop sessions the team have run on this platform, sharing their stories candidly. Similarly, the

creation of Staffshare is an initiative allowing councils to share any extra capacity in their teams or to fill resource gaps in a way that benefits the sector. An overarching theme of this working party is that we are proud to work in the public sector and hope to share that passion with others.

This working party isn't seeking to give the sector one particular solution. Instead we are about understanding the pain points many of us share in our workforce space, providing strength through collaboration, and facilitating others to find their best solution through guidance, support and toolkits.

It has been a pleasure and a privilege to chair such a forward thinking, enthusiastic group, ably supported by the SOLGM team which has allowed us to have fresh ideas and trial new things. I would like to thank all the current members for their enthusiasm and commitment to supporting SOLGM's work over the last year.

The members of the Workforce Working Party are:

Richard Bird, Rotorua Lakes Council

Susan Jones, Gore District Council

Frances Smorti, Manawatū District Council

Ian Maxwell, Auckland Council

Wendell D'Cunha, Auckland Council

This year we have also been supported by a number of chief executives and I would like to acknowledge their contribution too:

Jo Miller, Hutt City Council

Monique Davidson, Central Hawkes Bay District Council

Tanya Winter, Ōtorohanga District Council

Report from the Democracy and Governance Support Working Chair – David Ward, Chief Executive, Selwyn District Council

The year was one of winding up the first policy reform for online voting and restarting the process for the 2022 elections. My Deputy, Dean Heiford, will report separately on the work of our Electoral Subcommittee. I would like to make a few comments about some of the more strategic elements of our work programme over the past year.

We played a full part in SOLGM's work on both the former and current government's legislative and policy agenda. We played a major role in SOLGM's submissions, including feeding into the Justice Committee Inquiry regarding the last central and local government elections.

During the year we also submitted on the council-controlled organisations (CCO) provisions in the **Local Government Amendment No 2 Bill**. In October, a webinar was held to discuss the implications of the Bill. We also provided feedback to the Office of the Auditor-General on the review of its annual report to Parliament and the guide to the Local Authorities (Members' Interests) Act 1968 (referred to as LAMIA). Our members had a full work programme during the 2019/20 year and provided guidance on a number of governance matters.

Our other priority projects were:

- to promote better participation in local decision making – delivered as a webinar in April 2020
- to provide a single clear guide on the obligations for storage of meeting minutes and agendas – promoting the link to ALGIM guidance 2020
- to provide an up to date, clear guide or set of LGOIMA charging protocols that have the support of the Ombudsman – we carried out a survey on charging and delivered webinars with Simpson Grierson on LGOIMA.

The COVID-19 pandemic halted several of the workstreams but some best practice advisories were developed on Reforming the Policy and Regulatory Environment. Several of these were also turned into webinars for the sector.

The 2019 Infocouncil – LG Hub Governance Professionals and Committee Advisors Forum was well attended and covered the latest issues facing local government, from co-governance to online voting.

Key speakers were Sam Broughton, Mayor of Selwyn District Council, and Janine Dowding, CEO of Tasman District Council, who inspired governance staff about how to impart the right level of knowledge, and the importance of careful communication for newcomers to these leadership roles. Other speakers included Dame Fran Wilde on elected members remuneration and Jonathan Salter, Simpson Grierson, on LAMIA and LGOIMA.

The Forum for July 2020 is being delivered digitally and will include a focus on the governance strategies and skills for supporting councils.

I would like to thank Deputy Chair Dean Heiford, Melissa Brook, Marguerite Delbet, Anusha Guler, Francis Ryan, Julie Straka, Yvonne Tatton and Natalie Palmer for their contributions in the last year.



Report from Electoral Subcommittee Chair – Dean Heiford, Manager Economic, Community and Support Services, Marlborough District Council

The last year was exceptionally busy for the SOLGM Electoral Subcommittee (ESUB). We fully implemented our work plan for the local government elections and remained on track to deliver the October 2019 elections.

Members of the Electoral Subcommittee were actively involved in work related to Modernising Voting and contributing to the discussion with the Department of Internal Affairs (DIA) on regulatory and legislative improvements which could be put in place to improve the electoral systems.

ESUB updated the Electoral Code of Practice (COP) for the 2019 elections. We constantly reviewed and revised electoral advice as

events arose in the run up to, and during, the election period. This advice and guidance was sent out to all electoral officers.

We delivered a co-ordinated information and promotion approach for Vote 2019 and the Ratepayer Roll campaigns in partnership with Local Government New Zealand (LGNZ).

An Electoral Officers' Debrief Forum was held at the end of 2019. This was an opportunity to share information gathered from the Electoral Officers Election Survey. This event provided valuable lessons on local electoral issues.

Other matters which have been advanced or completed during the year included:

- finalising the memoranda of understanding for use with district health boards, regional councils, and trusts
- delivering the ratepayer roll campaign
- finalising the election cost allocation template and the electoral officers' scale of fees
- sharing best practice and ideas on increasing voter turnout
- developing the work plan for ESUB following the elections, including the regulatory and legislative changes required to improve the electoral systems.

In closing, I thank Deputy Chair Anusha Guler, Mary Birch, Mali Ahipene, Rick Dunn, Warwick Lampp, Mark Low, Sarah Nicholls, Dale Ofsoske and Clare Sullivan. I also acknowledge the support of the Department of Internal Affairs (DIA), the Electoral Commission, the Local Government Commission, Local Government New Zealand (LGNZ), the Ministry of Health and NZ Post.

ESUB was also assisted greatly by the staff of SOLGM.

Electoral Subcommittee members in 2019/20 year:

Dean Heiford (Chair), Anusha Guler (Deputy Chair), Mali Ahipene, Mary Birch, Rick Dunn, Warwick Lampp, Mark Low, Sarah Nicholls, Dale Ofsoske and Clare Sullivan.

Observers:

Andrew Freeth (Department of Internal Affairs), Mandy Bohte and Suzanne Peri-Chapman (Electoral Commission), Donald Riezebos (Local Government Commission), Dr Mike Reid (LGNZ), Lisa McPhail (Ministry of Health), Viki Ferguson and Dean Cooper (NZ Post).

(ESUB is a Subcommittee of the Democracy and Governance Support Working Party.)

Report from the Regulatory Reference Group Chair – Shayne Harris, General Manager, Corporate and Regulatory, Manawatū District Council

I would firstly like to welcome four new members – Karel Boakes, Katrina Brunton, Paul Cooper and Alex Miller. We are pleased to have these additional members who will increase our capacity to achieve our work programme.

The 2019/20 year saw the revision of six legal compliance modules:

- Bylaw-making
- Employment
- Rates Rebates
- Rates Billing and Collection
- Dog Control
- National Dog Database

The modules were reviewed and updated following legislative changes to the Acts which govern these matters.

We started working on Airbnbs with the Ministry of Housing and Urban Development (HUD). Councils are lacking information regarding the location of Airbnbs. It is only by responding to complaints that the locations of these premises are becoming known. Councils need access to a database that contains information on the location of properties being used as Airbnbs. A submission from SOLGM was presented to the HUD asking that this be given some consideration.

The Ministry of Business, Innovation and Employment (MBIE) is now investigating ways of regulating Airbnbs.

We will continue to liaise with MBIE on the scope of regulatory measures required across the country. We met with MBIE Building System Assurance staff and discussed how they were monitoring and investigating concerns about non-compliant building products. This work is ongoing, with new products coming onto the market at an ever-increasing rate. We have developed our response to the **Building (Building Products and Methods, Modular Components, and other Matters) Amendment Bill**.

The Ministry of Transport (MoT) is looking at the potential update of the drone regulations including:

- Registration
- E-identification
- Geo-fencing
- Pilot competency

The regulatory issues related to drones include compliance, enforcement, proportionality and system sustainability, and how local government could assist with these matters. The work also aims to lay the early groundwork for the future integration of drones into the transport system.

We are also working with the Ministry of Transport on micromobility devices and accessible street design. We are currently assisting a working group on this matter.

Lastly, G-REG is rolling out its higher qualifications, with the level 5 course newly released. The level 3 course can be completed by all regulators to promote consistency across both central and local government organisations.

Regulatory Reference Group members:

Shayne Harris (Chair), Karel Boakes, Katrina Brunton, Paul Cooper, Sally Grey, Alex Miller, Simon Pickford, Leonie Rae, Alex Miller and Paul Cooper.

We currently have one vacancy on the reference group as one of our members has announced she is leaving the sector.

Branch Reports



SOLGM Northern Area Branch Report



88
Members

Tenā koutou I ngā āhuatanga o te wā,

The Northern Branch had a relatively quiet second half of this financial year, largely as a result of COVID-19 and its impacts on the workload of our members and committee in their parent organisations.

At the start of the year we held our Annual General Meeting for the Branch. We also reviewed and expanded the membership of the committee. Since then, our secretary and two of our members have left the sector. We are in the process of replacing our secretary and the current membership of the committee is:

Jason Marris – Kaipara District Council (President)

Christine Watson – Auckland Council (Treasurer)

Mara Bebich – Auckland Council

Monica Sharma – Auckland Council

Sally Grey – Auckland Council

Francis Caetano – Auckland Council

Kevin Ramsay – Auckland Council

This year the committee wanted to focus on continuing to build exposure of the Northern Branch amongst its members and also wider Northern council staff. My thanks to our committee members (past and present) for their work.

In this financial year, we have:

- contacted all Northern councils and provided information on general membership
- advocated for those Northern councils not represented on the committee to join
- investigated targeted approaches at Auckland Council to increase membership
- reviewed membership processes in conjunction with SOLGM head office to ensure a simpler and easier application experience

- discussed membership of SOLGM with various staff in Auckland's Council Controlled Organisations
- created a Northern Branch logo to be used on all of our Branch material, in conjunction with SOLGM.

I would like to extend our thanks to Karen and the SOLGM team for their work this year. This was particularly evident during the COVID-19 lockdown period when SOLGM provided significant support and advice to local government staff. SOLGM is continuing to help the sector to apply lessons and best practice as we traverse through a recovery period, further highlighting the importance of SOLGM.

I am also acutely aware of the constitutional review coming up for SOLGM and am very keen for our members to engage in, and understand, the opportunities that this review presents. Modernising our organisation to ensure it is enduring and delivers what our members like and need is key to our future.

Kia pai tō rā.

I roto I ngā mihi

Jason Marris
Northern Branch President

SOLGM Midlands Area Branch Report



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Members

With the lessons learnt from COVID-19 and in this highly digital age, unprecedented events can be hard to describe.

Sometimes the best way to cover these is with a bit of humour. With this in mind I present the Midlands Branch Report for the year: solgm.org.nz/midlands



Tanya Winter
Midlands Branch President

SOLGM Central Area Branch Report



The year saw the re-election of Shayne Harris as the Central Branch Secretary/Treasurer and re-election of Hamish Waugh as Branch President – both from the Manawatū District Council.

The SOLGM Central Branch held one meeting at The Chateau this year with the second planned meeting being cancelled due to COVID-19. These meetings are held in conjunction with the Midlands Branch, which provides a great opportunity for members from across a wide section of the North Island to meet and network. Once again, the combined Branch had some great presentations which were informative and interesting as well as relevant and useful to all participants. Some of these presentations included:

- Sarah Ulmer, New Zealand Cycling Champion
- Ian Brown, Chief Executive of Civic Financial Services Ltd, reminded us of the importance of retirement planning and outlined the products of Civic
- Marianne Mackintosh and Megan Crocket from Tompkins Wake demonstrated the importance of good record keeping and file management for legal proceedings



SOLGM Central Branch meeting 2019 - The Chateau

- Debbie Lascelles from Waipa District Council gave an interesting insight into their Te Ara Wai Museum and Discovery Centre
- Mike Russell and Jen McKay from AskYourTeam gave an insightful presentation about staff engagement and strategic leadership.

A highlight of the Branch meetings is engagement with the chief executives and their perspective of the local government world.

Thank you to Civic Financial Services, Datacom and AskYourTeam for the ongoing and greatly appreciated support.

The Central Branch maintains a good financial position which provides plenty of opportunities for involvement in events, scholarships and development opportunities for its 216 members. Sector engagement is the key to a successful branch and key to the success of SOLGM nationally.

The first SOLGM Branch meeting for the 2020/21 financial year is pencilled in for Sunday 22 and Monday 23 November 2020. All are welcome!

Hamish Waugh

President - SOLGM Central Branch

SOLGM Wellington Area Branch



This Branch is currently in recess.

SOLGM Top of the South Area Branch Report



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Members

As an intervening year between colloquia, and in light of COVID-19, this year has been quiet. We were planning a Branch meeting to welcome Dawn Baxendale as incoming Chief Executive at Christchurch City Council and were also hoping at that time to farewell Bill Bayfield as departing Chief Executive from Environment Canterbury. Alas, the pandemic intervened and plans for a face-to-face event were put on hold. We do still record in writing our welcome to Dawn, and place on record our thanks to Bill for his contribution to local government in Canterbury and our best wishes for his success in his new role with the water regulator, Taumata Arowai.

Simon Markham
Top of the South Area Branch President



SOLGM 45 South Branch biennial Retreat in Wanaka

SOLGM 45 South Area Branch Report



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Members

We held our biennial retreat in Wanaka from 2-4 February. We had 53 attendees, and the stunning lakeside location in Central Otago proved popular, as always. The programme was top notch with engaging presentations on wellness and mental well-being from keynote speakers Sir John Kirwan and Dr Tom Mulholland. A presentation from Her Honour Christina Inglis, Chief Judge of the Employment Court, was another highlight. She delivered insights into employment relationships, reflecting on some cases which came before the Employment Court in 2019.

Retreat organisers, Susan Jones and Steve Parry from Gore District Council, were delighted with the support and collegial interaction.

We have had a change of Branch President and Branch Representative on the SOLGM Executive Board. We're delighted to welcome Central Otago District Council Chief Executive Sanchia Jacobs to the role and congratulate her on her appointment. We'd also like to extend our thanks to Sarah Gardner, Chief Executive at Otago Regional Council, who has stepped down as 45 South Branch President and her representation on the Board. It's always a joy to work with you Sarah, and we look forward to your ongoing contribution to SOLGM.

Nicola Pinfold
45 South Branch Secretary

Our Relationships and Partnerships

New Zealand

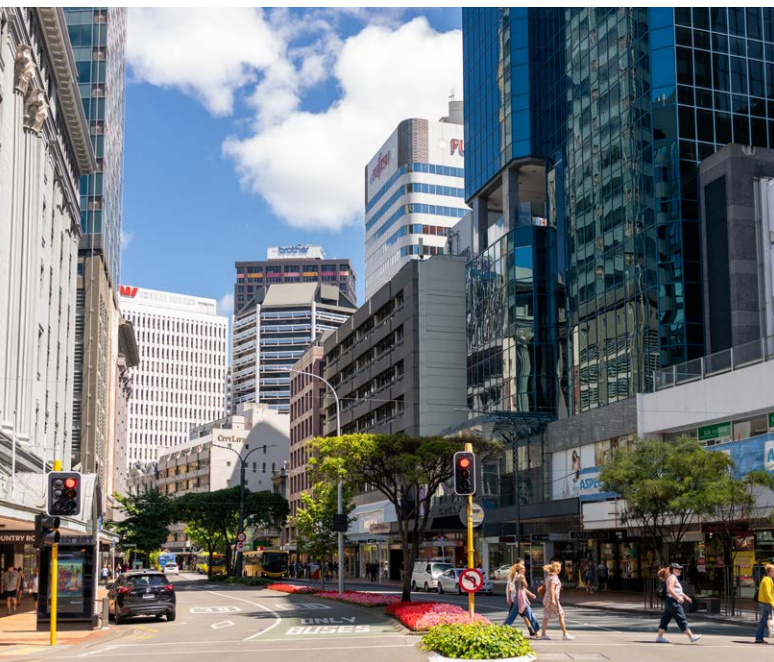
- Association of Local Government Information Management (ALGIM)
- Local Government New Zealand (LGNZ)
- Institute of Public Works Engineering Australasia – (IPWEA)
- Institute of Public Administration New Zealand (IPANZ)
– SOLGM provides IPANZ with a judge for their annual Excellence Awards and this is reciprocated for the McGredy Winder SOLGM Local Government Excellence Awards®
- Development of closer working relationships with central Government
- Water New Zealand
- The Skills Organisation

International

- Australia – **Local Government Professionals Australia** and their State partners including **LGPA NSW** who with **PwC** deliver the Australasian LG Performance Excellence Program in New Zealand
- Australia – **Institute of Public Works Engineering Australasia (IPWEA)**
- Canada – **Canadian Association of Municipal Administrators (CAMA)**
- British Columbia, Canada – **Local Government Management Association of British Columbia**
- South Africa – **Institute for Local Government Management (ILGM)**
- United Kingdom – **Society of Local Authority Chief Executives and Senior Managers (SOLACE)**
- **CLGF — promoting democratic local government**
As a designated Commonwealth organisation, the Commonwealth Local Government Forum (CLGF) ensures that local government's voice is heard within the Commonwealth and that it gets full recognition and support in the Commonwealth family. There are four main areas of work:
 - **Promoting local democracy** — CLGF promotes democratic local governance and the role of local government at Commonwealth, international and national level
 - **Supporting capacity-building** — CLGF supports capacity-building projects and programmes in all the regions of the Commonwealth
 - **Sharing policy and practice** — CLGF facilitates the exchange of information and good practice on decentralisation and local governance among its members and partners
 - **CLGF's member network** — CLGF supports a network of members who are influential decision-makers in local government across the Commonwealth.

Our relationship with the CGLF is in addition to our relationship with the Society of Local Authority Chief Executives (SOLACE).

- United States – **International City/County Management Association (ICMA)**



Executive Committee and Organisation

Executive 2019/20



President
Phil Wilson

Director of Governance, Auckland Council



Vice President
Dr Sue Bidrose

Chief Executive, Dunedin City Council



Vice President
Craig Stevenson

Chief Executive, New Plymouth District Council

Branch Representatives 2019/20



Executive Member - Northern Branch
Jason Marris

General Manager Engagement and Transformation, Kaipara District Council



Executive Member - Midlands Branch
Steve Fabish

Group Manager - Community Services, Hauraki District Council



Executive Member - Central Branch
Kym Fell

Chief Executive, Whanganui District Council



Executive Member - Wellington Branch
Barbara McKerrow

Chief Operating Officer, Wellington City Council



Executive Member - Top of the South Branch
Simon Markham

Manager, Strategy & Engagement
Waimakariri District Council



Executive Member - 45 South Branch
Sarah Gardner

Chief Executive, Otago Regional Council

SOLGM Representatives on Civic Financial Services Boards

New Zealand Local Authority Protection Programme Disaster Fund Trust Board:

- Langley Cavers, Chief Executive at Hauraki District Council
- Andrew Dalziel, General Manager, Customer and Community at Porirua City Council.

Local Government Superannuation Trustee:

- Nikki Harrison, Chief Financial Officer at Nelson City Council.

Membership

Membership Category	As 30 June 2019	At 30 June 2020	% Change
Full membership	654	790	21%
Associate membership	37	40	8%
Honorary membership	16	15	-6%
Life members	28	26	-7%
Total	735	871	19%

871
MEMBERS

19%
Increase

SOLGM Personnel

The latter part of the financial year was a challenging time for the sector, and for the SOLGM team. However, they were able to pivot to meet the needs of our members and the sector in response to the COVID-19 pandemic and establish a 'new normal'.

There were a number of staff changes during the year, including some departures to take on new challenges, a retirement, a reshuffle of existing staff to fill the gaps, and two new appointments.

The Manager, Workforce Leadership, Dr Pim Borren, departed earlier in the year to take up a chief executive role in another organisation. The Senior Advisor, Workforce Leadership, Jenny Spencer, was temporarily seconded into the Manager, Workforce Leadership role and continues to act in this position.

The Manager, Business Services, Helen Ballantyne, retired and her role was split into two. The Accountant, Rebecca Moore, took on the financial functions of the role as Manager, Finance and Administration, and the Senior Advisor, Marketing and Communications, Ann Thomson, took on the communications and marketing function as the Manager, Communications and Partnerships.

The Executive Assistant to the Chief Executive, Claire Shakespeare, departed during the lockdown period and a permanent appointment will be made in due course.

Senior Advisor, Professional Practice, Leeanne Templer, also departed during the lockdown period. This position remains vacant while we rethink how we will focus more on virtual training and digital offerings in the future.

Advisor, Sector Improvement, Chelsey Reid, was appointed to work alongside our Data Scientist in the Community Well-being Service. This Service continues to grow to assist the sector to improve their well-being outcomes.

National Coordinator, COVID-19 Recovery, Dr Kevin Lavery, was appointed to lead our work on the local government response to the pandemic.

I would like to thank the SOLGM team for their work this year and for their flexibility, resilience and willingness to take on additional responsibility in the face of the challenges and uncertainty brought about by the COVID-19 pandemic.

Karen Thomas
Chief Executive, SOLGM



SOLGM team - 2019 Summit

Personnel at 30 June 2020



Karen Thomas
Chief Executive



Claire Shakespeare
Executive Assistant to the CE



Raymond Horan
Chief Advisor



Dr Kevin Lavery
National Coordinator,
COVID-19 Recovery



Kate Macnaught
Manager, Sector Improvement



Jenny Spencer
Manager, Workforce
Leadership



Ann Thomson
Manager, Communications &
Partnerships



Rebecca Moore
Manager, Finance &
Administration



Susan Haniel
Senior Advisor, Sector
Improvement



Mubashir Mukhtar
Data Scientist



Jane Wilson
Instructional Designer



Amy Waugh
Senior Advisor, Membership &
Communications



Leeanne Templer
Senior Advisor, Professional
Practice



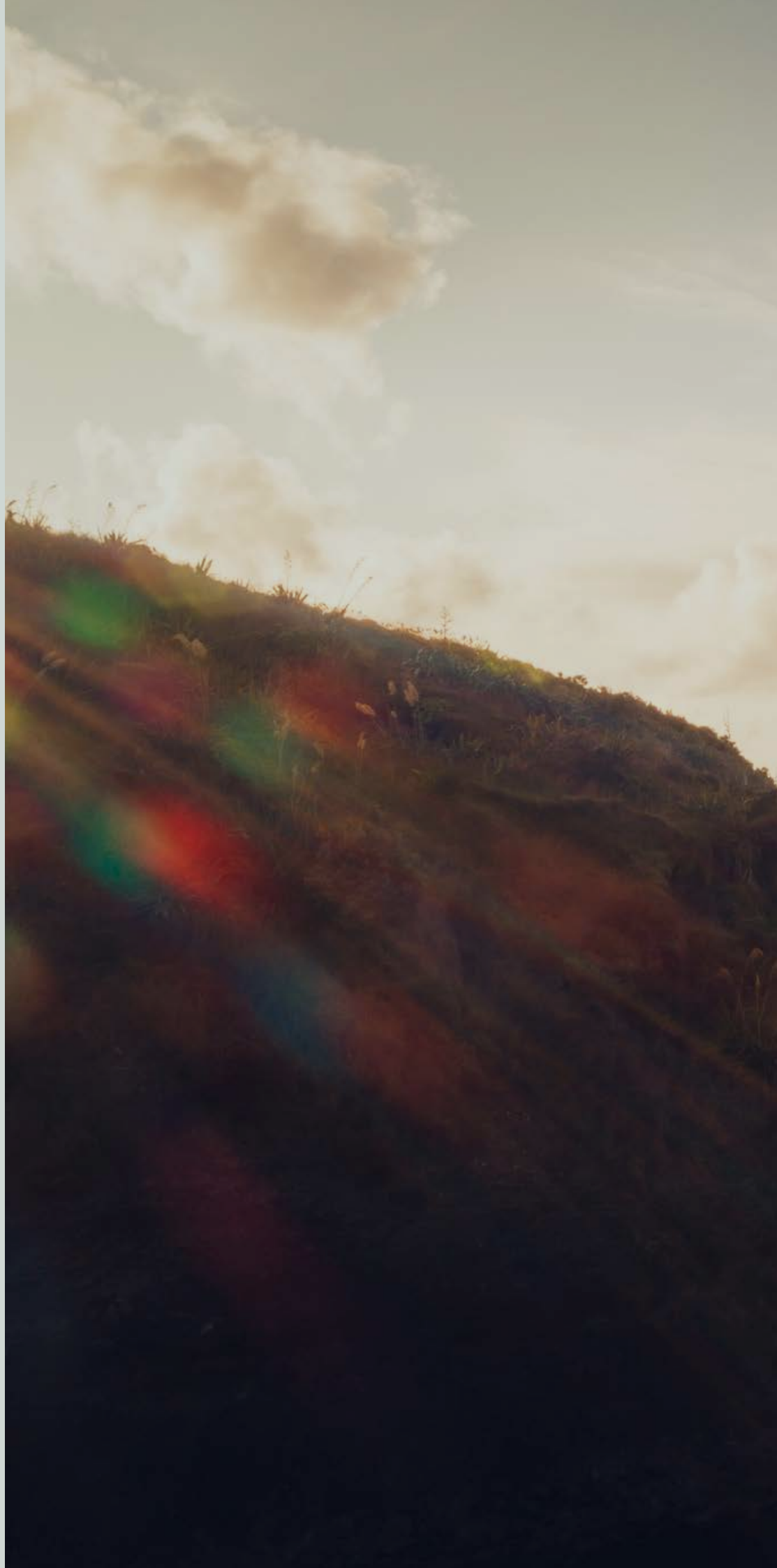
Tamsen Welsh
Advisor, Design &
Communications



Eilidh Siller
Advisor, Workforce Leadership



Chelsey Reid
Advisor, Sector Improvement



2019/20 Financial Results



Financial Commentary

SOLGM finished the financial year to 30 June 2020 with a surplus of \$280,954 after tax. This is a similar level to last year's surplus.

The surplus is an exceptional result for the 2019/20 year and compares favourably with the previous financial year's result of \$275,000 after tax. While pleasing, it should be noted that this surplus is attributed to performance in the first nine months of the financial year. We are mindful now that we are moving into a recovery year. We finished the year with a strong equity position of \$1,706,812, total assets of \$2,053,401 and liabilities of \$347,000. This gives us a strong financial position to enter the 2020/21 financial year. However, we remain in uncertain times, and will rely on these reserves to draw on in the next financial year.

Fixed and intangible assets increased to \$53,000, primarily through continued investment in our office premises. We completed the balance of our office fit-out, we added blinds and window tinting in our main staff area which has made a marked difference, and purchased a hot/cold water drinking unit to assist with catering for our training suite. The majority of the increase was the investment in our IT infrastructure. This included increasing the capacity of our onsite server network, additional technology to enhance video conferencing, and the purchase of additional laptop computers as part of our computer replacement programme. The ongoing investment in our technology platforms is vitally important to enable SOLGM to continue to develop offerings that are not only accessible, but also cost effective.

SOLGM has several sources of revenue (see figure 1) with income from all sources totalling \$3,781,763. This is a 9.6% decrease from last year.

Gross revenue decreased 18.4% to \$2,198,000 with points of note explained further below:

- The 2019 Annual Summit held in Napier over two days, resulted in a net surplus of \$138,000 including an increase in Principal Partnership Summit sponsorship from the previous year. This was a well-received event hosting almost 300 delegates.
- Notwithstanding, the Summit surplus revenue from event sales, including the Annual Summit, decreased by 19.9% to \$1,793,000. Due to the COVID-19 lockdown we cancelled our face-to-face event programme for the last quarter of the financial year, this included our Annual Gala Dinner,

and other regular forums. To mitigate this loss in revenue we were able to deliver several successful online webinars during this time, but with smaller levels of return.

- The cost of delivering our events decreased by 36.1% to \$892,000, partially due to the cancellation of venue hireage and IT support for those events.
- LGJobs continues to perform well demonstrating that councils still value this service as part of our Recruitment and Retention initiative. Revenue of \$404,000 is a decrease of \$47,000 from the previous year.

Council subscriptions revenue makes up approximately 25.6% of total income at \$969,000. The Sector Good and Recruitment and Retention content is a valuable resource to councils, and we expanded this with the launch of the People Leadership toolkit this year.

This year we launched our Community Well-being Data Service, generating gross revenue of \$168,000 before expenditure. During the year to 30 June 2020, 34 councils signed up to this service utilising data dashboards to measure the social, economic, environmental, and cultural well-being of their communities.

Sponsorship income continued to be an important part of SOLGM's revenue stream. Sponsorship income from our Principal Partners, as well as event sponsorship, contributed \$272,000 or 7.2% of our total revenue. This is in line with the 2018/19 financial year. Although we have had to cancel some of our events this year, or deliver them via different mechanisms, it is encouraging to see the willingness of sponsors to continue to show their support to our organisation and the work we do for the sector.

For the purpose of figure 1 event sponsorship is included in Learning & Development revenue, with the Principal Partner Sponsorship noted separately.

Total operating expenditure increased by 4.9% to \$2,588,000, with points of note explained further below:

- Staffing costs increased 16.0% this year, as we employed additional staff with the launch of the Well-being Data Service, as well as to assist in managing the COVID-19 response for the sector. These additions will produce new offerings and services to the sector. The increased costs were offset in part by the uptake of the government wage subsidy, which greatly assisted our organisation.

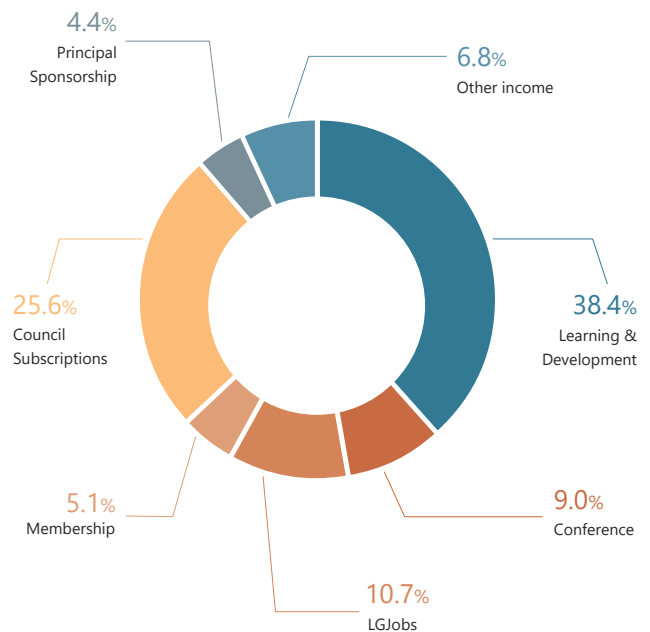
- We incurred website and software fees totalling \$120,000. This is an increase of 181.4%, and was expected with our move to more digital platforms. It includes hosting costs for our LMS e-learning platform, and software licensing costs associated with the launch of our Well-being Data Service.
- As part of our work associated with the COVID-19 response for Local Government, we incurred costs totalling \$81,000 in relation to professional advice sought on behalf of the sector.
- Professional service costs decreased 36.7% to \$209,000 this year. This is similar to the 2017/18 financial year. In 2018/19 we incurred consultancy costs relating to our new premises, and the refresh of our website. This work is now complete.
- Amortisation and Depreciation costs increased this year by \$32,000. At the beginning of the year we invested in our IT infrastructure, with the purchase of two new servers, as well as the purchase of additional laptop computers as part of our computer replacement programme. Depreciation on these assets was calculated from purchase date, at prescribed rates.

We are pleased with the positive result this year. It is very satisfying to be able to deliver a positive result for our members at such a restrained time. Our strong level of equity means we remain confident in the sustainability of the organisation.

Figure 1

Source of Gross Revenue for the year ended 30 June 2020

Learning & Development	1,451,302	38.4%	●
Conference	342,035	9.0%	●
LGJobs	404,277	10.7%	●
Membership	191,222	5.1%	●
Council Subscriptions	969,816	25.6%	●
Principal Sponsorship	166,500	4.4%	●
Other income	256,611	6.8%	●
Total	3,781,763		



Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2020

		2020	2019
Revenue from exchange transactions			
Conference		342,035	357,978
Sales		1,855,579	2,243,907
Total revenue		2,197,614	2,601,884
Cost of Goods Sold			
Conference		278,756	396,415
Sales		545,159	798,889
Sales other	12	68,360	201,996
Total Cost of Sales		892,276	1,397,300
Gross Revenue		1,305,338	1,204,584
Other Exchange Income			
Council Subscriptions		969,816	1,051,474
Interest Income	7	26,424	26,468
Sponsorship		166,500	151,500
Subscriptions (Membership)		191,222	176,788
Other Income		14,814	31,051
Branch Income	5	57,587	6,171
Special Interest Group Income	4	-	98,239
Total Other Exchange Income		1,426,362	1,541,690
Other Non Exchange Income			
Government Wage Subsidy		107,787	-
LG Essential Services Grant		50,000	-
Total Other Non Exchange Income		157,787	-
Expenditure			
Amortisation	10	30,380	44,538
Audit Fee		9,500	10,118
Communication Costs		59,044	139,740
Depreciation	9	72,591	25,581
General Costs		8,923	15,673
Loss on Disposal of Assets		-	21,630
Member Services		5,377	10,183
Professional Services		208,789	329,640
Rental and Office Costs		302,071	184,546
Staff Expenses		1,747,616	1,506,448
Travel Costs		84,026	100,391
Branch Expenses	5	59,947	6,473
Special Interest Group Expenses	4	-	71,083
Total Expenditure		2,588,265	2,466,045
Surplus/(deficit) before taxation		301,222	280,228
Taxation expense	1	(20,269)	(5,216)
Net Surplus/(deficit) for year		280,954	275,012

This statement should be read in conjunction with the notes on pages 41-45

Statement of Financial Position

for the year ended 30 June 2020

		2020	2019
Current Assets			
Cash and cash equivalents	2	253,150	511,881
Accounts receivables from exchange transactions	8	445,203	382,999
Prepayments		73,150	91,625
Taxation receivable		6,484	8,186
Term deposits	3	852,101	505,000
Work In Progress		-	9,000
Total current Assets		1,630,088	1,508,692
Non-current Assets			
Property, plant & equipment	9	311,818	331,417
Intangible Assets	10	68,637	99,018
Deferred Tax Asset		42,858	50,167
Total non-current Assets		423,313	480,601
Total assets		2,053,401	1,989,293
Liabilities			
Current liabilities			
Accounts payable from exchange transactions	11	113,153	344,673
Employee entitlements	13	86,430	41,221
Lease incentives liability		48,834	10,030
Revenue received in advance		85,213	132,130
Taxation payable		12,960	-
Total current liabilities		346,590	528,053
Net Assets		1,706,812	1,461,240
Equity			
Retained Earnings		1,706,812	1,461,240



P Wilson PRESIDENT

Date: 8 September 2020



K Thomas CHIEF EXECUTIVE

Date: 8 September 2020

This statement should be read in conjunction with the notes on pages 41-45

Statement of Movements in Equity

for the year ended 30 June 2020

	2020	2019
Equity at start of the year	1,461,240	1,176,001
Equity introduced/(repaid) - Special Interest Group	(35,382)	10,226
Net surplus/(deficit) for the year	280,954	275,012
Equity at end of the year	1,706,812	1,461,240

Statements of Cash Flows

for the year ended 30 June 2020

	2020	2019
Cash flows from operating activities		
Receipts from customers	3,474,728	3,804,477
Payments to suppliers and employees	(3,508,037)	(3,631,370)
Goods and services tax (net)	24,140	(7,796)
Grants Received	157,787	-
Interest received	26,424	26,468
Income taxes paid	1,703	2,583
Net cash inflow / (outflow) from operating activities	176,744	194,361
Cash flows from investing activities		
Payments for property, plant and equipment	(52,992)	(317,665)
Payments for intangible assets	-	-
Net cash inflow / (outflow) from investing activities	(52,992)	(317,665)
Cash flows from financing activities		
Cash to term deposit	(347,101)	300,000
Repayment of cash held in trust	(35,382)	-
Net cash inflow / (outflow) from investing activities	(382,483)	300,000
Net increase / (decrease) in cash and cash equivalents	(258,731)	176,696
Cash and cash equivalents at the beginning of the financial year	511,881	335,185
Cash and cash equivalents at end of year	253,150	511,881

This statement should be read in conjunction with the notes on pages 41-45

Notes to the Financial Statements

for the year ended 30 June 2020

1	Taxation	2020	2019
(a)	Income tax (expense) / credit		
	Current tax	12,960	-
	Deferred tax	7,309	5,216
	Income tax expense	20,269	5,216
(b)	Numerical reconciliation of income tax expense to prima facie tax payable		
	Net surplus/(deficit) before income tax expense (credit)	301,222	280,228
	Income tax expense at 28%	84,342	78,464
	Plus / (less) tax effect of permanent differences	(64,074)	(73,248)
	Income tax expense	20,269	5,216
	Deferred tax asset		
	The balance comprises temporary differences attributable to:		
	Provisions	42,858	9,520
	Income tax losses	-	40,396
	Asset timing difference	-	251
	Total deferred tax asset	42,858	50,167
	Reconciliation of deferred tax asset:		
	At 1 July	50,166	55,382
	(Charged)/credited to the statement of comprehensive income	(7,309)	(5,216)
	At 30 June	42,857	50,166
2	Cash and cash equivalents	2020	2019
	ASB Bank account	200,414	339,890
	Cash on hand	14	2,170
	Northern branch	14,081	21,836
	Midlands branch	3,601	42,525
	Central branch	8,315	27,725
	Top of the South branch	2,977	17,198
	Otago/Southland branch	23,750	22,900
	Parks Agencies Managers Group (Special Interest Group)	-	37,637
	Total bank accounts	253,150	511,881
	Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods, depending on the immediate cash requirements of SOLGM, and earn interest at the respective short-term deposit rates.		
3	Term Deposits	2020	2019
	ASB Term Deposit	775,000	505,000
	Northern branch	7,000	-
	Midlands branch	35,606	-
	Central branch	20,000	-
	Top of the South branch	14,495	-
	Total Term Deposits	852,101	-

4	Special Interest Group Operations	2020	2019
	Revenue	-	98,239
	Expenditure	-	(71,083)
	Other Expenditure	-	(2,000)
	Total special interest group operations	-	27,156
The Parks Agencies Managers Group established themselves as an Incorporated Society on the 9 August 2019. At that time SOLGM returned all funds held in trust, with no trading activity recorded in the 2020 financial year.			
5	Branch operations		
	Revenue	2020	2019
	Northern branch	359	669
	Midlands branch	7,781	4,178
	Central branch	590	696
	Top of the South branch	323	620
	Otago/Southland branch	48,534	8
	Total branch revenue	57,587	6,171
	Expenditure	2020	2019
	Northern branch	1,114	1,541
	Midlands branch	11,099	4,094
	Central branch	-	715
	Top of the South branch	50	-
	Otago/Southland branch	47,684	123
	Total branch expenditure	59,947	6,473
	Surplus/(deficit) from branch operations	(2,360)	(302)
6	Financial risk management	2020	2019
	Financial assets		
	Cash and cash equivalent	253,150	511,881
	Accounts receivables from exchange transactions	445,203	363,801
	Term deposits	852,101	505,000
	Total financial assets	1,550,455	1,380,682
	Financial liabilities		
	Accounts payable from exchange transactions	113,153	344,673
	Employee entitlements	86,430	41,221
	Revenue received in advance	85,213	132,130
	Total financial liabilities	284,796	518,024
7	Finance costs - net	2020	2019
	Interest	-	-
	Total finance costs	-	-
	Finance income		
	Interest	26,424	26,468
	Total finance income	26,424	26,468
	Net finance costs	(26,424)	(26,468)

8	Accounts receivables from exchange transactions	2020	2019	
	Trade Receivables	512,445	363,803	
	Accrued interest	8,758	5,493	
	Allowance for potential credit losses	(76,000)	-	
	GST receivable	-	13,705	
	Total accounts receivable	445,203	383,000	
	An allowance for potential credit losses has been recognised on balances that are more than 90 days overdue at reporting date.			
9	Plant, Property & Equipment	Plant & Equipment	Refurbishment	Total
	2020			
	Gross Carrying Amount			
	Opening Balance	193,052	270,849	463,901
	Additions	45,845	7,147	52,992
	Disposals	-	-	-
	Closing Balance	238,897	277,996	516,894
	Accumulated Depreciation and Impairment			
	Opening Balance	79,640	52,844	132,484
	Depreciation for the year	50,427	22,164	72,591
	Impairment Charge for the year	-	-	-
	Depreciation Written Back	-	-	-
	Closing Balance	130,067	75,008	205,075
	Carrying amount at 30 June 2020	108,831	202,988	311,819
	2019			
	Gross Carrying Amount			
	Opening Balance	98,692	69,174	167,866
	Additions	97,412	222,271	319,683
	Disposals	(3,052)	(20,596)	(23,648)
	Closing Balance	193,052	270,849	463,901
	Accumulated Depreciation and Impairment			
	Opening Balance	58,324	48,579	106,902
	Depreciation for the year	21,316	4,265	25,581
	Depreciation Written Back	-	-	-
	Closing Balance	79,640	52,844	132,483
	Carrying amount at 30 June 2019	113,413	218,005	331,418
10	Intangible Assets	Online Modules	Website	Total
	2020			
	Gross Carrying Amount			
	Opening Balance	135,187	124,219	259,406
	Additions	-	-	-
	Disposals	-	-	-
	Closing Balance	135,187	124,219	259,406
	Accumulated Amortisation and Impairment			
	Opening Balance	40,556	119,832	160,388
	Amortisation for the year	28,389	1,991	30,380
	Closing Balance	68,945	121,823	190,768
	Carrying amount at 30 June 2020	66,242	2,396	68,638

2019			
Gross Carrying Amount			
Opening Balance	135,187	124,219	259,406
Additions		-	-
Disposals	-	-	-
Closing Balance	135,187	124,219	259,406
Accumulated Amortisation and Impairment			
Opening Balance	-	115,850	115,850
Amortisation for the year	40,556	3,982	44,538
Closing Balance	40,556	119,832	160,388
Carrying amount at 30 June 2019	94,631	4,387	99,018
11 Accounts payable from exchange transactions			
		2020	2019
Trade payables		82,765	248,975
Sundry payables		29,424	91,796
Credit cards		964	3,902
		113,153	344,673
12 Sales - Other			
This category of expenditure for the year to 30 June 2020 includes the profit share paid to year end as per the provisions of the contract held by SOLGM with third party providers. This balance also contains accrued profit share owing for programmes completed for the year to 30 June 2020.			
13 Employee entitlements			
		2020	2019
Accrued holiday pay		81,743	41,221
Government Wage Subsidy		4,687	-
		86,430	41,221
14 Related party transactions			
Key management personnel of SOLGM include the Chief Executive and the management team. Key management personnel compensation includes the following is set out below:			
		2020	2019
Salaries		701,894	605,204
Number of persons recognised as key management		5	5
There were no other related party transactions during the year (2019:\$Nil)			
15 Commitments			
(i) Capital Commitments			
At 30 June 2020 SOLGM had no capital commitments (2019: \$Nil)			
(ii) Operating lease commitments			
Commitments existed for non-cancellable operating leases as follows:			
		2020	2019
Not later than a year		111,620	65,112
Later than one year and not later than five years		446,480	446,480
Later than five years		418,575	530,195
Total operating lease commitments		976,675	1,041,787
SOLGM's current lease commenced 1 April 2019 for an initial term of ten years. On expiry of the first term there is a further right of renewal available of six years, if exercised, final expiry of the lease will be on 31 March 2035			

16 Contingent liabilities

There are no contingent liabilities at reporting date (2019: Nil)

17 Subsequent events

There are no events subsequent to reporting date, that would have a material impact on the financial statement for the period ending 30 June 2020 (2019: Nil)

18 COVID-19 Pandemic

On 11 March 2020 the World Health Organization declared the outbreak of COVID-19 (a novel Coronavirus) pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4, and a nationwide lockdown commenced. As part of this lockdown all non-essential businesses and workplaces were closed. Subsequently, lockdown was lifted on the 18 May.

At the date of issuing the financial statements, it is noted that the Boards internal operations were adversely affected sufficiently to qualify for the Government Wage Subsidy grant. Based on forecasting of the 2021 financial year, there is expected to be a decrease in revenue. At this time the full financial impact of the COVID-19 pandemic is not able to be determined. However, the impact of COVID-19 is not expected to significantly impact the ability of SOLGM to continue operating

Statement of Accounting Policies

for the year ended 30 June 2020

Reporting Entity

The reporting entity is The NZ Society of Local Government Managers Incorporated (SOLGM). SOLGM is domiciled in New Zealand and is registered under the Incorporated Societies Act 1908.

Nature of Activities

SOLGM represents its members who are drawn from management of New Zealand local authorities. SOLGM's objectives are to:

- provide professional leadership identifying and advocating on the big issues facing communities and local government management.
- influence Central Government policy development and implementation of major issues.
- develop the knowledge base and capability within local government through the development, promotion and dissemination of industry good practice.
- develop the professional and leadership capability of managers and staff in local government.
- provide opportunities for managers and staff in local government to network, learn and exchange ideas.

Basis of preparation

The financial statements have been prepared in accordance with SOLGM's constitution, and reflect the transactions of the National Executive and the six regional branches. These statements have been prepared on the basis of historical cost.

The financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied. SOLGM is eligible and have elected to report in accordance with Tier 2 PBE Standards because it does not have public accountability and it is not large.

SOLGM defines itself as a not for profit entity.

Going Concern

The financial statements of SOLGM have been prepared on a going concern basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of SOLGM is New Zealand dollars.

Significant Accounting Policies

Revenue

Sales comprises the amounts received and receivable from services supplied to customers in the ordinary course of business. Council and Membership subscriptions are recognised in the year of membership to which these subscriptions relate. Sponsorship is recognised in the period to which the sponsorship relates. Interest income is accounted for as earned.

Non-Exchange revenue relates to transactions where there is not approximately equal value given in exchange. Exchange revenue relates to transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Property, Plant and Equipment

PPE is stated at cost less accumulated depreciation.

Depreciation is calculated using diminishing value rates to charge to cost of the asset over their expected useful lives.

Plant and equipment – 13% - 67% DV

Refurbishment – 10-18% DV

Intangibles

Intangible assets include the website and software development costs / online educational modules. Intangible assets are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

Intangible assets are amortised on a diminishing value basis at rates attributable to the expected useful life of the asset, at the following rates:

Online educational modules - 30% DV

Website – 50% DV

Accounts receivable

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

No trade or other receivables were impaired for the year ended 30 June 2020.

Accounts payable

Accounts payables, comprising trade creditors, sundry payables and credit cards are initially measured at face value.

Employee entitlements

"Provisions made in respect of employee benefits expected to be settled within 12 months of reporting date, are measured at the best estimate of the consideration required to settle the obligation using the current remuneration rate expected. These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken at balance date."

Good and Service Tax (GST)

The financial statements are prepared on a GST exclusive basis except for accounts receivable and payable which are prepared inclusive of GST.

Taxation

The income tax expense or revenue for the period is the total of the current income tax charge or credit based on the national income tax rate for each jurisdiction plus/minus any prior years' under/over provisions, plus/minus movements in the deferred tax balance except where the movement in deferred tax is attributable to a movement in reserves.

Movements in deferred tax are attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements and any unused tax losses or credits. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or loss or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Changes in Accounting Policies

There have been no significant changes in accounting policies during the current year. Accounting policies have been applied on a basis consistent with the prior year.



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INDEPENDENT AUDITOR'S REPORT

To the Members of NZ Society of Local Government Managers Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NZ Society of Local Government Managers Incorporated ('SOLGM'), which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive revenue and expense, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SOLGM as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our report is made solely to the Members of NZ Society of Local Government Managers Incorporated. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than SOLGM and the Members of SOLGM, for our audit work, for this report or for the opinions we have formed.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on SOLGM as set out in note 18 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of SOLGM in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Baker Tilly Staples Rodway Audit Limited, incorporating the audit practices of Christchurch, Hawkes Bay, Taranaki, Tauranga, Waikato and Wellington.

Baker Tilly Staples Rodway Audit Limited is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



Responsibilities of the Executive Committee for the Financial Statements

The Executive Committee is responsible on behalf of SOLGM for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Executive Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

A handwritten signature in blue ink that reads "Baker Tilly Staples Rodway".

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Wellington, New Zealand

8 September 2020

Directory

Trading Name

SOLGM

Location and Registered Office

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Wellington 6143

Accountants

PricewaterhouseCoopers New Zealand
10 Waterloo Quay Wellington, 6011

Auditors

Staples Rodway
Level 6, 95 Customhouse Quay, Wellington 6011

Bankers

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