

# Annual Report

For the year ended 30 June 2021

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# About Taituarā — Local Government Professionals Aotearoa

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Taituarā — Local Government Professionals Aotearoa, formerly known as 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 this through the delivery of a range of services designed to help councils achieve successful outcomes for their communities.

Although we are a membership organisation, many of our services are available to everyone employed in the sector.

Taituarā would like to thank all those who have contributed their time and expertise to our work programme this financial year during uncertain and challenging times.



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“Although we are a membership organisation, many of our services are available to everyone employed in the sector.”

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# Our Partners and Sponsors

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Thank you to the public and private sector organisations which supported us this year, either financially or in kind. They make an extremely valuable contribution and enable us to provide services and expertise to our members and the wider sector. We would like to acknowledge and thank our Principal Partners for their continued support. These organisations are key players in local government and their support shows their ongoing commitment to helping the sector to advance its goals for New Zealand's communities.



# Taituarā

— A Year in Review

**150**

LEADERSHIP PATHWAYS  
ENROLMENTS



**11**

NUMBER OF  
SUBMISSIONS MADE



**513**

E-LEARNING SEATS  
SOLD



**HR  
MGRS**

MOST ACTIVE  
DISCUSSION GROUP



**40**

COUNCILS USING OUR  
COMMUNITY WELL-BEING  
SERVICE



**1586**

ROLES ADVERTISED  
ON LGJOBS



**42**

EXCELLENCE  
AWARDS ENTRIES



**2006**

PEOPLE WHO ATTENDED  
AN EVENT



# President's Report

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As a sector, we are operating in uncertain times. But it is also a time of great opportunity. I am pleased to demonstrate in this Report that we continue to be a thriving and well-connected membership organisation.

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**One of the highlights of the year was our name change from SOLGM to Taituarā. Members voted overwhelmingly in favour of the change and Taituarā was formally gifted to us by the Honourable Nanaia Mahuta, Minister of Local Government and the Honourable Peeni Henare, Minister of Civil Defence in February.**

The new name reflects our ongoing commitment to promoting, supporting and strengthening professional management and operations in local government.

We delivered a post-election Briefing to the Incoming Minister outlining eight areas of focus, and we continue to engage regularly with central government around areas of interest.

Our work on the Three Waters Reform Programme and our seat at the table of the Steering Committee and at the governance level has ensured the voices of local government professionals are heard. We continue to support the sector as it plans to transition to a new entity model.

We worked closely with the Ministry for the Environment on resource management reform, and with the Department of Internal Affairs on the Future for Local Government Review, which were both announced this year. These programmes generate challenges and opportunities for the sector, so having the ability to influence them is important.

I am confident that, as an organisation and as a sector, we are in a strong position to make a significant contribution to the kaupapa and decision making around these reform programmes.

We made 11 formal submissions on legislation and provided technical advice on central and local government policy in seven areas, including MBIE's Building for Climate Change and the Review of Short-term Rental Accommodation.

The 2020 Annual Summit was disrupted by COVID-19 Alert Level restrictions, but we were able to hold two 'mini-Summits' in Ōtautahi Christchurch and Taupō around the theme of *Beyond Lockdown – Reimagining our Future* in which we explored some of the long-term challenges resulting from the pandemic.

Jamie Fitzgerald, from Inspiring Performance, facilitated our annual strategy day. He worked with us to identify what success looks like, and supported us to articulate our vision for Taituarā.

Our sold-out 2021 Gala Dinner and Excellence Awards event was our first post-COVID-19 opportunity to gather as a sector to celebrate the amazing people and mahi that contribute to the success of local government.

We announced the winners of the 2021 LGFA Taituarā Excellence Awards, the AskYourTeam Melbourne Business School Scholarship, the Overseas Manager Exchanges sponsored by Civic Financial Services, AskYourTeam, and Marsh, the Emerging Leader of the Year, and the winning team of the New Zealand leg of the JLT Australasian Management Challenge.

We wish Otago Regional Council the very best as it goes on to compete in the Grand Australasian final. We hope the team will be as successful as Hauraki District Council, which won the Grand Australasian final in December.



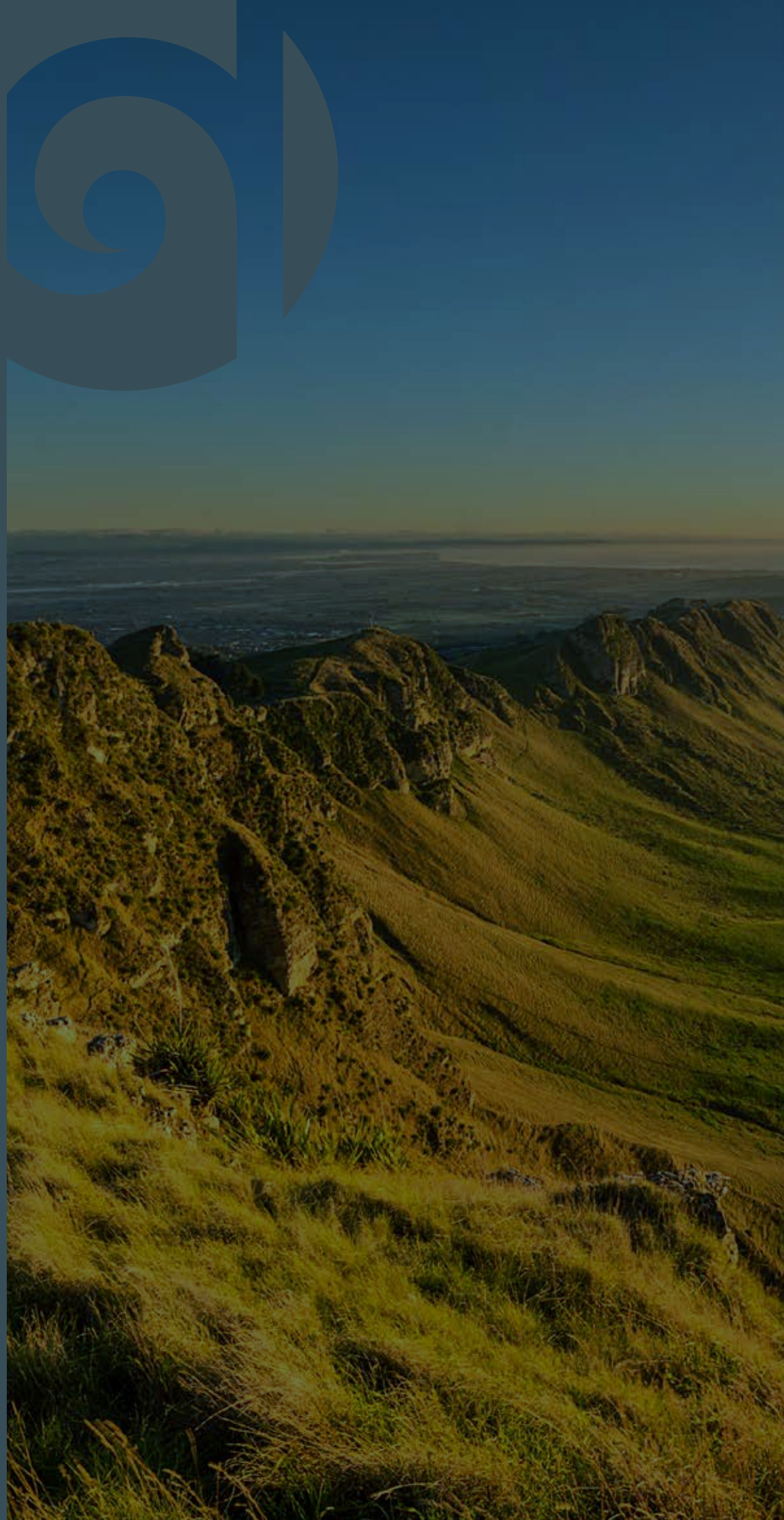
What continues to be evident to me is the commitment that my colleagues across the sector have – including those who deliver essential services, find innovative ways to provide the support our communities need, and contribute to the emerging challenges facing the sector.

There were some changes to the Taituarā Executive Committee during the year. Vice President Sue Bidrose resigned to take up the Chief Executive role with AgResearch. Sanchia Jacobs (Chief Executive at Central Otago District Council) stepped into the Vice President role. Louise van der Voort from Central Otago District Council joined us as the 45 South Branch representative.

After 10 years on the Taituarā Executive Committee, including four years as the President, I am stepping down and handing the Presidential reins to Sanchia Jacobs. Also leaving the Executive are Kym Fell and Craig Stevenson, both of whom have made a significant contribution to our mahi. I want to thank my Executive team colleagues for their valuable input and service to Taituarā, and also to Karen and her team for their commitment to supporting the sector.

**Phil Wilson**  
Taituarā President

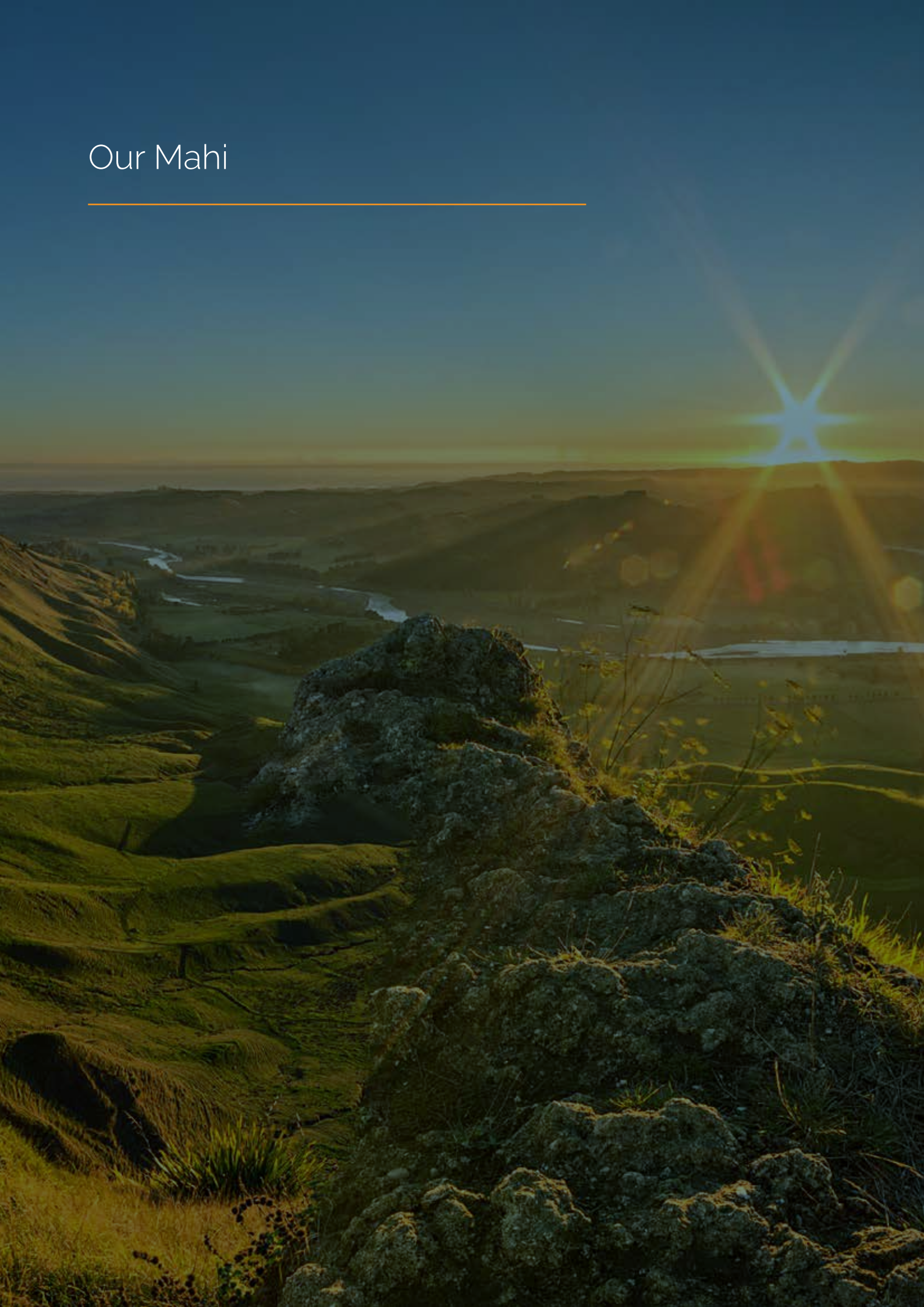






# Our Mahi

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## Working Parties, Committees and Reference Groups

We depend on the contributions of our Working Party members to support our work programme and to provide input into policy and submissions – particularly in a year when we have had to be extremely flexible to adjust to ongoing COVID-19 needs and era-scale change in the policy environment. As a result, not all our Working Parties had a full cycle of meetings this year.

### **We acknowledge the work of the following people:**

- Business Performance – Jim Palmer (Chair), Kevin Ramsey, Diane Brandish, Martin Fletcher, Olive McVicker, Mike Nield, Bronda Smith and Hamish Waugh.
- Planning and Accountability – Wendy Walker (Chair), Sheryl Bryant, Susan Edwards, Michael Hodder, David McCorkindale, Kataraina O'Brien and David Totman.
- Sector Policy and Outlook – Geoff Williams (Chair), Kathryn Ross, Cameron McIntosh, Stephen Lamb, Denise O'Shaughnessy and Gill Payne.
- Democracy and Governance Support – David Ward (Chair), Dean Heiford, Natalie Palmer, Francis Ryan, Julie Straka and Yvonne Tatton.
- Electoral Subcommittee – Dean Heiford (Chair), Mali Ahipene, Mary Birch, Rick Dunn, Warwick Lampp, Mark Low, Sarah Nichols, Dale Ofososke and Clare Sullivan.
- Regulatory Reference Group – Shayne Harris (Chair), Simon Pickford, Sally Grey, Leonie Rae, Karel Boakes, Alex Miller and Paul Cooper.
- Workforce Working Party – Louise Miller (Chair), Richard Bird, Susan Jones, Ian Maxwell, Francis Smorti and Wendell D'Cunha.

Towards the end of the year we reviewed our Working Party structure and made some changes to reflect the emerging priorities and needs of the sector, and to enable more member involvement in our mahi.

### **As a result of this review, five Committees were established, along with a range of 'standing' and 'ad hoc' Reference Groups, as follows:**

- Democratic Renewal Committee – Wendy Walker (Chair)
- Well-being Committee – Geoff Williams (Chair)
- Workforce Committee – Louise Miller (Chair)
- Regulatory Committee – Rob Forlong (Chair)
- Business Performance Committee – Bede Carran (Chair).





## Advocacy and Policy

The focus has been on preparing for a plethora of reform programmes, particularly in the three waters and resource management spaces.

### Briefing the Incoming Government

Our Briefing to the Incoming Minister (BIM) was developed in two parts. The first, *Managing for Community Well-being*, was presented to the Minister of Local Government at the end of November. This introduced Taituarā, how we can assist Ministers, and our perspective on challenges facing the sector. All of our Committees and Reference Groups contributed to this document and the legislative BIM, particularly the Sector Policy and Outlook, Business Performance and Electoral Reform groups.

#### The BIM presented eight key messages:

1. Central and local government are partners in promoting the well-being of New Zealanders. Restoring well-being to the statutory purpose was a good first step, but more needs to be done at the policy and practice levels.
2. A relationship with Taituarā has a payoff in better quality policy advice, and the implementation of the Government's legislative and regulatory changes.
3. The local government sector is open to exploring different options for delivering three waters services. Any reforms must take account of the role these services play in supporting community well-being.
4. Climate change is a major challenge to the strength and resilience of existing and future communities. Local government is at the forefront of assisting communities to transition to living in a disrupted climate and needs central government support to do so.
5. Central and local government should take a partnership approach to the development of the nation's stock of social housing.
6. The Government and the sector should co-design the improvements needed to local government funding and accountability.
7. Enhanced participation in local democracy will come from a combination of civics education, better engagement practices, better information about processes and candidates, and the removal of barriers to participation.
8. There is an opportunity for central and local government to work together to jointly develop the public sector workforce.

The second half of the BIM, *Turning Up the Engine 2020*, focussed on a set of specific legislative changes sitting within the Minister's portfolio. We made 63 recommendations for change to seven pieces of legislation, including two that have been progressed.

A good demonstration of the growing awareness and respect that exists in Parliament came in February when the incoming Governance and Administration Select Committee invited us to present a briefing on the issues facing the sector. We used this as an opportunity to present the eight key messages from the BIM. This is the only 'subject-based' Select Committee that is chaired by the Opposition.







## Government's Reform Programme

### Three Waters

Early in the year, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government's service arrangements for the three waters. We worked closely with the Department of Internal Affairs during the year, with several chief executives on the Steering Committee, our Chief Executive on the Governance Panel, and representatives on various technical advisory groups.

At the time of writing, the Government has announced their ideas on proposed new entities. Our ongoing role will be to provide technical and capability support to the sector.

### Resource Management Reform

In February, the Government announced it would repeal the Resource Management Act (RMA) and enact new legislation. We worked with the Ministry for the Environment-convened panel of chief executives to discuss the high-level direction for the proposed resource management reforms. Discussions focussed on the Strategic Planning Act, including scope, coverage, governance and linkages with the Land Transport Management Act.

Regional spatial strategies are potentially transformative if they allow for the planning of communities and not only the building of network infrastructure – so central government agencies need to put their investment decisions on the table too. The other key aspects are whether a regional approach is truly fit for purpose, and how the governance of entities with a significant influence over the look and feel for local communities will operate.

Development of an exposure draft of the proposed Natural and Built Environments Act was well advanced by the time the group was formed. The exposure draft includes the purpose provision, Te Tiriti O Waitangi clauses, and the key clauses regarding the National Planning Framework, and Natural and Built Environments Plans. We will also contribute to the final Bill.

The Minister for the Environment has noted that councils were not well supported to implement the Resource Management Act. This time a substantial budget has been set aside to support implementation of the new legislation, and we will continue to work with Local Government New Zealand (LGNZ) to ensure this remains in place.

### Future for Local Government

The Future for Local Government Review Panel was established in April to identify how local government will contribute to the well-being of people, and the well-being of the environment, in partnership with iwi/Māori, into the future.

We provided the Review Panel with our BIM, our two submissions to the last Funding Inquiry, and a package of entries from the last few years' Excellence Awards that showcase central/local government partnership and collaboration.

#### **At year end we began participating in various preliminary discussions with the Review Panel to shape their first deliverable including:**

- a workshop to discuss the lessons from previous reform processes and how/why the present allocation of functions exists
- a more detailed workshop to consider a first principles look at funding and financing.



Jim Palmer Chair of The Future for Local Government Review Panel speaking at the Infrastructure for the Future Forum

## Submission Work

### During the year we formally submitted on the following matters:

- the Regulatory Reference Group submitted on the Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Bill – which includes major changes to the Building Act to facilitate pre-fabricated buildings, and to have central government regulation of building products and building information
- the Water Services Bill – fleshing out the regulatory powers of Taumata Arowai
- the Climate Change Commission's draft advice to Government
- the Electoral Subcommittee submitted on the Local Electoral (Māori Wards and Māori Constituencies) Amendment Bill that brought the processes for establishing Māori wards and constituencies into line with the processes for other wards
- the Supplementary Order Paper No. 38 to the Health (Fluoridation of Drinking Water) Amendment Bill, which moves the responsibility for the fluoridation of water to the Director-General of Health
- the Infrastructure Commission's consultation document *He Tūāpapa ki te Ora Infrastructure for a Better Future* – our document *What's the Future for Infrastructure* made 38 recommendations for improvement
- the Ministry of Transport's transport emissions reduction plan *Hīkina te Kohupara – Kia mauri ora ai te iwi – Transport Emissions: Pathways to Net Zero by 2050*
- a review of the Burial and Cremation Act 1964 and related legislation consultation document – this is a major review of the legislation, which proposes that local authorities take more responsibility for burials and cremations
- Workforce Development Councils – establishing the composition of Workforce Development Councils to make decisions on sector workforce training programmes
- the Supporting Sustainable Freedom Camping consultation – to tighten up the legislation, including requiring vehicles to be self-contained and strengthening the regulatory tools for local government
- the Building Code Update 2021 – which proposes to increase the energy efficiency of houses by increasing insulation levels.

### We responded to a range of technical matters during the year, including the following:

- the MBIE-led consultation on Building for Climate Change – reworking building practices to reduce emissions (Regulatory Reference Group)
- proposals to extend the Government Procurement Rules to include local government (Business Performance Working Party)
- taxation of income from council-controlled organisations (prepared on our behalf by PwC and overseen by the Business Performance Working Party)
- two papers on the Review of Short-term Rental Accommodation, focussing on the impacts of this accommodation on the housing market and on a register of Airbnb providers (Regulatory Reference Group)
- the *Aratohu tika tangata ki te whai whare rawaka I Aotearoa – Framework on the right to a decent home in Aotearoa* consultation led by the Human Rights Commission
- regulations to give effect to the latest Building Bill (Regulatory Reference Group)
- various drafts of reports issued by the Office of the Auditor-General (by various groups, but mostly by the Business Performance Working Party).

## The Future

The demand for quality advice on making legislation and regulation work will only increase as a wave of reform which is larger in scope than anything in 1989 or in 2002 arrives. During the year we welcomed a second senior-level policy advisor – Grace Hall (previously employed at Local Government New Zealand) to work in this area, particularly on resource management and climate change matters.



## Planning and Accountability

Long-Term Plans (LTPs) are a movable feast right up until adoption, and the 2021–31 LTPs proved to be more so than in the past. Our Planning and Accountability and Business Performance Reference Groups spent part of the lockdown period working on *Navigating the Post-Lockdown LTP* – which is a short note providing pragmatic advice to councils on how to make the best use of the 400 or so days between lifting the lockdown and adopting LTPs. This document also formed the basis for a highly-rated discussion at the 2020 Community Plan Forum, delivered online.

The Business Performance Reference Group also put together an LTP-themed note on COVID-19 for inclusion in annual reports. This drew, in part, on the work of Audit New Zealand.

The fluid nature of the policy environment was reflected in the production of three addendums to the suite of LTP guidance this year. *Climate change in the 2021 LTPs* was a short piece of guidance on where climate change should show up in an LTP. Our initial sense is that there has been a significant lift in the coverage of climate change in many LTPs (with one or two exceptions).

The other two addendums were unplanned pieces of guidance which both related to central government led reviews. We released a short note for councils on the treatment of the three waters review in the LTPs, including a model disclosure to include in LTPs. At the end of the year, we produced a short note on the Future for Local Government Review, which emphasised how little information there is at this point. Both were produced at the request of the sector.

While some LTPs are still 'live' at the time of writing this Annual Report, we are planning to start the next round of LTP guidance with the commencement of the 2021 Great Consultation Document Competition, and a review of the 2021 crop of financial and infrastructure strategies. The LTP may be a very different document next time around – however, we still expect some form of an LTP to be required, regardless of what transpires over the next few months.

## Partnerships with central government

- We worked with Department of the Prime Minister and Cabinet (DPMC) on the Child and Youth Wellbeing Strategy where we jointly developed a CoCre8 TeamSite to share strategies and guidance from DPMC with the local government sector.
- We worked in partnership with the Social Wellbeing Agency (SWA) on a series of community well-being dashboards with data which would be relevant to organisations in the social sector.
- We supported the National Library on delivering a partnership programme with Public Libraries New Zealand (PLNZ) and the public libraries in councils.
- We worked with the Department of Internal Affairs on the Local Government COVID-19 Response Unit, and Three Waters Reform programme.
- We were actively involved with the Government Regulatory Practice Initiative (G-REG) through Ministry of Business, Innovation and Employment (MBIE) which aims to improve the capability of individual regulators, regulatory organisations, and the regulatory community.
- We supported the work of the Board of Indicators Aotearoa New Zealand – Ngā Tūtohu at Stats NZ.

## Good Practice

### Guidance

Our SectorGoodToolkit levy enables us to deliver a range of services and advice to the sector. All 78 councils contribute to this work.

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

- Legal Compliance
- Long-Term Planning
- Financial Planning
- Mandatory Registers
- Electoral Code of Practice
- Electoral Officer Guidance
- COVID-19 Updates
- Sale and Supply of Alcohol Act
- Privacy Act.

We also delivered alcohol regulation guidance (including the addition of alcohol case law).



## Government Regulatory Practice and Regulations

We were actively involved with the Government Regulatory Practice Initiative (G-REG). This is a public sector collaboration involving public service departments, Crown entities and local government in partnership with Skills Consulting Group. It aims to improve the capability of individual regulators, regulatory organisations, and the regulatory community.

In the past year, local government participation in the G-REG programme has included 49 councils (and 1,260 people) participating in the Level 3 New Zealand Certificate in Regulatory Compliance (Core Knowledge), 1,040 students participating in the Level 4 New Zealand Certificate in Regulatory Compliance (Operational Knowledge), and 10 students participating in the Level 5 New Zealand Certificate in Regulatory Compliance with strands in Audit, Inspection, Investigation and Operations.

There were 12 council G-REG assessors for Levels 4 and 5 as at year end.

The ongoing maintenance and renewal of the legal compliance programme has continued with the updating of eight modules and the delivery of supporting webinars to update the sector. This work has been supported by members of the Regulatory Reference Group.

As the year ended, 10 out of a projected 12 guides have been legally reviewed and completed, with the remaining two in draft form, awaiting legal review.

The Regulatory Reference Group contributed significantly to our work on building legislation and assisted in the submission to the Select Committee. This group also advocated for improvements in regulation in conjunction with several central government agencies, and actively engaged with these agencies throughout the year.



## LG Price Index

COVID-19 had an impact on another of our flagship priorities. We had intended to commission BERL to undertake a rebasing of the BERL adjusters to ensure the 'basket' of services and infrastructure it prices remains up to date. But the pandemic and its radical impact on expenditure patterns has delayed this for a couple of years. In the wake of heightened uncertainty around the economic situation, the Business Performance and Planning and Accountability Reference Groups asked BERL to produce commentary on the post-COVID-19 economy (released in July) and three sets of adjustments based on The Treasury's three alternative recovery paths. There was some concern that the scenarios were allowing for too much of a 'bounce-back' – but the strong recovery has surprised us all!

## Rating

The passage of the Rating of Whenua Māori legislation did not occur before the 2020 general election (as we had hoped), so our support package for helping councils implement this law was delayed. We have a draft legal opinion from Simpson Grierson on what it means to give effect to the principles of Te Ture Whenua Māori and a draft on the new section 114A remissions. We also assisted the Department of Internal Affairs with its advice on the administration of changes to non-rateability. These topics have all been the subject of webinars and/or a session at the 2021 Civic Financial Services Strategic Finance Forum.

## Critical Transitions and Futures Thinking

During the year our in-house futurist brought a critical transitions focus into our submissions to the Climate Change Commission, the Infrastructure Commission, and on various pieces of building work. We ran a small friendly series of webinars on each of the five critical transitions. We are developing the sector's futures thinking skills and have run a prototype of a webinar-based course. Interest in this is such that we'll repeat it in the next year.

## Democracy and Electoral

Our Democracy and Governance Working Party developed guidance on the Local Government Official Information and Meetings Act 1987 (LGOIMA), contributed to the development of our SectorGoodToolkit and guidance materials, and actively engaged with central government agencies.

The Electoral Reference Group was extremely active in preparation for the 2022 Local Elections, including undertaking detailed work with NZ Post, the Department of Internal Affairs, the Local Government Commission, and the Electoral Commission.

There was some testing of the boundaries of the roles of elected members in council communications during the pre-election period in 2019. The Electoral Reference Group prepared a piece of guidance that applies the well-understood and accepted communications principles in the election period to a series of case studies (based loosely on real-life events). Any local authority which effectively applies these principles should avoid major problems next year. The guidance has been issued jointly with Local Government New Zealand and has the support of Audit New Zealand and the Department of Internal Affairs.

The Electoral Code of Good Practice is being updated in time for the Electoral Officers training in November 2021 and for the 2022 elections. The guidance is in 20 parts and nine had been updated by the end of the year.



## Workforce Leadership

**We have continued to focus on supporting the sector by growing the leadership and capability of our workforce. Against a backdrop of considerable change, the quality of leadership will play a significant role in maintaining the resilience of council staff and their ability to adapt to change.**

We delivered a suite of programmes and opportunities to help leaders develop their capability. We will continue to focus on delivering adaptable solutions to chief executives, leaders, and HR professionals as we all adapt to a changing environment.

### JLT Australasian Management Challenge

We were thrilled when Hauraki District Council won the 2020 Australasian Management Challenge, competing against teams from Australia. The Challenge has been won by a New Zealand team six times in the last 20 years, more often than any Australian State!

The New Zealand leg of the 2021 JLT Australasian Management Challenge was held in-person this year (after being delivered virtually the previous year), with our Australian facilitators joining remotely. The Challenge was hosted by Hutt City Council, attracted 14 teams from across the country, and was won by Otago Regional Council.

Feedback from the teams and participants confirmed that the event is an important and unique way to develop teams within councils, and to support leadership development. Many of the teams presented their experience of the Challenge to their respective chief executives as a way to continue the team building, and to raise the profile of the teams' achievements within the respective councils.



Schist Happens from Central Otago District Council.



Karen Thomas presents the Hauraki Team, winners of the 2020 Management Challenge, with their trophy.



Auaha the team from Hutt City Council.



James Lord from Taituarā congratulating all participating teams at the end of the event.



Members of the Central Otago District Council and Rotorua Lakes Council following their debate.



The Australian facilitators briefing the teams at the start of the Challenge.

## Leadership Pathways

Our Leadership Pathways provide the sector with a suite of professional development programmes which, collectively, create a journey to enhance career development.

We launched the Aspiring to Lead programme in partnership with Business Central. Aspiring to Lead is delivered through a blended approach of online and face-to-face workshops. The programme is a new step in our Leadership Pathways suite of leadership development opportunities and is tailored to those at earlier stages of their local government careers. Three cohorts of early-stage leaders from around the country took part this year.

Our mid-tier offering is the Accelerated Leadership programme run by Capability Group. A total of 78 leaders successfully completed the course, in five regions around the country. This opportunity for participants to learn and collaborate regionally continues to be popular.

Our premiere offering for tier-two managers, the Executive Leadership programme, is run in partnership with the Continuum Consulting Group, and continues to be a popular choice for senior local government leaders and aspiring chief executives. Twelve leaders explored and developed their own leadership styles in the cohort-based programme this year. It remains a cornerstone in developing our sector's future executives, and has an increasing focus on developing a te ao Māori perspective.

## Leadership Scholarships and Exchanges

The Overseas Management Exchange programme was once again impacted by COVID-19. Border closures, quarantine requirements and general uncertainty around international travel impacted on the ability of past and present winners to travel. However, the programme remains popular and we continue to explore opportunities for managers to interact with it during the intervening period before international travel resumes.

Our partners in Australia, Canada and the United States, along with our local sponsors, have been extremely supportive and we look forward to being able to resume the exchange programme more fully once restrictions are lifted more substantially.

The Melbourne Business School scholarship has been affected by the School's decision to discontinue the residential programme on which the scholarship is based, as well as by uncertainty about the travel bubble between New Zealand and Australia. Alternative options are being explored to provide the recipient with a similar opportunity to the original offering.

## Chief Executive Support

After a hiatus caused by the pandemic, we resumed the Chief Executive Forums and Leadership Forums this year. Supporting our chief executives by providing opportunities for them to engage with central government, and creating a forum to share ideas and provide input to central government work programmes, is an important part of our offering to the sector. The Chief Executives of the Ministry of Social Development and the Ministry of Education both spoke about how councils can inform their work.

We arranged for Dr Tom Mullholland to deliver a personal well-being session for local government chief executives, in recognition of the increasing pressures they are experiencing. This provided an open forum for participants to discuss the issues that are having an impact on them. It also provided insights and direction to enable Taituarā to support the chief executives.

## Workforce Committee

The Workforce Committee (formerly the Workforce Working Party) continued to provide strategic leadership, practical support and capacity building in sector workforce issues, under the leadership of its Chair, Louise Miller. The Committee has shifted its focus to respond to the emerging needs of the workforce (and the sector more generally) created by the emerging reform programmes. The Committee reaffirmed its determination to develop a workforce strategy and action plan for local government. We continue to assess future workforce requirements, while supporting and aligning our efforts with other organisations which play a role in the changing shape of the local government workforce.

The strategy will explore what actions can be delivered to create the enabling environment needed for workforce change through the levers available to us.



The Committee undertook a snapshot survey of HR professionals to ascertain whether the level of engagement within councils had improved or declined post lockdown. While the results suggested that the workforce remained somewhat resilient following the pandemic, many respondents highlighted an increase in fatigue and anxiety caused by the significant amount of change underway in the sector, as well as a perception of deteriorating relationships with some members of their communities. In response, the Committee has developed a particular focus on the well-being of our workforce, with a work programme on health, safety and well-being. The Committee is also learning from the emerging Auckland Council Hauora and Well-being Strategy and Action Plan.

### Best-practice Forums and Webinars

Learning events and webinars continued to be a cornerstone activity for us and a key way to promote and support professional management in local government. Webinars, best-practice forums and programmes, and online learning, have all been relevant and innovative.

#### The following forums were delivered during the year.

Forums	Attendees
Online Forum: 2020 Representation Review	21 councils
Online Forum: Towards a Well-being Led Recovery	23 councils
Online Forum: Infocouncil – LG Hub Governance Professionals and Committee Advisors Forum	38 councils
Online Forum: The Last Stop for the LTP'21 (Community Plan)	57 councils
PwC Chief Executive Forum	39 attendees
Online Forum: Funding and Rating Forum	54 councils
Chief Executive Briefing	28 attendees
Online Forum: Marsh Risk Management Forum	49 councils
LG Leaders Forum	12 attendees
Partners in Community Well-being	116 attendees
Funding and Financing Inquiry Forum	55 attendees
Online Forum: Climate Change and Local Government Forum	43 councils
Civic Financial Services Strategic Finance Forum	113 attendees
Infrastructure for the Future Forum	62 attendees

### Whakaaro Pai

The Whakaaro Pai sessions for local government HR professionals are a valuable forum for peer learning, and for sharing projects and approaches across the sector. This year's sessions included projects related to inclusion and diversity, innovative health and safety approaches, and organisational strategy (delivered by Whangārei District Council, the winner of the Capability Group Award for Excellence in Organisation and People Development).



**The following webinars were delivered during the year.**

Webinars	Council Registrations
The Next Three Years: The Policy Environment for Local Government	50 councils
BECA Online Series: Integrating Sustainability for a Prosperous New Zealand	13 councils
Our Ageing Population – Opportunities and Challenges for Local Government	80 attendees
Using Procurement to Enhance Recovery and Meet OAG Requirements	10 councils
How to use Collaborative Agile Procurement to Drive Best Value	6 councils
The New NPS Urban Development	22 councils
The Randerson Report – A Roadmap for the Future of Planning?	25 councils
A Whole New Ball Game? The Post COVID Economy and the 2000 Taituarā/ BERL Adjusters	32 councils
Leadership – Lessons from Leading through a Pandemic	97 attendees
Assumptions for a New Era: Transitions to Low Waste and Low Emissions	11 councils
Privacy Law and Information Risk	38 councils
What's Happening with the Holidays Act?	34 councils
Rating of Whenua Māori – Some Things to be Getting On With	54 councils
Rating of Whenua Māori – the History and Context of Whenua Māori	39 councils
Building Consenting and Liquefaction Risk under B1/AS1	157 attendees
Regulations for Building System Reform	14 attendees
How to Win an Excellence Award 2021	23 attendees
Promoting Well-being through Shovel-ready Projects	16 attendees
Making Progress on the Critical Transitions	37 attendees
Securing the Well-being of Future Generations	155 attendees





## Other Products and Services

### Community Well-being Data Service

We continued our work on the Community Well-being Data Service, which was launched in 2019. Our Data Service dashboards are now used by 40 councils (including regional councils and Auckland Unlimited) to support their strategic planning and well-being measures, which are particularly important in an LTP year. Central government departments have also expressed interest in the dashboards.

The data warehouse contains 70 indicators and 234 measures across the four aspects of well-being – social, economic, environmental, and cultural – and one demographics category. Data is drawn from a wide range of sources including Stats NZ. The Service also provides a toolkit and guidance, and a range of training and e-learning modules.

The Service supports chief executives and managers in their statutory responsibility to promote the well-being of their communities in the present and the future. Our use of the Tableau platform means we can support councils to build on their internal analytic and reporting capability.

### E-Learning

Our online learning platform has been operational for two years. We now have a significant asset which allows us to offer blended learning to the sector that, over time, creates a sector repository of shared learning and of our own bespoke products. The following e-learning content was developed and/or made available during the year:

- The How Local Government Works Programme has been very successful, with an additional 444 seats sold.
- Rating KnowHow was launched in 2019 and 31 seats were sold this year (218 since the launch).
- Introduction to Well-being launched in November 2019 and 21 seats were sold this year (75 since the launch).
- Well-beings Module 3 was launched and 17 seats were sold.
- Managing Negative Social Media was developed and is a 'freebie' in the 2021 financial year.

The How Local Government Works module will be offered to library staff as part of the New Zealand Libraries Partnership Programme (NZLPP) which Taituarā is providing in partnership with Public Libraries New Zealand (PLNZ).

We have developed a series of five alcohol licensing modules. They are currently in the final stages of review and are due to be released in the new financial year.

We have also entered into a partnership with Dr Tom Mullholland to provide an e-learning version of his successful personal well-being programme, to be released in 2021.

### 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 integrates seamlessly with Trade Me.

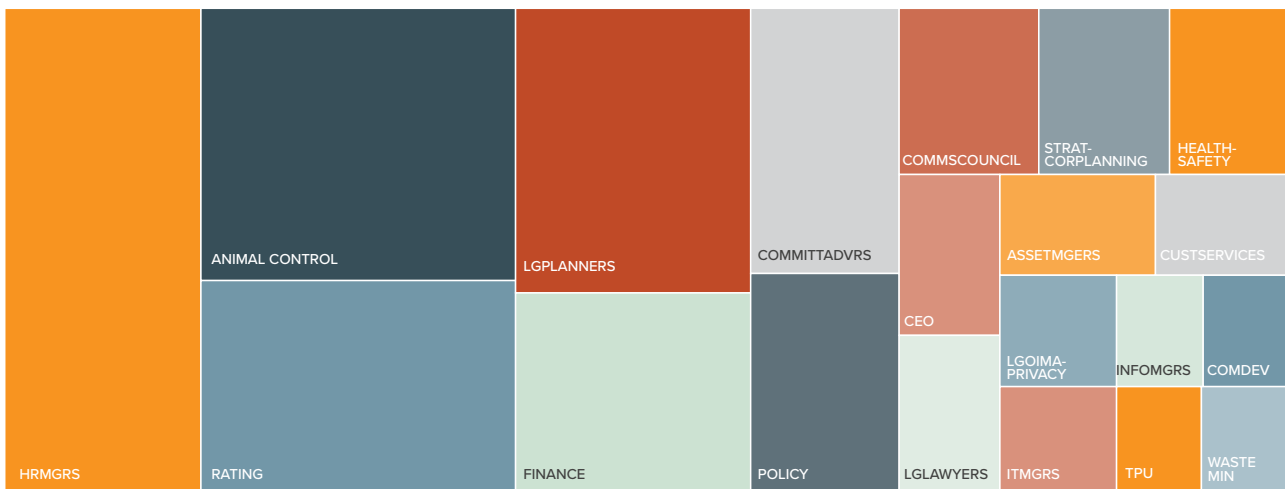
This year 98% of New Zealand councils, and several of their council-controlled organisations advertised through LGJobs, posting 1,586 jobs – an increase of 11 percent. Of these, 32 percent of the job listings had the Discussion Group add-on, which delivers the advertisement to targeted discussion groups and readers of the Taituarā weekly LGNewsBulletin newsletter.

98%  
OF NZ COUNCILS  
ADVERTISED  
THROUGH LGJOBS



## 20 Most Active Groups - Number of Posts

HRMGRS	1357	COMMITTADVRS	560	CEO	231	ITMGRS	176
ANIMAL CONTROL	1258	POLICY	462	LGLAWYERS	228	INFOMGRS	139
RATING	952	COMMSCOUNCIL	333	ASSETMGRS	223	COMDEV	132
LGPLANNERS	950	STRAT-CORPLANNING	312	CUSTSERVICES	187	TPU	128
FINANCE	666	HEALTH-SAFETY	274	LGOIMA-PRIVACY	185	WASTEMIN	127



## Annual Summit

Our September Summit was impacted by the country's move to COVID-19 Alert Level 2, which restricted gatherings to a maximum of 100 people. We 'pivoted' and held two mini-Summits, one in Ōtautahi Christchurch, and one in Taupō, with sessions also streaming online. The rationale for this was to enable South Island and North Island delegates to travel easily, without the added expense of accommodation and air travel.

Both events were well attended and created a much-needed opportunity for delegates to regroup and network following a challenging period.

The theme was *Beyond Lockdown – Reimagining our Future*. The Ōtautahi Christchurch speakers included Laura O'Connell Rapira, Dr Eruera Tarena, David Meates, Sam Judd, Jane Davidson, and Arihia Bennett. The Taupō speakers included Clay Pearson, Bevan Graham, Lil Anderson, and Mavis Mullins.

Thank you to our sponsors; Simpson Grierson, PwC, BERL, Civic Financial Services, Marsh, Datacom, and Squiz for supporting us during these challenging times.



Summit: Taupō



Summit: Christchurch



## Gala Dinner and Excellence Awards

More than 300 guests gathered at the Museum of New Zealand Te Papa Tongarewa in Wellington to celebrate innovation and excellence in local government. The evening was an opportunity for those working in the sector to network, share best practice, and celebrate.

The 2021 Excellence Awards were the first to be held in conjunction with our new Supreme Award Sponsor – the Local Government Funding Agency. Datacom, GHD, MartinJenkins and Buddle Findlay joined our existing sponsors BERL, Capability Group and the Department of Internal Affairs. Their generous contributions to this celebration of success are greatly appreciated.

There were 42 entries this year which was very pleasing in an LTP year when council policy and communications teams were stretched.

Judges noted that the overall standard of entries was higher this year, with six contenders for the Supreme Award.

Unsurprisingly, COVID-19 and innovative approaches to adapt or better manage an evolving 'new normal' was one of the themes in this year's set of entries – including new ways of working, steps to find efficiency gains, and working with the community against the backdrop of a once-in-a-generation health crisis. Several of the winners told us how they kept their entries progressing during the lockdown alongside their work to keep basic services running during the changing Alert Levels.

Another key theme was the range and depth of entries demonstrating how councils are working in partnership with mana whenua. Partnerships were the key element in twelve entries, including two of the seven category winners (and the supreme winner).

### This year's winners were:

- **BERL Award for Collaborative Government Action** – Hastings District Council for its Place Based Housing Strategy (with a Highly Commended citation for Tauranga City Council and LINZ for their Notice of Change Project)
  - **Buddle Findlay Award for Bicultural Leadership** – Waikato Regional Council's Transfer of Functions to an Iwi Authority under s33 RMA
  - **Capability Group Award for Excellence in Organisation and People Development** – Whangārei District Council for its Organisational Strategy
  - **Datacom Award for Transforming Service Delivery** – Selwyn District Council, A World Class Customer Service Experience Transformation Project (with a Highly Commended citation for Tauranga City Council's Trailrider)
  - **GHD Award for Environmental Leadership** – Eke Panuku Development Auckland for its Te Ara Awataha (with a Highly Commended citation for Greater Wellington Regional Council for its Low Carbon Acceleration Fund)
  - **Martin Jenkins Award for Better Policy and Regulation** – Far North District Council for its Nothing but Net.
- Several individuals were recognised for their exceptional contribution to their councils, and the winner of the New Zealand leg of the Australasian Management Challenge was announced, as follows:**
- **Emerging Leader of the Year Award** – Darren de Klerk, Director of Projects and Programmes at Central Hawke's Bay District Council
  - **AskYourTeam Melbourne Business School Leadership Scholarship** – Louise Miller, Chief Executive at Kaipara District Council
  - **Civic Financial Services Overseas Manager Exchange to the US** – Jason Marris, General Manager of Transformation and Engagement at Kaipara District Council
  - **Marsh Overseas Manager Exchange to the US** – Simon Mutohori, Group Manager – Planning and Regulatory Services at Wairoa District Council
  - **New Zealand leg of the JLT Australasian Management Challenge** – Otago Regional Council's team 'In Our Element'.
- **LGFA Supreme Award and the Minister of Local Government's Award for Excellence in Council/Community Relations** – Western Bay of Plenty District Council for its Transfer of Panepane Purukau





Auaha the Hutt City Council team won second place in the Australasian Management Challenge.



Dinner on Level 1 of Te Papa.



Oscar Kightley MC for the evening.



Incoming Taituarā President Sanchia Jacobs.



Hon Nanaia Mahuta Minister for Local Government addressing guests.



Presenter Craig Stobo LGFA Chair and Western Bay of Plenty District Council winner of the coveted LGFA Supreme Award Miriam Taris and Gary Allis.



Waikato Regional Council winner of the Buddle Findlay Award for Bicultural Leadership.



## A New Name - Taituarā — Local Government Professionals Aotearoa

In the middle of the year we were privileged to be formally gifted a new name – Taituarā – by the Honourable Nanaia Mahuta, Minister of Local Government and the Honourable Peeni Henare, Minister of Civil Defence.

This followed a period of extensive consultation with our stakeholders and members, who then voted in favour of the change.

In te reo Māori Taituarā means backbone and metaphorically describes unseen, unconditional support and strength. It implies courage, resilience and empowerment. It is a strong reflection of our organisation's identity and commitment to promoting, supporting and strengthening professional management and operations in local government.



The name change came after more than 30 years of being known as SOLGM. Our new name reflects the journey we've been on to become the go-to organisation for local government best-practice learning, development and resources. It positions us well for the future.

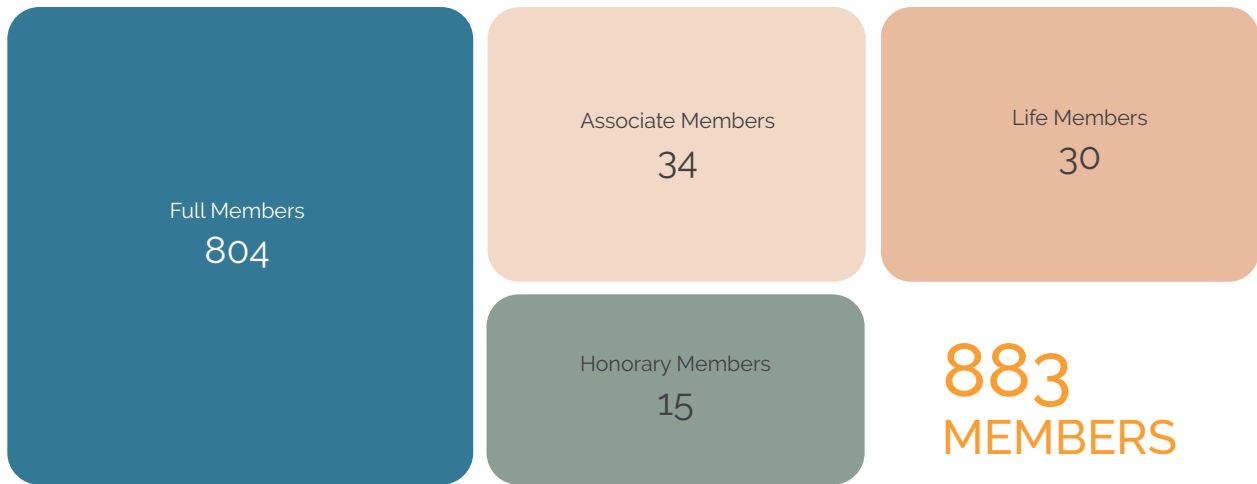
SOLGM originally emerged in the late 1980s when the NZ Institute of County Clerks merged with the NZ Institute of Town Clerks and Municipal Treasurers to become the NZ Society of Local Government Managers. Both of these organisations date from the 1920s, so that is almost a century of service.



Hon Nanaia Mahuta Minister for Local Government, Taituarā President Phil Wilson, Taituarā Chief Executive Karen Thomas and Hon Peeni Henare, Minister of Whānau Ora and Defence.

# Our Membership

## Membership Type



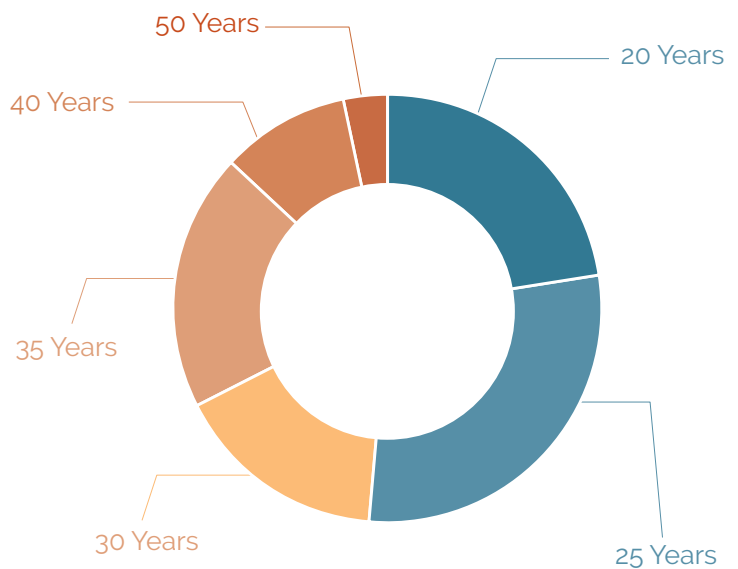
## Member Recognition

Sue Bidrose, Bill Bayfield and Basil Chamberlain were made Life Members at our AGM this year.

Long Service Awards were presented to members for their continual service in the sector:

- 20 years – seven members
- 25 years – nine members
- 30 years – five members
- 35 years – six members
- 40 years – three members.

And for 50 years, Phillippa Wilson of South Taranaki District Council, Life Member and former President of SOLGM.





# Branch Reports

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## Taituarā Northern Branch Report



Tēnā koutou I ngā āhuatanga o te wā,

The Northern Branch had a steady year, recognising that many of our members have been heavily involved in responding to COVID-19, LTPs and three waters reform work, all on top of business as usual.

This year we made changes to our committee membership. One of our members, Mara Bebich, took over the Secretary role and Kevin Ramsay left Auckland Council. I will be representing the Northern Branch on the Taituarā Executive Committee for a further term.

### Current membership of the committee is:

**Jason Marris** – Kaipara District Council (President)

**Christine Watson** – Auckland Council (Treasurer)

**Mara Bebich** – Auckland Council (Secretary)

**Sally Grey** – Auckland Council

**Francis Caetano** – Auckland Council

**Monica Sharma** – Auckland Council

The committee met several times during the year and continued to focus on Taituarā Northern Branch members and their development. Many of the committee members also engage and work with Taituarā in their professional capacity and I want to recognise this mahi as well. My sincere thanks to our committee members for their work.

### In this financial year, we have:

- advocated for staff from northern councils to join Taituarā
- updated Northern Branch members on Executive meeting outcomes
- targeted areas at Auckland Council to increase membership
- discussed the Taituarā constitution and provided a discussion paper from the committee to help inform the Executive

- operated a membership scholarship campaign and awarded two years' membership to two new Taituarā members from Auckland Council and Kaipara District Council. The scholarships also included mentoring to help develop the members further.

I would like to extend our thanks to Karen and the Taituarā team for their work this year. There is a lot of change and uncertainty in the sector, either in front of us now, or just over the horizon. Taituarā continues to work hard to help us work through the impact of COVID-19 and is very strong in representing our sector around the Three Waters, RMA, and the Future for Local Government reforms. Now, more than ever, we need a strong membership organisation to represent our people amidst our quickly changing sector.

Kia pai tō rā.

I roto i ngā mihi.

### Jason Marris

Northern Branch President



## Taituarā Central Branch Report



203  
Members

Shayne Harris stood down as Central Branch Secretary/Treasurer this year following more than ten years of service to the Branch. Amanda Calman was elected as the new Central Branch Secretary /Treasurer. Amanda is the Chief Financial Officer at Manawatū District Council. Hamish Waugh was re-elected as Branch President.

The Taituarā Central Branch held one meeting at The Millennium Hotel in Taupō. The Branch meetings are held in conjunction with the Midlands Branch, providing 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, interesting, relevant and useful to all participants. Some of these presentations included:

- Three Waters Reform – Hamish Waugh chaired an open discussion on what is on the horizon.
- Karen Thomas, Chief Executive of Taituarā, outlined the state of the nation.
- Ian Brown, Chief Executive of Civic Financial Services, reminded us of the importance of retirement planning and outlined its products.
- Marianne Mackintosh, from Tompkins Wake, provided an overview of the resource management reforms that are on the way from central government.
- Andrew Leusink from Datacom discussed the Antenno public engagement tool.
- Shayne Harris and Hamish Waugh from Manawatū District Council gave an overview of the new Ōhakea Rural Water Scheme and community engagement process.
- A highlight of the Branch meetings was a panel discussion of chief executives who shared their perspectives on the world of local government.

Thank you to Civic Financial Services, Datacom, and Tompkins Wake for their ongoing and greatly appreciated support.

The Central Branch maintains a good financial position which provides plenty of opportunities for events, scholarships, and development opportunities for its 175 members. Sector engagement is the key to a successful branch and key to the success of Taituarā nationally.

### Hamish Waugh

Central Branch President

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## Taituarā Midlands Branch Report



204  
Members

Midlands Branch President Tanya Winter presented her report via a rendition of the Midlands Branch Blues.  
View the [video here](#).



**Tanya Winter**  
Midlands Branch President

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## Taituarā Wellington Branch Report



116  
Members

This Branch is currently in recess.

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## Taituarā Top of the South Branch Report



154  
Members

COVID-19 disruption took its toll on the practicality of Branch meetings this year. It was with considerable regret that the Marlborough Colloquium was cancelled due to this ongoing uncertainty. The flagship event had been scheduled to take place in Blenheim in January 2021 thanks to the ongoing commitment of Tony Quirk and the Marlborough District Council.

### **Simon Markham**

Top of the South Branch President

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## Taituarā 45 South Branch Report



109  
Members

This year has been one of change for the 45 South Area Branch, particularly for our Branch leadership.

We were delighted to see Sanchia Jacobs, Chief Executive of Central Otago District Council and previously our Branch Representative, elected as Taituarā President, and would like to congratulate her on her appointment.

We also thank Nicola Pinfeld, who has stepped down as Branch Secretary, for all her hard work and dedication, and wish her well for the future. Nicola was awarded the prestigious Overseas Manager Exchange, sponsored by Marsh, to Canada for 2020/21. Unfortunately, it didn't take place due to COVID-19 travel restrictions – but we are in no doubt about the great contribution Nicola made to Taituarā, and our Branch in particular, as we continue our search for a new Branch Secretary.

Finally, I was elected to Branch Representative, and I am looking forward to my new role over the coming year. I would like to thank Karen and the Executive team for making me feel so welcome.

Beyond organisational change, our Branch maintains a good financial position and strong membership. Branch members continue to make excellent use of Taituarā resources, particularly the webinars.

### **Louise van der Voort**

45 South Branch President

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# Our Partnerships

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We benefit from several local and international partnerships that provide opportunities for our members to engage with sector colleagues, both nationally and internationally.

## Aotearoa 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)
- School of Government, Te Herenga Waka — Victoria University of Wellington
- Water New Zealand
- Park Agencies Managers Special Interest Group
- Te Pae Urungi (TPU)

## International

### Australia

- Local Government Professionals Australia and their state-level partners, including LGPA NSW
- Institute of Public Works Engineering Australasia (IPWEA)

### Canada

- Canadian Association of Municipal Administrators (CAMA)
- Local Government Management Association of British Columbia (LGMA)

### South Africa

- Institute for Local Government Management (ILGM)

### United Kingdom

- Society of Local Authority Chief Executives and Senior Managers (SOLACE)
- Commonwealth Local Government Forum (CLGF)  
This organisation ensures the local government voice is heard within the Commonwealth and that it gets full recognition and support in the Commonwealth family.
- Institute of Business Ethics (IBE)

### United States

- International City/County Management Association (ICMA)



# Our Executive Committee

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President

**Phil Wilson**

Director of Governance and CCO Partnerships, Auckland Council



Vice President

**Craig Stevenson**

Chief Executive, New Plymouth District Council



Vice President

**Sanchia Jacobs**

Chief Executive, Central Otago District Council

## Branch Representatives 2020/21



Northern Branch Representative

**Jason Marris**

General Manager Engagement and Transformation, Kaipara District Council



Midlands Branch Representative

**Tanya Winter**

Chief Executive, Ōtorohanga District Council



Central Branch Representative

**Kym Fell**

Chief Executive, Whanganui District Council



Wellington Branch Representative

**Jo Miller**

Chief Executive, Hutt City Council



Top of the South Branch Representative

**Simon Markham**

Manager, Strategy & Engagement, Waimakariri District Council



45 South Branch Representative

**Louise van der Voort**

Executive Manager - Planning and Environment, Central Otago District Council

## Taituarā Representatives on Civic Financial Services Boards

New Zealand Local Authority Protection Programme Disaster Fund Trust Board:

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

Local Government Superannuation Trustee:

- **Nikki Harrison**  
Group Manager Corporate Services, Nelson City Council

Additionally, Jo Miller (Chief Executive, Hutt City Council) was co-opted to the Civic Financial Services Board earlier in the year and elected during the mid-year elections.







# Personnel Report

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There were a number of changes to the Taituarā team during the year. It has been a time of growth as our remit has expanded to support the new work streams related to the various reform programmes.

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Early in the year during the Alert Level 4 lockdown, we farewelled Leeanne Templer (Senior Advisor, Professional Practice) who took up a new challenge at Crown Law. Eilidh Siller (Advisor, Workforce Leadership) absorbed some of the events responsibilities previously held by Leeanne Templer.

Claire Shakespeare (Executive Assistant to the Chief Executive) left to take up a role at Wellington College. She was replaced by Marion Donaldson, then Amy Dyer joined the team to support the Chief Executive.

Kevin Lavery was recruited into a General Manager role to support the three waters work. He previously supported our work on the COVID-19 response.

Chelsey Reid (Advisor, Sector Improvement) departed to take up a senior role at the Ministry of Social Development.

Jenny Spencer (Workforce Leadership Manager) returned to the UK to care for a family member. She worked remotely for a while, then resigned. James Lord was recruited to carry on her work.

Tamsen Welsh (Advisor, Design and Communications) left to take on a full-time graphic design role in another organisation. Benjamin Swale was appointed into the revised role of Advisor, Brand and Channel Management.

Amy Waugh (Senior Advisor, Membership and Communications) moved to a digital role in another organisation. Eilidh Siller (Advisor, Workforce Leadership) was appointed to the newly created role of Advisor, Events and Communications, absorbing some of this work, along with Leeanne Templer's work.

We appointed two administrators to the team in the middle of the year – Victoria Sidaway (Administrator, Accounts and Systems) and Lauren Hourigan (Administrator, Membership and Events).

We also recruited Grace Hall (Senior Advisor) to focus on our resource management work.

Lastly, but by no means least, we recruited Data Engineer Kshitiz Bansod to support and manage our data warehouse.

Thank you to everyone in the Taituarā team for all their mahi this year.

**Karen Thomas**  
**Chief Executive**

# Our Team

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**Karen Thomas**  
Chief Executive, Taituarā

**Amy Dyer**  
Executive Assistant to the CEO



**Raymond Horan**  
Chief Advisor



**Kate Macnaught**  
Manager, Sector Improvement



**Ann Thomson**  
Manager, Communications  
and Partnerships



**Rebecca Moore**  
Manager, Finance and  
Administration



**James Lord**  
Manager, Workforce  
Leadership



**Susan Haniel**  
Senior Advisor



**Grace Hall**  
Senior Advisor



**Mubashir Mukhtar**  
Data Scientist



**Kshitiz Bansod**  
Data Engineer



**Jane Wilson**  
Instructional Designer



**Eilidh Siller**  
Advisor, Events and  
Communications



**Benjamin Swale**  
Advisor, Brand and Channels  
Management



**Lauren Hourigan**  
Administrator, Membership and  
Events



**Victoria Sidaway**  
Administrator, Accounts and  
Systems





# Financial Results

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# Financial Commentary

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## Taituarā finished the financial year to 30 June 2021 with a surplus of \$342,233 after tax.

The surplus is an exceptional result for the 2020/21 year and compares favourably with the previous financial year's result of \$280,954 after tax. We finished the year with a strong equity position of \$2,049,045, total assets of \$2,514,048 and liabilities of \$465,002. This remains a strong financial position to enter the 2021/2022 financial year, and our reserves will allow us to continue to invest in technological improvements and future opportunities to support the local government sector.

Fixed and intangible assets increased \$142,713 through continued investment in our IT infrastructure. This included the replacement of equipment that was end of life, however, the majority of this was the development of a new standalone CRM and website. Over the last year our environment rapidly changed from one where physical interaction was commonplace, to a new reality which is predominantly virtual. To remain connected to our membership and stakeholders we saw the need to create a digital front door that is both engaging, and provides a meaningful and relevant experience to users. As such the development of our IT infrastructure is something we considered high priority this year. To date we have invested \$122,696 towards this project which will be launched in October 2021.

The ongoing investment in our technology platforms is vitally important to enable Taituarā to continue to develop offerings that are not only accessible, but also cost effective. We will continue this investment in the 2021/22 financial year.

Taituarā has several sources of revenue (see figure 1) with income from all sources totalling \$4,139,425, a 9.5% increase from last year.

## Gross revenue from products and services decreased 6.4% to \$3,144,091, with points of note explained further below:

- The 2020 Annual Summit was the first face-to-face event we held after the March 2020 COVID-19 lockdown. With Alert Level 2 restrictions still in place, our usual two-day offering was held as two smaller one day events in Christchurch and Taupō. These events resulted in a net surplus of \$52,379 including Principal Partnership Summit sponsorship. Although this was a decrease from the previous year, both were well-received events hosting almost 100 delegates in each location.
- Overall, our revenue from event sales, including the Annual Summit, increased by 6.8% to \$1,982,459. Although we cancelled many of our larger face-to-face events in the first half of the financial year, we were able to mitigate this by increasing our digital offering, including our webinar programme, delivering events online, and the launch of two new online-only programmes.
- With the move to more online offerings the cost of delivering our events decreased by 28.8% to \$635,713, partially due to a scaled-down Summit programme and catering costs for those events.
- LGJobs continued to perform well demonstrating that councils still value this service as part of their recruitment process. Revenue of \$390,097 is a decrease of 3.51% from the previous year.
- Council subscription revenue makes up approximately 21.5% of our total income at \$891,072. The Sector Good Toolkit content is a valuable resource to councils, and we continue to expand this resource.

This year we started work on establishing a new executive support service for the local government sector. The focus is on supporting chief executives and senior staff through challenging times, providing clarity around key issues. To date we have assisted 12 councils providing transition support and training in preparation for the three waters reform programmes. On the success of this we have formally established this service as Hei Taituarā in partnership with Tūhura Partners, which we will officially launch early 2022.

For Taituarā to increase its capacity to support the sector through the initial three waters reform work the Department of Internal Affairs provided a grant of \$500,000. With this we were able to employ additional resource, provision policy and legal advice, and facilitate our members involvement in various working groups. We also undertook support work to facilitate the Request for Information (Rfi) to all councils as part of the three waters reform programme. This was an additional project and was delivered on a time and cost basis.

Sponsorship income continued to be an important part of the Taituarā revenue stream. Sponsorship income from our principal partners as well as event sponsorship contributed \$239,018 or 5.8% of our total revenue. Although we have had to deliver some of our events this year 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 and Development revenue, with the Principal Partnership Sponsorship noted separately.

**Total operating expenditure increased by 21.7% to \$3,149,891, with points of note explained further below:**

- Staffing costs increased 8.4% this year, as we employed additional staff in the support and administration space, as well as to assist in managing the three waters response for the sector. These additions will enable us to better support our product offerings and services to the sector. The increased costs were offset in part by the Department of Internal Affairs grant, which greatly assisted our organisation.
- We incurred website and software fees totalling \$127,927. This is a similar level of investment to the 2021/20 financial year but expected due to our ongoing move to more digital platforms. It includes hosting costs for our LMS e-learning platform, and software licensing costs associated with the Community Well-being Data Service.

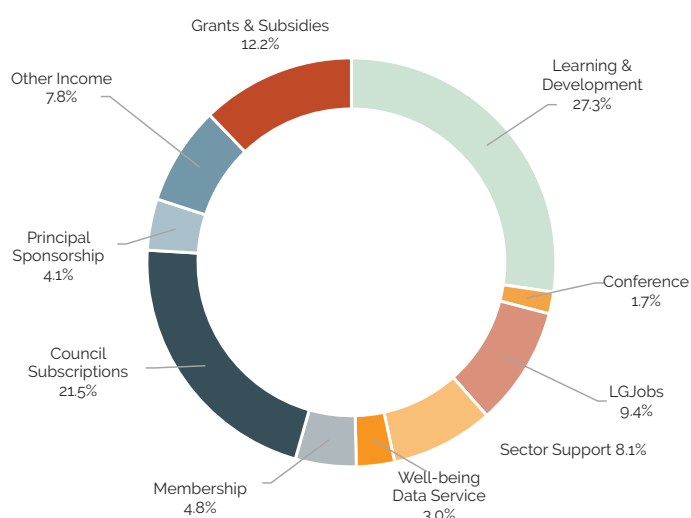
- Professional Service costs increased 251.4% to \$733,755 this year. Costs include consultancy resource as part of our work associated with the three waters response. In this space we incurred costs totalling \$451,296 in relation to professional advice sort on behalf of the sector.
- Amortisation and depreciation costs decreased this year by \$20,136. We made minimal hardware purchases, and most of our capital investment is work in progress for our new website. Depreciation on these assets was calculated from purchase date, at prescribed rates.

We are thrilled to be able to deliver a positive result for our members during a time of such change and uncertainty. Our strong level of equity means Taituarā can remain confident in its organisational sustainability, which strengthens our ability to continue promoting and supporting professional excellence in local government to enable communities to shape their future.

**Figure 1**

**Source of Gross Revenue for the year ended 30 June 2021**

Learning & Development	1,131,408	27.3%
Conference	71,230	1.7%
LGJobs	390,097	9.4%
Sector Support	336,322	8.1%
Community Well-being Data Service	124,633	3.0%
Membership	199,330	4.8%
Council Subscriptions	891,072	21.5%
Principal Sponsorship	168,000	4.1%
Other Income	322,647	7.8%
Grants and Subsidies	504,687	12.2%
<b>Total</b>	<b>4,139,425</b>	



NZ Society of Local Government Managers Incorporated  
Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2021

		2021	2020
<b>Revenue from exchange transactions</b>			
Conference		71,230	342,035
Sales		1,982,459	1,855,579
Council Subscriptions		891,072	969,816
Membership Fees		199,330	191,222
<b>Total revenue</b>		<b>3,144,091</b>	<b>3,358,652</b>
<b>Cost of Goods Sold</b>			
Conference		89,912	278,756
Advertising		66,700	58,383
Catering		82,411	137,688
Equipment Hire		88,703	53,820
General Expenses		11,141	18,607
Printing & Stationary		6,505	12,058
Profit Share	12	94,245	68,360
Facilitation and Speaker Fees		172,927	159,312
Travel		14,560	83,498
Venue Hire		8,609	21,793
<b>Total Cost of Sales</b>		<b>635,713</b>	<b>892,275</b>
<b>Gross Revenue</b>		<b>2,508,378</b>	<b>2,466,376</b>
<b>Other Exchange Income</b>			
Interest Income	6	11,218	26,424
Sponsorship		168,000	166,500
Other Income		309,585	14,814
Branch Income	4	1,843	57,587
<b>Total Other Exchange Income</b>		<b>490,647</b>	<b>265,325</b>
<b>Other Non Exchange Income</b>			
Government Wage Subsidy		4,687	107,787
LG Essential Services Grant		500,000	50,000
<b>Total Other Non Exchange Income</b>		<b>504,687</b>	<b>157,787</b>
<b>Expenditure</b>			
Amortisation	9	20,868	30,380
Audit Fee		12,850	9,500
Communication Costs		17,094	59,044
Depreciation	8	61,968	72,591
General Costs		8,228	8,923
Member Services		8,173	5,377
Professional Services		733,755	208,789
Rental and Office Costs		312,054	302,071
Staff Expenses		1,893,718	1,747,616
Travel Costs		76,893	84,026
Branch Expenses	4	4,290	59,947
<b>Total Expenditure</b>		<b>3,149,891</b>	<b>2,588,265</b>
<b>Surplus/(deficit) before taxation</b>		<b>353,821</b>	<b>301,223</b>
Taxation expense	1	11,588	20,269
<b>Net Surplus/(deficit) for year attributable to Taituarā</b>		<b>342,233</b>	<b>280,954</b>

This statement should be read in conjunction with the notes on pages 51 to 55



NZ Society of Local Government Managers Incorporated  
Statement of Financial Position  
for the year ended 30 June 2021

		2021	2020
<b>Current Assets</b>			
Cash and cash equivalents	2	549,752	253,150
Receivables from exchange transactions	7	331,842	445,203
Prepayments		42,876	73,150
Taxation receivable		-	6,484
Term deposits	3	1,117,179	852,101
<b>Total current Assets</b>		<b>2,041,649</b>	<b>1,630,088</b>
<b>Non-current Assets</b>			
Property, plant & equipment	8	269,868	311,818
Intangible Assets	9	170,466	68,637
Deferred Tax Asset	1	32,065	42,858
<b>Total non-current Assets</b>		<b>472,399</b>	<b>423,313</b>
<b>Total assets</b>		<b>2,514,048</b>	<b>2,053,401</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	10	165,195	113,153
Employee entitlements	13	149,304	86,430
Lease incentives liability		43,253	48,834
Revenue received in advance	11	110,108	85,213
Taxation payable		(2,857)	12,960
<b>Total current liabilities</b>		<b>465,002</b>	<b>346,590</b>
<b>Net Assets</b>		<b>2,049,045</b>	<b>1,706,812</b>
<b>Equity</b>			
Retained Earnings		2,049,045	1,706,812
Total Equity		2,049,045	1,706,812



S Jacobs PRESIDENT

Date: 30 August 2021



K Thomas CHIEF EXECUTIVE

Date: 30 August 2021

This statement should be read in conjunction with the notes on pages 51 to 55

NZ Society of Local Government Managers Incorporated  
Statement of Movements in Equity

for the year ended 30 June 2021

	2021	2020
<b>Equity at start of the year</b>	1,706,812	1,461,240
Equity introduced/(repaid) - Special Interest Group	-	(35,382)
Net surplus/(deficit) for the year	342,233	280,954
<b>Equity at end of the year</b>	<b>2,049,045</b>	<b>1,706,812</b>

This statement should be read in conjunction with the notes on pages 51 to 55

NZ Society of Local Government Managers Incorporated  
Statements of Cash Flows

for the year ended 30 June 2021

	2021	2020
<b>Cash flows from operating activities</b>		
Receipts from customers	3,762,417	3,474,728
Payments to suppliers and employees	(3,700,868)	(3,508,037)
Goods and services tax (net)	14,371	24,140
Grants Received	504,687	157,787
Interest received	11,218	26,424
Income taxes paid	(10,129)	1,703
<b>Net cash inflow / (outflow) from operating activities</b>	<b>581,696</b>	<b>176,744</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(20,017)	(52,992)
Cash to term deposit	(265,078)	(347,101)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(285,095)</b>	<b>(400,094)</b>
<b>Cash flows from financing activities</b>		
Repayment of cash held in trust	-	(35,382)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>-</b>	<b>(35,382)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>296,601</b>	<b>(258,731)</b>
Cash and cash equivalents at the beginning of the financial year	253,150	511,881
<b>Cash and cash equivalents at end of year</b>	<b>549,752</b>	<b>253,150</b>

This statement should be read in conjunction with the notes on pages 51 to 55

NZ Society of Local Government Managers Incorporated  
Notes to the Financial Statements

for the year ended 30 June 2021

<b>1 Taxation</b>	<b>2021</b>	<b>2020</b>
(a) Income tax (expense) / credit		
Current tax	1,719	12,960
Deferred tax	9,943	7,309
Prior period adjustment	(74)	-
Income tax expense	11,588	20,269
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Net surplus/(deficit) before income tax expense (credit)	353,821	301,223
Income tax expense at 28%	99,070	84,342
Plus / (less) tax effect of permanent differences	(87,408)	(64,073)
Prior period adjustment	(74)	-
Income tax expense	11,588	20,269
Deferred tax asset		
The balance comprises temporary differences attributable to:		
Provisions	32,065	42,858
Income tax losses	-	-
Asset timing difference	-	-
Total deferred tax asset	32,065	42,858
Reconciliation of deferred tax asset:		
At 1 July	42,857	50,166
PPA to correct opening balance	(849)	
(Charged)/credited to the statement of comprehensive income	(9,943)	(7,309)
At 30 June	32,065	42,857
<b>2 Cash and cash equivalents</b>	<b>2021</b>	<b>2020</b>
ASB Bank account	448,897	200,414
Cash on hand	14	14
Northern branch	14,041	14,081
Midlands branch	38,937	3,601
Central branch	6,467	8,315
Top of the South branch	17,693	2,977
Otago/Southland branch	23,703	23,750
Total cash and cash equivalents	549,752	253,150
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 Taituarā, and earn interest at the respective short-term deposit rates.		
<b>3 Term Deposits</b>	<b>2021</b>	<b>2020</b>
ASB Term Deposit	1,090,000	775,000
Northern branch	7,179	7,000
Midlands branch	-	35,606
Central branch	20,000	20,000
Top of the South branch	-	14,495
Total Term Deposits	1,117,179	852,101

<b>4 Branch operations</b>		
<b>Revenue</b>	<b>2021</b>	<b>2020</b>
Northern branch	179	359
Midlands branch	32	7,781
Central branch	1,359	590
Top of the South branch	271	323
Otago/Southland branch	3	48,534
Total branch revenue	1,843	57,587
<b>Expenditure</b>	<b>2021</b>	<b>2020</b>
Northern branch	40	1,114
Midlands branch	302	11,099
Central branch	3,848	-
Top of the South branch	50	50
Otago/Southland branch	50	47,684
Total branch expenditure	4,290	59,947
Surplus/(deficit) from branch operations	(2,447)	(2,360)
<b>5 Financial risk management</b>	<b>2021</b>	<b>2020</b>
<b>Financial assets</b>		
<b>Loans and receivables</b>		
Cash and cash equivalent	549,752	253,150
Receivables from exchange transactions	331,842	445,203
<b>Held-to-maturity</b>		
Term deposits	1,117,179	852,101
Total financial assets	1,998,773	1,550,454
<b>Financial liabilities at amortised cost</b>		
Payable from exchange transactions	165,195	113,153
Lease incentive liability	43,253	48,834
Total financial liabilities	208,448	161,987
<b>6 Finance costs - net</b>	<b>2021</b>	<b>2020</b>
Interest	-	-
Total finance costs	-	-
Finance income		
Interest from held-to-maturity financial assets	11,218	26,424
Total finance income	11,218	26,424
Net finance costs	(11,218)	(26,424)
<b>7 Accounts receivables from exchange transactions</b>	<b>2021</b>	<b>2020</b>
Trade receivables	370,805	512,445
Allowance for impairment	(42,605)	(76,000)
Accrued interest	3,642	8,758
Net trade receivables from exchange transactions	331,842	445,203
Balance as at 1 July	(76,000)	-
Impairment loss	-	(76,000)
Impairment loss reversal	33,395	-
Balance as at 30 June	(42,605)	(76,000)

An allowance for potential credit losses has been recognised on balances that are more than 90 days overdue at reporting date.



<b>8 Plant, Property &amp; Equipment</b>	<b>Plant &amp; Equipment</b>	<b>Refurbishment</b>	<b>Total</b>
<b>2021</b>			
<b>Cost</b>			
Opening Balance	238,897	277,996	516,893
Additions	18,358	1,659	20,017
Disposals	-	-	-
Closing Balance	257,255	279,655	536,911
<b>Accumulated Depreciation and Impairment</b>			
Opening Balance	130,067	75,008	205,075
Depreciation for the year	41,599	20,368	61,968
Closing Balance	171,666	95,376	267,042
Carrying amount at 30 June 2021	85,589	184,279	269,868
<b>2020</b>			
<b>Cost</b>			
Opening Balance	193,052	270,849	463,901
Additions	45,845	7,147	52,992
Disposals	-	-	-
Closing Balance	238,897	277,996	516,893
<b>Accumulated Depreciation and Impairment</b>			
Opening Balance	79,640	52,844	132,484
Depreciation for the year	50,427	22,164	72,591
Depreciation Written Back	-	-	-
Closing Balance	130,067	75,008	205,075
Carrying amount at 30 June 2020	108,830	202,988	311,819
<b>9 Intangible Assets</b>			
<b>2021</b>			
<b>Cost</b>			
Opening Balance	135,187	124,219	259,406
Additions	-	-	-
Disposals	-	-	-
Work in Progress	-	122,696	122,696
Closing Balance	135,187	246,915	382,102
<b>Accumulated Amortisation and Impairment</b>			
Opening Balance	68,945	121,823	190,768
Amortisation for the year	19,872	995	20,868
Closing Balance	88,818	122,818	211,636
Carrying amount at 30 June 2021	46,369	124,097	170,466
<b>2020</b>			
<b>Cost</b>			
Opening Balance	135,187	124,219	259,406
Additions	-	-	-
Disposals	-	-	-
Closing Balance	135,187	124,219	259,406
<b>Accumulated Amortisation and Impairment</b>			
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
<b>10 Payables from exchange transactions</b>			
	<b>2021</b>	<b>2020</b>	
Trade payables	125,678	82,765	
Sundry payables	37,414	29,424	
Credit cards	2,103	964	
	165,195	113,153	

<b>11 Revenue received in advance</b>	<b>2021</b>	<b>2020</b>
Membership fees and subscription received in advance	8,775	550
Revenue received in advance - services	101,333	84,663
	110,108	85,213

## **12 Profit Share**

This category of expenditure for the year to 30 June 2021 includes the profit share paid to year end as per the provisions of the contract held by Taituarā with third party providers. This balance also contains accrued profit share owing for programmes completed for the year to 30 June 2021.

## **13 Employee entitlements**

	<b>2021</b>	<b>2020</b>
Accrued holiday pay	83,694	81,743
Government Wage Subsidy	65,610	4,687
	149,304	86,430

In July 2020 Taituarā received \$65,610 from the Ministry of Social Development (MSD) as part of the New Zealand Government Wage Subsidy Scheme. The Scheme was intended to assist entities in retaining staff at a time of great uncertainty and was to be applied to the salary and wage cost of Taituarā. The application was made based on an assessment that income from normal business activities declined a minimum of 40% over a 30 day period compared to the same period in the previous year and that decline was related to the effects of Covid-19.

The determination of what constitutes 'normal' income is judgemental. The Board have determined that it is prudent to not recognise the subsidy received as revenue until this can be independently assessed by MSD as meeting the criteria. Should MSD consider Taituarā is entitled to recognise the subsidy as revenue then this will be recognised in the 2021/2022 financial year. As such the \$65,610 is disclosed here as a contingent asset as the recognition is dependent on future events.

## **14 Related party transactions**

Key management personnel of Taituarā include the Chief Executive and the management team. Key management personnel compensation includes the following is set out below:

	<b>2021</b>	<b>2020</b>
Salaries	717,236	701,894
Number of persons (FTEs) recognised as key management	5	5

The board is made up of members of NZ councils. Council Subscription fees are charged to council members in the normal course of business. There were no other related party transactions during the year (2020: \$Nil).

## **15 Commitments**

### (i) Capital Commitments

At 30 June 2021 Taituarā had capital commitments of \$25,303 for website development (2020: \$Nil)

### (ii) Operating lease commitments

Commitments existed for non-cancellable operating leases as follows:

	<b>2021</b>	<b>2020</b>
Not later than a year	111,540	111,620
Later than one year and not later than five years	446,160	446,480
Later than five years	306,735	418,575
Total operating lease commitments	864,435	976,675

Taituarā has a current lease of office that 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 (2020: Nil).

**17 Subsequent events**

Other than as disclosed in Note 18 in regards to Covid-19 there are no events subsequent to reporting date, that would have a material impact on the financial statement for the period ending 30 June 2021 (2020: Nil).

**18 Covid-19**

In July 2020 the operating revenue of Taituarā was adversely affected sufficiently to qualify for the 2nd tranche of the Government Wage Subsidy. Acknowledging that 2021 was a recovery year, we anticipated a decrease in revenue, however with a flexible approach to the delivery of our best practise forums, and the creation of new revenue streams we were able to mitigate this.

At the time of executing these financial statements NZ is in a Level 4 Government lockdown. Throughout 2020 and 2021 Taituarā has managed the ongoing impact resultant from Covid-19 and expects this to continue through the current restrictions. The Board consider there is no on-going impact on the ability of Taituarā to continue to operate as a going concern.

# NZ Society of Local Government Managers Incorporated

## Statement of Accounting Policies

for the year ended 30 June 2021

### Reporting Entity

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

### Nature of Activities

Taituarā represents its members who are drawn from management of New Zealand local authorities. The objective of Taituarā is to:

- a. provide professional leadership identifying and advocating on the big issues facing communities and local government management.
- b. influence Central Government policy development and implementation of major issues.
- c. develop the knowledge base and capability within local government through the development, promotion and dissemination of industry good practice.
- d. develop the professional and leadership capability of managers and staff in local government.
- e. 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 the constitution of Taituarā, 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 New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, and disclosure concessions have been applied.

Taituarā defines itself as a not for profit entity.

### Going Concern

The financial statements of Taituarā 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 Taituarā is New Zealand dollars.

### Significant Accounting Policies

#### Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to Taituarā, and measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the revenue streams of Taituarā must also be met before revenue is recognised.

##### i. Revenue from exchange transactions

###### *Membership fees and subscriptions*

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.

###### *Sale of goods*

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.



#### *Conference revenue*

Conference Revenue relates to the Taituarā Annual Conference held in September each year. This event is managed by an external provider, however this year due to Covid-19 alert level restrictions was managed internally and delivered as two much smaller events.

#### *Revenue received in advance*

Revenue received in advance relates to membership and pre-sales for future events, and amounts received in advance for these services are to be provided in future periods, are recognised as a liability until such time as the service is provided.

#### ii. Revenue from non-exchange transactions

Non-exchange transactions are those where Taituarā receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

#### *Government Wage Subsidy*

The Government Wage Subsidy has been recorded as non-exchange revenue in the period in which it relates wages and salaries were paid to employees.

### **Net finance costs**

#### Finance income

Interest income is recognised as it accrues in surplus and deficit, using the effective interest method.

### **Property, Plant and Equipment**

#### i. Recognition and measurement

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured under the cost model: Cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

All of Taituarā's items of property plant and equipment are subsequently measured in accordance with the cost model. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to Taituarā. Ongoing repairs and maintenance is expensed as incurred.

### iii. Depreciation

Depreciation is recognised in surplus or deficit on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment. The depreciation rates are:

- Plant and equipment – 13% - 67% DV
- Refurbishment – 10-18% DV

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

### Intangibles

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

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised in surplus or deficit as incurred.

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

Amortisation methods, useful lives, residual values are reviewed at each reporting date and adjusted if appropriate.

### Financial Instruments

Financial instruments are initially recognised when Taituarā becomes a party to the contractual provision of the instrument.

Taituarā derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Taituarā is recognised as a separate asset or liability.

Taituarā derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. Taituarā also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, Taituarā has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taituarā classifies financial assets into the following categories: held-to-maturity, and loans and receivables.

Taituarā classifies financial liabilities into the following categories: amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs. Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

#### *i. Held-to-maturity*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when Taituarā has the positive intention and ability to hold them to maturity. Held-to-maturity financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise term deposits.

#### *ii. Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and receivables.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

### *iii. Amortised cost financial liabilities*

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method. Financial liabilities classified as amortised cost comprise payables and lease incentives.

### Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to Taituarā on terms that Taituarā would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in Taituarā, economic conditions that correlate with defaults or the disappearance of an active market for a security.

#### *i. Financial assets classified as held-to-maturity and loans and receivable*

Taituarā considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment Taituarā uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables or held-to-maturity financial assets. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Individual trade receivables that are known to be uncollectible are written off when identified, along with associated allowances. Loans, together with associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to Taituarā.

### **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 wholly 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.





**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF TAITUARĀ- LOCAL GOVERNMENT PROFESSIONALS AOTEAROA.**

**Opinion**

We have audited the financial statements of Taituarā - NZ Society of Local Government Managers (Taituarā) which comprise the statement of financial position as at 30 June 2021 and the statement of comprehensive revenue and expense, statement of financial position, statement of changes in net assets/equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Taituarā as at 30 June 2021, 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") issued by the New Zealand Accounting Standards Board.

**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 the abbreviation in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, Taituarā.

**Commissions' Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Commission is responsible on behalf of Taituarā for assessing the Taituarā '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 Commission either intends to liquidate the abbreviation 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 decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>.

This description forms part of our auditor's report.



BDO Wellington Audit Limited

**Who we Report to**

This report is made solely to the Taituarā's members, as a body. 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 the abbreviation and the abbreviation's members, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Wellington Audit Limited*

**BDO WELLINGTON AUDIT LIMITED**  
Wellington  
New Zealand  
30 August 2021

# Directory

## Trading Name

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Taituarā — Local Government Professionals Aotearoa

## Location and Registered Office

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Level 9, 85 The Terrace  
Wellington 6143

## Accountants

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PricewaterhouseCoopers New Zealand  
10 Waterloo Quay Wellington, 6011

## Auditors

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BDO Wellington  
Level 1, Chartered Accountants House  
50 Customhouse Quay, Wellington, 6143

## Bankers

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ASB  
Wellington Business Branch  
Level 15, ASB Bank Tower  
2 Hunter Street, Wellington 6011

## Solicitors

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Gibson Sheat Lawyers  
Level 9, 1 Grey Street  
Wellington 6011

## Postal Address

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PO Box 10373  
The Terrace, Wellington 6143

## Contacts

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info@taituara.org.nz  
04 978 1280

## Website

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taituara.org.nz



