



Annual Report

2021 - 2022



Public Service Association
Te Pūkenga Here Tikanga Mahi

Congress edition

Our purpose

Our purpose is to build a union that is able to influence the industrial, economic, political and social environment in order to advance the interests of PSA members – creating a better working life for our members.

Our values

Solidarity - Kotahitanga

We champion members' interests with a strong effective voice.
We stand together, supporting and empowering members, individually and collectively.

Social justice - Pāpori Ture Tika

We take a stand for decent treatment and justice.
We embrace diversity and challenge inequality.

Integrity and respect - Te Pono me te Whakaute

Our actions are characterised by professionalism, integrity and respect.

Solution focused - Otinga Arotahi

We are a progressive and constructive union, constantly seeking solutions that improve members' working lives.

Democratic - Tā te Nuinga e Whakatau ai

We encourage participation from members. We aim to be transparent, accessible and inclusive in the way we work.

Contents

4

Snapshot of growth

Message from the
National Secretaries

5

President's report

6

PSA governance structure

7

How we organise

8

How we support our members

9

Te Rūnanga o Ngā Toa Āwhina

10-11

Strategic goals progress report

12-15

Year in review

16-18

PSA finances

19-36

Financial statements for the
year ending 31 March 2022

37

Auditor's report

Snapshot of growth



3,057 additional members

+4%



43 additional delegates

+1%



632 additional Rūnanga members

+8%



685 additional Pasefika members

+12%



Our Women's Network celebrated the highest network percentage growth with 12.5% increase in membership



The State Sector achieved the biggest sector percentage growth, up 8% to 9,458 members

National Secretaries

It's been a bittersweet year for the PSA – the third year in which we were confronted by the difficulties of Covid-19.

PSA members continued to deliver much-needed public and community services to support New Zealanders during the pandemic this year, as Omicron swept across Aotearoa, claiming many lives.

The toll on our personal and working lives was immense.

We'd like to offer our heartfelt thanks to our members in the DHB and CPS sectors, who worked tirelessly to keep the health system functioning throughout the peak of the pandemic.

It's been a year of tremendous victories for this essential workforce. Protracted bargaining and public advocacy finally delivered a mana-enhancing equal pay deal for DHB admin and clerical workers earlier this year, which is set to transform the lives of some of the lowest-paid workers across the sector.

Meanwhile, after 18 months of tireless negotiation, our 10,000-strong Allied workforce received long-awaited guarantees on pay increases and adjustments.

Victories flooded in across every sector. Local Government saw preparations begin for the sector's first MECA for councils in the top of the South Island, while work to close the ethnic pay gap continued with launch of Kia Toipoto in December 2021.

The Government introduced major reforms, with substantial changes anticipated across health, disability, local government, and social services.

A new Ministry for Disabled People was formed, while Local Government will see its own changes with the introduction of Three Waters and the Ministerial Review of Local Government.

PSA membership across the union continued to climb, a vote of confidence in the fantastic work of our delegates and organisers.

We introduced Vā Moana delegates to represent the interests of the Pasefika Network across the PSA.

We launched Te Roopu Tohutohu Manaaki – our new member advice centre – to provide workers with more immediate support.

While Covid-19 delayed many long-awaited get-togethers, we discovered a new equilibrium; moving our sector and network hui online for the first time in our union's history.

This gave members who wouldn't usually have the chance to attend the opportunity to connect with their union whānau remotely.

The union movement made strides within the political sphere, advancing important legislation like Fair Pay Agreements, which will raise the bar on pay and conditions across sectors and industries.

We worked with the New Zealand Council of Trade Unions (NZCTU) to shape the Government's proposed social insurance scheme, to provide a vital safety net for workers by covering 80 per cent of their wages when they lose their jobs through no fault of their own.

We still have our work cut out for us. Organisers in the Community Public Services Sector, working with mental health and addiction, disability, aged care and home support workers, are gearing up to advance a critical claim for some 65,000 workers, who were offered an inadequate pay increase of just three per cent – on top of their already very low wages – as inflation continues to soar.

In the year ahead, we will continue to give voice to our workers through tripartite forums, challenge discrimination in the workplace, and address the ethnic and gender pay gaps that are endemic to our society.

Finally, we'd like to express our thanks to all PSA delegates, members, and workers who have displayed courage and resilience in the face of yet another difficult year.

The victories we've mentioned above represent a fraction of the hard work and determination you've shown in pursuit of a better working life for all.

Ngā mihi nui,

PSA national secretaries Kerry Davies and Duane Leo.

PSA mourns passing of former Kaumātua Kiwhare Mihaka

Last November, we mourned the passing of PSA Kaumātua Kiwhare Mihaka.



Matua Kiwhare Mihaka was a lifelong unionist who had been the PSA Kaumātua since 1986, and Kaumātua for the Council of Trade Unions since 2008, before stepping down from his duties at the beginning of 2021.

Kiwhare was a driving force behind the use of many te reo Māori terms by the PSA, including the Māori name for the union, Te Pūkenga Here Tikanga Mahi.

This is a huge loss for the PSA, its members, and the wider union movement. We will miss his manaakitanga and aroha.

I roto I te manaakitanga

PSA president Benedict Ferguson

PSA national secretaries Duane Leo and Kerry Davies.

President's report

Kia ora e te whānau o Te Pūkenga Here Tikanga Mahi,

It's my pleasure to introduce our annual report for 2021-22.

The purpose of this report is to present members with our union's achievements from the past 12 months.

It's a demonstration of our collective contribution to advancing our strategic goals, a presentation of our audited end-of-year accounts, and a run-down of all the information you will need ahead of this year's Congress.

Please take the time to read this report, discuss it with your colleagues and help us tell the story of how we – as part of the wider union movement – are working to improve the lives of all working New Zealanders.

This is my second year presenting this report to you. I've had the immense privilege of leading our union as president for the past two years.

Despite having to navigate the inevitable ups and downs of a global pandemic, I'm in awe of the way our members have come together as a collective to achieve so much this year.

There's always more work to do, but let's take a moment to reflect on the incredible successes of the past 12 months.

While there are too many victories to mention in this brief introduction, a few of my stand-out moments of 2021/22 include:

- Surpassing 80,000 members for the first time in our union's history
- Working with delegates, old and new, to move our

delegate education programme online - making it more accessible for all.

- Refreshing our strategic goals to reflect our strong commitment to Te Tiriti and ensuring a just transition as we continue to battle the climate crisis.
- Saying farewell to my good friend and colleague former national secretary Erin Polaczuk.
- Welcoming our new national secretary Duane Leo to this all important co-leadership position.



- Historic victories won in the DHB sector this year for both Allied and admin and clerical workers.

It's inspiring to see our members galvanised by these victories and belief in the power of unions to affect positive changes strengthened as never before.

These achievements make it a hugely exciting time to join a union. We can see this reflected in our growing membership and delegate numbers, as well as our high levels of member engagement across the motu.

I look forward to seeing many of you at this year's Congress. In the meantime, I encourage you all to get active in the PSA in the year ahead, in pursuit of a better working life for all.

I hope you enjoy reading the 2021-22 Annual Report. Please feel free to get in touch if you have any questions or comments.

Ngā mihi, Benedict Ferguson, president Te Pūkenga Here Tikanga Mahi |PSA

Our governance structure

All levels

Te Rūnanga

Te Rūnanga o Ngā Toa Āwhina is the body for all Māori members of the PSA. Te Rūnanga ensures that Māori have a voice at all levels of the PSA, and provide leadership on all issues relating to Māori in the PSA. Te Rūnanga has its own internal structure with a Kōmiti made up of representatives from each sector.

Gender equity

All PSA governance structures must have numbers of women members consistent with the membership they represent.

Youth & Pasefika Representatives

Each Sector Committee and the Executive Board has a Youth and Pasefika representative

Networks & Committees

Based on demographics and communities of interest: Women's Network, PSA Youth, Pasefika, OUT@PSA, Deaf and Disabled Network, Eco Network, Ethics Network, Health & Safety, Science Committee, Mental Health Committee, Social Workers Action Network.

Congress

Attended by delegates from each sector. Occuring every second year, this is the highest decision making body of the PSA.

Congress elects the president.

Executive Board - reports to Congress

Made up of the president, the two national secretaries, the convenors of each sector committee and Te Rūnanga, a youth representative, a Pasefika representative, and a PSA staff representative

The governance body of the PSA between Congresses.

Sector Committees / Te Rūnanga

represented on the Executive Board

Delegates in each of our five sectors elect a committee to lead the work of the PSA in their sector. Committees are made up of delegates who represent members in a particular region, industry or enterprise, plus representatives from te Rūnanga. Some committees also have additional women's representation. Te Rūnanga Kōmiti is comprised of māngai from each of the sectors.

DHB sector committee	Community Public Services sector committee	State Sector sector committee	Local Government sector committee	Public Service sector committee
PSA members working for District Health Boards and multi-DHB shared service bodies.	PSA members working for NGOs and private companies delivering community-based services partially or fully funded by national or local government.	PSA members working for crown owned enterprises, other crown entities, in the tertiary sector, state owned enterprises and some private companies formerly owned by the state.	PSA members for councils and council-controlled organisations.	PSA members working for public service departments and the offices of parliament.
				

Delegates - elect sector committees

Elected by PSA members at a particular workplace to represent them and to lead union activity in a workplace.

Different workplaces will have different numbers of delegates and structures that they work in.

Workplace members - elect delegates

Where we work, alongside other fabulous PSA members.

How we organise

Executive board members

President

Benedict Ferguson

Vice-President Māori

Virgil Iraia

Treasurer

Athol Ringrose

National Secretary

Duane Leo

National Secretary

Kerry Davies

Te Rūnanga o Ngā Toa Āwhina

Tuakana: Lesley Dixon

Teina: Virgil Iraia

PSA staff representative

Brontë Ammundsen

District Health Boards

Dianna Mancer

Local Government

Lee Manaia

State Sector

Susan Young

Public Service

Athol Ringrose

Community Public Services

Pania Tulia

Youth Representative

Hine Perry

Pasefika Representative

Ulualoifa Mareko

Previous board members April 2020-March 2021

Janet Quigley,
Glenn Barclay, Stacey Muir,
Pania Love, Erin Polaczuk,
Alana Reid,
Megan Barry.

Density

We're stronger together

Delegates

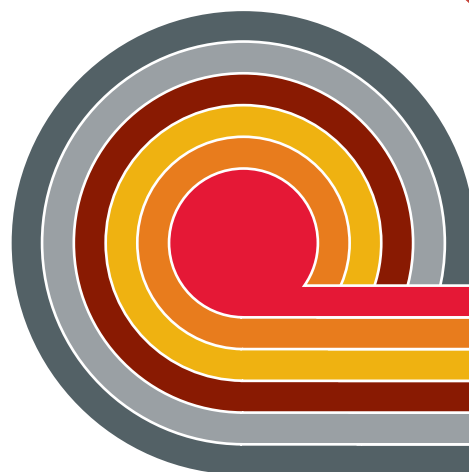
Workplace leaders and activists represent and advocate for the collective voice of workers

Democracy

Our organisation supports a thriving democratic framework

Multi-layered approach

We take a multi-layered approach to organising at the PSA, seeking opportunities to influence within the workplace and beyond.



Worker

Provider / employer

Service user / family members

Policy and funding agencies

Government

Public

Our organising principles

Collectivism:

Without collective organisation, an inherent power imbalance exists between employer and employee.

By joining a union members have more power and influence than they do individually.

Participation:

We promote democracy at work and give workers a voice. It's a democratic and human right to have a say about decisions that affect you. It creates a better experience of work and improves organisational performance.

Good faith organising:

Our union representatives uphold the highest standards of integrity and good faith with both employers and members while actively putting forward members issues and views. That means dealing with conflict and difference, not avoiding it.

How we support members

Our support and strategy teams have been working tirelessly behind the scenes to help members with representation, research and analysis, advice, advocacy, communication, and education.



Advice and support

This year – in response to our staffing review – we launched the union’s new advice centre Te Roopu Tohutohu Manaaki to provide our growing membership with more immediate, hands-on support.



Covid communications

We provided regular updates to members as the pandemic continued to unfold. We supported workers on the frontline – calling for urgently-needed PPE in the home support sector – and stood up for our members’ safety during the occupation of Parliament grounds earlier this year.



Legal representation

Our legal team provided advice and advocacy on issues including contractual disputes, restructures, bargaining, disciplinary investigations, collective agreement enforcement, pay equity, and changes to employment law.



Climate campaign

We came together with more than 20 organisations from across the private, public and NGO sectors to launch the Vote Climate campaign, encouraging local government candidates to support investment in public transport and walking and cycling infrastructure in the October local body elections.



Recruitment

Our growth team continued to work with organisers and delegates to increase membership and build our capacity to recruit.



Communications survey

We surveyed a sample group of PSA members on the effectiveness of our communications. We used these findings to improve our comms, ensuring they are timely, effective and engaging across the board.



Delegate education

We moved our delegate education programme online for the first time in our union’s history, making it easier for members to get active within the union.



Multimedia

We continued to decarbonise our union – reducing paper copies of the PSA journal *Te Mahinga Ora*, while ensuring the journal is more easily accessible online.



Breaking down barriers

We continued to remove barriers for disabled delegates by providing better support to attend training. We moved many of our sector and network huis online this year, increasing accessibility, and continued to develop resources to support disabled members.



International

We continued to represent our members’ views on the world stage; launching a fundraising campaign to assist our Tongan brothers and sisters with the impact of volcanic eruption in January, and supporting a UnionAID campaign to raise money for unions and their workers suffering under the brutal military junta in Myanmar.



Having your say

We encouraged our members to contribute to submissions on Fair Pay Agreements, the National Climate Adaptation Plan, legislation to end modern slavery and migrant exploitation, the Government’s proposed social insurance scheme, and the 2022 Budget Policy Statement, among many others.

Te Rūnanga o Ngā Toa Āwhina

As of March 7 2022, more than 10 per cent of PSA members identified as Māori and were part of Te Rūnanga o Ngā Toa Āwhina (TRONTA).

The membership of te Rūnanga reached 8,875 this year – the highest in our union’s history – with Māori PSA members in workplaces and communities across Aotearoa.

We have approximately 868 Māori delegates within te Rūnanga who are ever more active within the wider PSA. This is measured by a rise in union meeting attendance, PSA network growth and ongoing involvement in PSA campaigns.

However, communication across te Rūnanga enterprises and workplace networks continues to pose a challenge.

To help us improve our communication, please visit psa.org.nz to update your membership information by taking the following steps:

1. Choose Māori as your ethnicity;
2. Include contact information for your workplace delegate;
3. Join Te Rūnanga o Ngā Toa Āwhina via **MyPSA**;
4. Ensure the PSA has your up-to-date contact information.

2021/22 Highlights:

- **Leadership:** Veteran PSA organiser and tino rangatiratanga campaigner Janice Panoho was appointed PSA Kaihautū - a new Māori leadership role for our union, with Helen Panoho appointed

to the newly-created role of executive assistant to the PSA Kaihautū earlier this year.

- **Mana Wahine:** Our Mana Wahine claim continues to address the inequities faced by wāhine Māori in the workplace, while the PSA continues to share the findings of our wāhine Māori membership survey which reveals appallingly high levels of bias, discrimination and racism in many of our workplaces.
- **Biennial Sector Hui:** Te Rūnanga’s biennial sector hui, which was held via Zoom in 2021, saw the election of new sector mangai, rangitahi and committee members. The combined sector hui also featured an update from the NZ Health and the Māori Health Transition Unit on the progress of the transition, before opening the floor to feedback from all sector mangai.
- **In Memoriam:** In November 2021, the PSA mourned the passing of its longstanding Kaumātua Kiwhare Mihaka. Matua Kiwhare Mihaka was a dedicated unionist who tirelessly served the Public Service Association Te Pūkenga Here Tikanga Mahi and the New Zealand Council of Trade Unions over many years. Kiwhare had served as the PSA Kaumātua since 1986, and Kaumātua for the NZCTU since 2008.
- **New Beginnings:** In March 2022, Hone Witana was appointed to the position of PSA Kaumātua succeeding Kiwhare Mihaka who sadly passed away after 35 years in the role.

Current Kōmiti members

Te Rūnanga has its own internal structure to ensure a Māori perspective are heard at all levels of our organisation.

Ngā Kaumātua: Hone Witana and Georgina Kerr

PSA Executive Board Representatives: Lesley Dixon – Tuakana and Vice President Māori Virgil Iraia – Teina

STATE SECTOR	PUBLIC SERVICE	LOCAL GOVERNMENT	COMMUNITY AND PUBLIC SERVICES	DISTRICT HEALTH BOARDS
Fiona Waititi	Pricilla Benioni	Angie Thomas	Ariki Whatarangi Kahuitukaha	Lesley Dixon
Susan Young	Bronny Pegier	Phoenix Hepi	Pania Love	Virgil Iraia
Mel Brown	Pere Paul	Joy Benioni	Kama MacDonald	Allan Franks
Moana -Lee Soloman (R)	Jo Houston	Sally Simpson	Vacant	Pam McCullough
Vacant	Tuakana Walker Kim Milner (R)	Chante Te Kanawa (R)		Thereza Clark

*(R) Rangatahi Rep

Strategic goals – progress report

The PSA has a comprehensive strategy to build a union that can influence the industrial, economic, political and social environment to advance the interests of our members.

We have four strategic goals, which are interwoven with the PSA’s commitment to advancing Te Tiriti o Waitangi principles; partnership, protection and participation.

This year we made more progress towards each of our goals.



Transformed work, Mana mahi

Pay: We advocated for pay increases to address the cost-of-living crisis, in response to the Government’s plan to implement pay restraint and caps on public sector pay increases.

We helped thousands of members achieve much needed pay rises through collective bargaining.

Common terms and conditions: We are negotiating common terms and conditions for public service departments with Te Kawa Mataaho, making substantial progress on key issues.

We started bargaining for a Multi-Employer Collective Agreement (MECA) for local authorities at the top of the South Island.

High performance, high engagement: Together with

the Public Service Commission and the Public Service Leadership Team Strategic Forum, we are developing a set of recommendations to advance high performance, high engagement ways of working across the public sector.

We created an exemplary engagement framework to develop common standards for application across workplaces.

Social insurance: We supported the NZCTU’s collaboration with Government and BusinessNZ to devise a worker-friendly social insurance scheme for Aotearoa New Zealand.

Just transition: We entered a submission on the Government’s emissions reduction plan – arguing for a broader and more comprehensive definition of ‘just transition.’

We created a new climate organiser position within the PSA and advocated for a ‘whole of public service’ approach to training and careers.

Strategic goals – progress report

Equity in the Workplace, Mana taurite i ngā wāhimahi

Mana Wahine: We continued to support the Mana Wahine Waitangi Tribunal campaign, which details the racism wāhine Māori face in the workplace.

We launched an accompanying campaign to call out that racism.

Progressing claims: We made substantial progress across seven pay equity claims, some of which are proceeding to settlement, including the imminent ratification of a social work claim for the Community Public Services sector.

Care and support extension: We advocated for an extension to the Care and Support Settlement Act 2017 which recently expired, while raising a formal pay equity claim for those covered by the Act.

We submitted two further equal pay claims covering coordination, service management and health roles across the sector.

Kia toipoto: We worked with public service departments and crown entities to develop and carry out annual pay gap action plans to eliminate pay gaps based on gender, sexual orientation, and ethnicity.

Pay transparency: We adopted a pay transparency policy to shine a light on pay gaps based on gender and ethnicity.

We presented the policy to a select committee inquiry, supported the Human Rights Commission's Pacific Pay Gap campaign, led by members of the PSA Pasefika Network.

Pay gap reductions: The gender pay gap in the public sector fell from 12.2 per cent in 2018 to 8.6 per cent in 2022.

The Māori pay gap fell from 9.3 per cent to 8.3 per cent. The Pacific pay gap fell from 19.5 per cent to 17.9 per cent, while the Asian pay gap fell from 12.8 per cent to 11.6 per cent.

A strong, modern and influential union, He Kaha, he whaimana, he uniana mō te ao hurihuri

Fair Pay Agreements: The Fair Pay Agreements Bill was introduced to Parliament thanks to substantial cross-union work which involved the PSA.

Rūnanga delegates: We elected and trained many new

Rūnanga delegates this year, despite the difficulties of meeting in-person.

Online education: Our delegate education programme was moved online for the first time in our union's history.

Te Roopu Tohutohu Manaaki: We launched our new member advice service to offer more hands-on support to our growing membership.

Membership increase: Our membership topped 80,000 for the first time, with substantial growth across enterprises with historically low union density.

Active members: 62 per cent of members reported being more active within the union this year.

Strengthening networks:

Growth continued across all networks, including Out@ PSA, PSA Pasefika, Women's Network, and Eco Network.

All our networks made submissions on key pieces of legislation this year.

Stronger public & community services, Rātonga hāpori tūmatanui kaha

Health and Safety: We advocated for the rights of our members who were faced with extraordinary health and safety challenges this year, including the occupation of Parliament grounds and the continued threat of the Covid-19 pandemic.

We negotiated a common participation agreement around health and safety procedures for border and MIQ agencies.

Vaccination: We promoted community vaccination, working to ensure our members had the time and resources they needed to get vaccinated.

Health reforms: We collaborated on the Government's health reforms to promote worker participation and advocated for DHB, Community Public Services and Ministry of Health members to have their voices heard.

We continue to represent our members in the formation of the new health authorities and the development of the new Health Charter.

Just transition: We are engaged with the Public Service Covid Redeployment Hub, calling for a system level approach to training and retraining, to insulate workers from upheavals caused by the pandemic, climate change and continued automation.



A year in review

Apr 2021

May 2021

Jun 2021



Te Rūnanga: Veteran PSA organiser and tino rangatiratanga campaigner Janice Panoho was appointed as PSA Kaihautū – a new Māori leadership role for our union.

Local Government: The Local Government sector passed its 9,000 member milestone for the first time in our union's history.

Eco Network: PSA members and staff supported the School Strike 4 Climate in April, with Eco Network members signing up as volunteers to mobilise support.



Policy: The communications and policy teams set the scene for the annual Budget by inviting speakers Claire Achmad, Bernard Hickey, Max Rashbrooke and Craig Renney to discuss ideas for Government investment that will lead to better outcomes for working New Zealanders.



CPS: Budget 2021 confirmed home and community support workers will be paid their normal hourly rate while driving from one client to another.

Public Service: The Government committed to raise weekly benefit rates from \$32 to \$55 per adult, by April 1 2022, exceeding the recommendations of 2019's Welfare Expert Advisory Group.



Pink Shirt Day at PSA Wellington office



PSA: PSA members were among the winners at the 2021 Health and Safety Representative of the Year Awards.

Local Government: WCRC achieved a number of union-only benefits including an extra day's 'community leave' every year.

Local Government: Local Government sector organisers released comms pushing employers to include pay rates in their collective agreements.



PSA members support NZNO nurses strike



MBIE Waikato regional convenors

A year in review

Jul 2021

PSA: The PSA surpassed 80,000 members, making us larger than we've been in our 108 year history.

CPS: Care and support workers across the motu celebrated their final pay increase as part of their equal pay settlement on July 1.



Support workers celebrate equal pay win



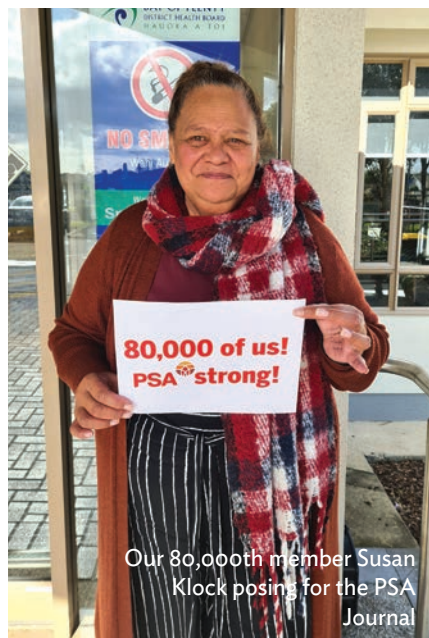
PSA: Delegates turned out to the Government's Fair Pay Agreement roadshow to hear more about the important legislation, which will set minimum standards across occupations and industries.

PSA: Members welcomed the increase in statutory sick leave entitlement to 10 days.

Aug 2021

Deaf & Disabled Network: The Deaf & Disabled network elected Frances Schilder and Glenn Walker as its new co-convenors for the year ahead.

Te Rūnanga: Helen Panoho was appointed to the newly-created role of executive assistant to the PSA Kaihautū.



Our 80,000th member Susan Klock posing for the PSA Journal

Sep 2021

Out@PSA: Out@PSA convenor Nico Haustein entered two powerful select committee submissions on the Births, Deaths, Marriages, and Relationships Registration Bill and the Conversion Practices Prohibition Legislation Bill.

Pasefika: For the first time, three women PSA members were appointed to the Council of Trade Unions Komiti Pasefika, with PSA delegate Nia Bartley elected as one of the body's co-convenors.

Pasefika: The PSA Pasefika Network elected its first intake of Vā Moana Delegates – key decision makers representing the interests of the Network across the union.



Celebrating Aotearoa Social Workers Day

A year in review

Oct 2021

PSA: The PSA appeared before the Education and Workforce Committee to call for a pay transparency system that helps people and unions identify pay gaps and navigate toward higher paid work.

PSA: The PSA refreshed its strategic goals to reflect its commitment to Te Tiriti and Ngā Kaupapa principles, as well as its goal to combat climate change.

Te Rūnanga: The PSA launched a campaign to call out racism after a survey of our wāhine Māori members revealed appallingly high levels of bias, discrimination and racism in the workplace.

Public Service: A new workplace relationship agreement between the PSA and the Education Review Office was reached, recognising the importance of our members who work tirelessly to provide a great service to schools, teachers and whānau.

PSA: The PSA launched its Living Wage Campaign to call for the basic necessities of life as standard for workers and their families.



Nov 2021

DHB: Thousands of people signed up to support our equal pay claims for DHB admin and clerical, and Allied health, public, scientific and technical members.

DHB: An agreement was reached that enabled Healthcare NZ workers in South Canterbury to retain their pay and conditions and keep providing high levels of support and care to their vulnerable clients.

Deaf & Disabled Network: The Deaf & Disabled Network surpassed 1,000 members for the first time in the Network's history.

Te Rūnanga: The PSA mourned the passing of its longstanding Kaumātua Kiwhare Mihaka on November 17.



Dec 2021

PSA: The PSA welcomed the launch of Kia Toipoto, a plan to close gender and ethnic pay gaps across the public service and crown entities, including DHBs.

Public Service: PSA members were named among the winners of the 2021 Spirit of Service Awards.

PSA: The PSA introduced Te Roopu Tohutohu Manaaki, the union's new member advice centre, to provide workers with more immediate, hands-on support as our membership continues to climb.

PSA: The combined hui for State Sector, Local Government, and Community Public Services sectors was held virtually for the first time in December.



A year in review

Jan 2022

PSA: National secretary Erin Polaczuk resigned from her role at the PSA.

Pasefika Network: Pasefika Network co-convener Ofeina Manuel-Barbarich coordinated the PSA's response to the volcanic eruption, and subsequent tsnumanis, in Tonga.



PSA: The PSA launched its new website.



State Sector: PSA and E tū representatives met with RNZ/TVNZ delegates, along with Minister Faafoi, to discuss the proposed merger of these iconic media organisations.

Feb 2022

DHB: Allied health workers voted to withdraw their labour for 24 hours on March 4.

Public Sector: Union members who work in Parliament called for an immediate end to intimidation, harassment and violence from the protestors occupying Parliament grounds.

PSA: Duane Leo was appointed the new national secretary of the PSA.

PSAY: The PSA Youth Network hui took place, electing Jonny Murane and Hine Perry to the Network's co-convener roles.

State Sector: PSA completed its submission on the Government's future of science, research and innovation paper Future Pathways (Te Ara Paerangi).



Care workers creating an equal pay banner

Mar 2022

DHB: An injunction was filed by the DHBs to block Allied workers from striking in Auckland on March 4.

DHB: Facilitation by the Employment Relations Board failed to produce an agreement in the Allied dispute.

PSA: The first reading of the historic Fair Pay Agreements (FPA) Bill – which will bring together employers and unions to bargain for minimum standards across industries and occupations – took place in Parliament.

PSA: The PSA launched its new member merchandise portal: <https://sigpromo.wip.co.nz/psa/default.aspx>

PSA: The PSA launched its Make Work Fair campaign to encourage employers to end the low-wage, low-safety, low-training model of employment.

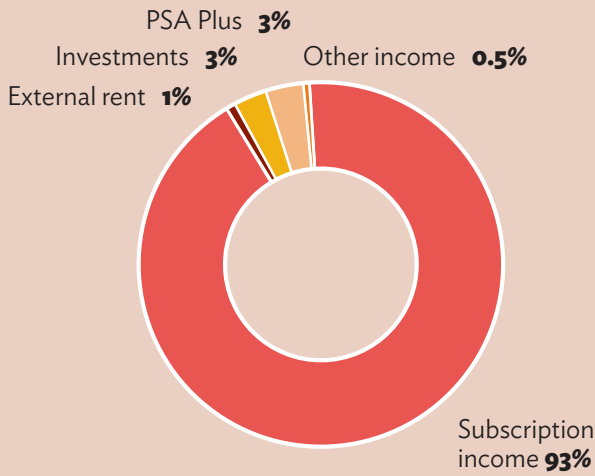
Local Gov: The biennial conference for Local Government delegates was held remotely in March.



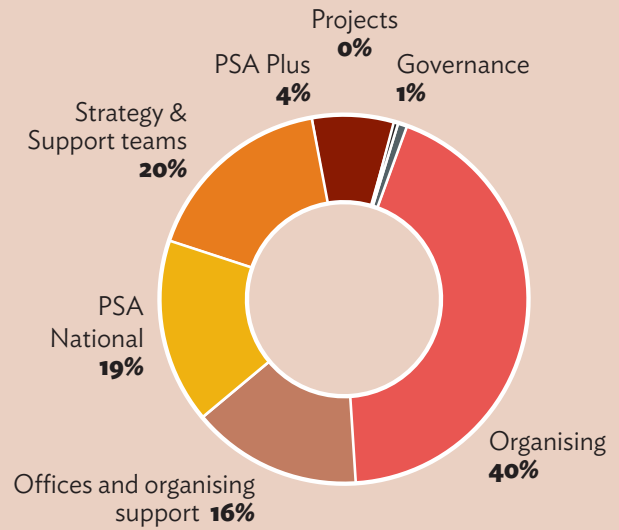
DHB Allied industrial action

PSA finances

Where does our money come from?

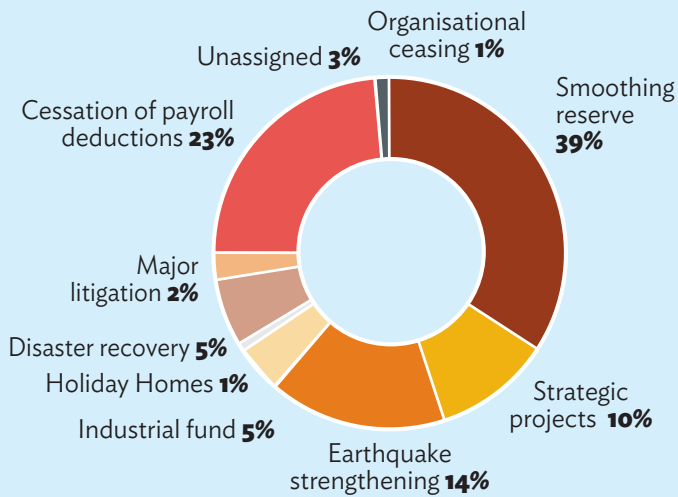


How is our money spent?*

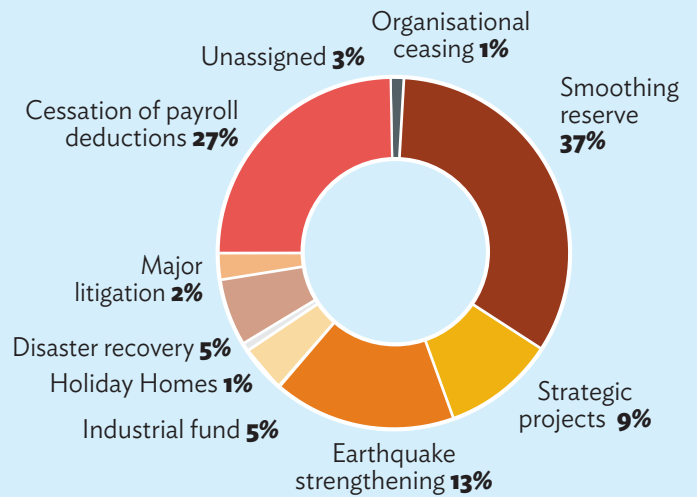


*Note: Excludes taxation. PSA National refers to the leadership team (national secretaries, Kaihautū and assistant secretaries), campaigns, staff development and other staff related costs (excluding salaries).

Uncommitted Reserves 2021



Uncommitted Reserves 2022



Our reserves

PSA reserves policy is used to identify the potential use of our uncommitted reserves.

Uncommitted reserves are calculated by looking at cash, near cash assets and liquid investments, minus current liabilities and annual leave liabilities – i.e. what we are committed to spending in the near future.

The Executive Board and leadership team believe holding appropriate reserves is an important part of their fiduciary

duties to the members, to ensure the organisation can continue to deliver on its strategic goals.

The reserves are part of an extensive policy which mixes fixed-level, issue-specific amounts and amounts relating to our current budgeted overall expenditure.

Details of the various reserves, which are set out below, total \$21,495,017 (2021: \$21,715,015).

Please note: the equity figure in the Statement of Financial Position is supported by both cash assets and non-cash assets.

PSA finances

Amounts in \$000's

Reserve	Reason for reserve	Basis	Target 31 March 2021	Actual 1 April 2021	Target 31 March 2022	Usage 2021	Expected usage 2022
Smoothing reserve	Used to smooth sudden cash flow deficits during a normal operating year	% of operating expenses	7,800	8,028	8,600		To fund the 2023 deficit
Strategic projects	To fund one-off projects set up to further the PSA's strategic goals	Fixed \$ amount	2,250	1,957	2,250	To fund strategic projects (\$293k)	For strategic projects
Earthquake strengthening	To fund bringing PSA house up to code	Fixed \$ amount	3,000	2,810	2,810	For earthquake strengthening work (\$190k)	For earthquake strengthening work
Industrial fund	To support members during prolonged industrial action	Fixed \$ amount	1,000	1,000	1,000		
Holiday homes	To fund ongoing expansion of holiday homes.	Fixed \$ amount	250	250	250		
Disaster recovery	To fund disaster preparedness and recovery	Fixed \$ amount	1,000	1,000	1,000		
Major litigation	To fund any major legal action	Fixed \$ amount	500	500	500		
Cessation of payroll deductions	To fund the loss of income & costs to change to alternative fee collection methods	% of subscription income	5,100	5,700	5,700		
Organisational ceasing	To fund obligations (leases, redundancies) if the PSA ceased to operate	Fixed \$ amount	250	250	250		
			21,150	21,495	22,360		

Financial overview:

The overview below supplements the information included in the graphs to help members fully understand our finances. We have provided full financial statements for the financial year ending 31 March 2022 on pg. 21 to 36.

Financial performance:

In March 2021, we introduced a new six-band fee structure designed to be revenue neutral, while making fees more equitable, and providing some relief to members on low incomes.

In addition, the inflation increase that would normally have been applied to fees in March 2021, was postponed by one year. However, membership growth continued in 2022 and a 7 percent increase in subscription revenue exceeded expectations.

A major focus for expenditure in 2022 was staffing, with a number of new positions created as part of a major review of our structure.

The impact of Covid-19 on travel, and the subsequent shift to work from home saw a 26 per cent reduction in travel expenditure from the year before.

The result for the year – including taxes and non-cash effects of the property revaluations – was a surplus of \$593,126.

The surplus was significantly reduced by a non-cash loss in the value of PSA's investments.

If we remove the effect of taxes, a small gain from property valuations and the loss in value of investments, the "business as usual" result in 2022 would be a surplus of \$1.3m – down \$800k from 2021. This can be seen in the table on the following page:

PSA finances

Our Reserves	March 2022 results	March 2021 results
Final result per page 21	\$593,126	\$4,494,756
Remove effect of taxation and non-cash gains/losses:		
Movement in book value of investment portfolio	\$944,880	(\$1,583,396)
Effect of taxation	(\$117,397)	(\$15,623)
Effect of property valuations	(\$114,202)	(\$786,687)
Business as usual financial result	\$1,306,407	\$2,109,050

Investments:

Upheaval in markets in the first quarter of 2022, due to ongoing inflation and global events, impacted on the value of our portfolio at the year's end, with an unrealised loss of \$944,880.

As with property revaluations, it is important to remember that this is not cash and we would not have realised this loss unless we sold our investments.

Property revaluations:

The PSA usually revalues its land and buildings every two years to take into account current market value, and our properties were revalued in March 2021.

Given the growth in property values during 2021, the PSA elected to again revalue land and buildings on 31 March 2022.

Most of our holiday homes increased in value. However, PSA House decreased in value due to the cost of the earthquake strengthening work that was undertaken in the second half of 2022.

The valuation of PSA House is expected to recover once the work is complete.

Overall, the revaluation resulted in a net increase on the book value of \$114,202.

This revaluation is shown in the income statement and as an increase in asset values – but we must remember the increase is not a cash benefit and cannot be “spent” unless we sell our properties.

Use of reserves:

The PSA used its reserves to continue earthquake strengthening work of PSA House, using the reserve set aside for this purpose.

In addition, we accessed our Strategic Projects Reserve to fund several projects including online education, a refresh of the PSA website, engagement related to major Government reforms, and analysis of internal business systems.

The 2022 surplus is expected to be used in the current financial year to fund the budgeted 2023 deficit.

Capital investments:

Major investments this year included the fit-out of the PSA's new premises in central Christchurch and the refurbishments of PSA House to accommodate growing staff numbers and reconfigure the space to meet changing requirements.

Financial position: what we own and what we owe:

The snapshot of our assets and liabilities on 31 March 2022 continues to be very healthy.

As of 1 April 2022, if we paid all our bills and other short-term obligations to PSA staff, we would be left with buildings worth \$20m, and a further \$21m in cash and investments.

The “Our Reserves” graph above sets out a breakdown of what our reserves are held for.

Outlook:

The year ahead presents both challenge and opportunities for the PSA, as we prepare for the future as a modern, influential union.

We face rising costs from inflation, growing membership and the need to further build organisational capacity, all in the context of a rapidly changing environment.



Financial Statements
For the year ended
31 March 2022

Index	Page
Statement of Comprehensive Revenue and Expense	21
Statement of Changes in Net Assets	22
Statement of Financial Position	23
Statement of Cashflows	24
Notes to the Financial Statements 25-36	
Auditor's report	37

Statement of Comprehensive Revenue and Expense

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

	Notes	2022 \$	2021 \$
Revenue from Non-Exchange Transactions			
Donations		7,445	531
Rental Income - Holiday Homes		762,396	720,194
Total Revenue from Non-Exchange Transactions		769,841	720,725
Revenue from Exchange Transactions			
Subscriptions		29,166,191	27,311,137
Other Income	5	671,865	777,855
Total Revenue from Exchange Transactions		29,838,056	28,088,992
Total Revenue		30,607,897	28,809,717
Investment Income			
Income/(loss) from investments	6	(74,812)	2,128,158
Total Investment Income		(74,812)	2,128,158
Expenses			
Amortisation	9	66,651	37,176
Audit Fees	7	39,814	35,040
Communications and Printing		851,642	1,044,835
Depreciation	10	698,616	693,587
Lease of Vehicles and Equipment		982,794	987,671
Meetings and Travel		1,731,353	2,345,911
Rent and Rates		1,107,113	975,572
Salaries and Wages		19,382,032	16,589,793
Superannuation		1,184,790	1,019,511
Other Operating Expenses		4,126,753	3,516,333
Total Expenses		30,171,558	27,245,429
Total Expenses		30,171,558	27,245,429
Net Surplus before Tax		361,527	3,692,446
Taxation			
Income Tax Benefit	13	(117,397)	(15,623)
Total Taxation		(117,397)	(15,623)
Total Surplus after tax		478,924	3,708,069
Other Comprehensive Revenue and Expenses			
Revaluation of Property	10	(212,501)	834,794
Income tax relating to components of other comprehensive income	13	326,703	(48,107)
Total Other Comprehensive Revenue and Expenses		114,202	786,687
Total Comprehensive Revenue and Expense		593,126	4,494,756

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Changes in Net Assets

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

	2022	2021
	\$	\$
Members Funds		
Opening Balance	26,757,025	23,048,956
Total surplus after tax	478,924	3,708,069
Total Members Funds	27,235,949	26,757,025
Asset Revaluation Reserve		
Opening Balance	9,962,059	9,175,372
Total Other Comprehensive Revenue and Expense	114,202	786,687
Total Asset Revaluation Reserve	10,076,261	9,962,059
Industrial Fund		
Opening and Closing Balance	1,000,000	1,000,000
Total Industrial Fund	1,000,000	1,000,000
Net assets attributable to the members	38,312,210	37,719,084

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
As at 31 March 2022

	Notes	2022 \$	2021 \$
Assets			
Current Assets			
Cash and Cash Equivalents		2,258,852	2,192,012
Receivables from Exchange Transactions	8	7,003	20,251
Prepayments		208,655	152,065
JBWere Portfolio	17	22,155,735	22,481,586
Taxation Receivable	13	163,221	107,728
Total Current Assets		24,793,466	24,953,642
Non-Current Assets			
Property, Plant and Equipment	10	19,815,781	19,472,312
Intangibles	9	59,986	126,637
Total Non-Current Assets		19,875,767	19,598,949
Total Assets		44,669,233	44,552,591
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	11	1,071,854	1,416,039
Trade and Other Payables from Non-Exchange Transactions	11	363,059	291,969
Employee Entitlements	12	2,082,430	1,761,854
Total Current Liabilities		3,517,343	3,469,862
Non-Current Liabilities			
Deferred Tax Provision	13	453,794	943,817
Employee Entitlements	12	2,385,886	2,419,828
Total Non-Current Liabilities		2,839,680	3,363,645
Total Liabilities		6,357,023	6,833,507
Net Assets		38,312,210	37,719,084
Net Assets attributable to the members			
Members Funds		27,235,949	26,757,025
Asset Revaluation Reserve		10,076,261	9,962,059
Industrial Fund		1,000,000	1,000,000
Total Net Assets attributable to the members		38,312,210	37,719,084

Signed by

Treasurer: Athol Ringrose

National Secretary: Duane Leo

Date: 21 June 2022



Date: 21 June 2022



These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Cashflows

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

	2022	2021
	\$	\$
Cashflow		
Cash from Operating Activities		
Cash provided:		
Subscriptions	29,166,191	27,311,137
Dividend Income	1,248	1,234
Interest Income	503,026	550,436
Rental Income	1,133,419	1,097,168
Other Income	308,287	401,412
Total Cash provided:	31,112,171	29,361,387
Cash applied:		
Payments to Suppliers and Employees	(29,436,094)	(25,840,501)
Tax Refund/(Paid)	(101,416)	17,181
Total Cash applied:	(29,537,510)	(25,823,320)
Total Cash from Operating Activities	1,574,661	3,538,067
Cashflow from Investing Activities		
Cash provided:		
Sale of Fixed Assets	42,396	697
Decrease in deposits maturing after 3 months	-	850,000
Total Cash provided:	42,396	850,697
Cash applied:		
Investments	(253,235)	(3,186,667)
Purchase of Fixed Assets	(1,296,982)	(533,607)
Purchase of Intangible Assets	-	(132,854)
Total Cash applied:	(1,550,217)	(3,853,128)
Total Cashflow to Investing Activities	(1,507,821)	(3,002,431)
Net Increase in Cash Held	66,840	535,636
Add Opening Cash Brought Forward	2,192,012	1,656,376
Ending Cash to Carry Forward	2,258,852	2,192,012
Cash and Cash Equivalents	2,258,852	2,192,012

These financial statements should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

1. Reporting Entity

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated (PSA) is a democratic union incorporated under the Incorporated Societies Act 1908.

The PSA represents the interests of its members working in government departments, local government, the health sector, crown agencies, state-owned enterprises and community and government-funded agencies.

The principal activities of the PSA are to build a union to influence the industrial, economic, political and social environment in order to advance the interest of its members.

The financial statements have been prepared for the individual entity of the PSA.

The PSA operates all its activities within New Zealand and its main office is at 11 Aurora Terrace, Wellington. Hub offices are situated in Auckland, Hamilton, Rotorua, Napier, Palmerston North, Nelson, Christchurch, and Dunedin.

The financial statements were authorised for issue by the Executive Board on 21 June 2022.

2. Statement of Compliance

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

The PSA has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

3. Summary of Accounting Policies

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

3.1 Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

These financial statements have been prepared on a going concern basis.

Management and the Executive Board considered the going concern basis for New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated and given the strength of the assets held, level of reserves and projected membership levels, the New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated concluded that the going concern assumption is appropriate.

3.2 Functional and Presentational Currency

The financial statements are presented in New Zealand dollars (\$), which is also the functional currency of the PSA. The financial statements are rounded to the nearest dollar.

3.3 Revenue

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

Revenue from non-exchange transactions

A non-exchange transaction is one in which the PSA either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

The application of this standard affects the PSA's accounting for holiday home rental revenue as holiday homes are rented out at less than market value.

Donations

Donations are recognised as revenue upon receipt and include contributions from members and associate members to the hardship fund.

Rental Income - Holiday Homes

Rental income is received in relation to holiday homes that are rented out to members at a rate that is less than market rent for equivalent properties. Revenue is recognised when the member stays.

Revenue from exchange transactions

An exchange transaction is one in which the PSA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

Subscriptions fees

Subscription revenue represents amounts received during the year. Subscription revenue is dependent on information supplied by employers pursuant to respective collective agreements. For practical reasons, the PSA is unable to independently confirm the validity of personnel information supplied.

Rental Income - Property

Rental income is received in relation to tenants in PSA House, tenants holding a commercial lease. Tenants pay a market based commercial rent and revenue is recognised on a straight line basis.

Investment Income

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

Dividend revenue from investments is recognised when the PSA's right to receive payments has been established.

Realised gains are recognised at the time of the disposal of the interest and unrealised gains are recognised based on the change in market value of the portfolio for the period.

3.4 Financial Instruments

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

Financial Assets

PSA derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or PSA has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- PSA has transferred substantially all the risks and rewards of the asset; or
- PSA has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets within the scope of PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is

recognised in surplus or deficit or in other comprehensive revenue and expenses.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. PSA's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Impairment of financial assets

PSA assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cashflows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, PSA first assesses whether there is objective evidence of impairment of financial assets that are

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

individually significant, and individually or collectively significant for financial assets that are not individually significant. If the PSA determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding the amortised cost, the amount of the reversal is recognised in the surplus or deficit.

Financial Liabilities

PSA's financial liabilities include trade and other creditors (including GST), and employee entitlements. All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

3.5 Cash and cash equivalents

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

3.6 Term deposits

Term deposits have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

3.7 Bonds and Equities

Bonds and Equities are classified as financial assets at fair value through surplus or deficit as they are part of a JBWere portfolio group of financial assets and the portfolio's performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the portfolio is provided internally on that basis to key management personnel.

3.8 Property, Plant, Equipment and Depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent to initial recognition, land and buildings are measured using the revaluation model. Under the revaluation model, land and buildings are measured at fair value, less accumulated depreciation on buildings and impairment losses recognised since the date of the last revaluation.

The fair value of land and buildings is their market value as determined by a registered valuer.

Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

Valuations are performed with sufficient frequency to ensure that the fair value of the valued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is biennial, or earlier if indication of material valuation differences exists.

A revaluation surplus is recorded in other comprehensive revenue and expenses and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously recognised in surplus or deficit, the increase is recognised in surplus or deficit. A valuation deficit is recognised in the surplus or deficit, except to the extent that it offsets an existing surplus on the same asset class recognised in the asset revaluation reserve.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. The depreciation charge is at a rate that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Buildings		
Buildings	1% - 2.5%	Straight Line
Renovations	2% - 17.5%	Straight Line
Leased Assets	25% - 33%	Straight Line
Plant and Equipment	6% - 67%	Diminishing Value/ Straight Line
Motor Vehicles	21%	Straight Line

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

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

Impairment of non-financial assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the PSA intends to use to the end of its useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date.

Assets measured at fair value are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

3.9 Intangible Assets - Computer Software

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

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

The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

period or method, as appropriate, and are treated as changes in accounting estimates.

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

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

The amortisation periods for PSA assets are as follows:

Computer Software	40% - 48%	Straight Line
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3.10 Leases

PSA as Lessee

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

PSA as Lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

3.11 Employee Benefits

Wages, salaries and annual leave

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the PSA in respect of services provided by employees up to reporting date.

PSA service leave, resigning leave and retiring leave

The PSA Staff collective agreement allows for service based union service leave and associated allowances. After reaching qualifying periods of service staff are entitled to retirement or resignation leave. The entitlement increases with length of service.

Provisions are calculated based on historic claim patterns and current staff levels. An estimate is made of the likely

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

timing and rate at which these entitlements will be paid and these are discounted to the net present value using the forward discount rates published by Treasury.

3.12 Income Tax

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

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

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

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

3.13 Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Statement of Financial Position.

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

3.14 Net Assets Attributable to the Owners

Equity is made up of the following components:

Members Funds

Members Funds is the PSA's accumulated surplus or

deficit since its formation, adjusted for transfers to/from specific reserves.

Asset revaluation reserve

This reserve is for the revaluation of those PP&E items that are measured at fair value after initial recognition

Industrial Fund

The industrial campaign fund was established in December 2015 with a view to ensuring that the PSA has sufficient funds to provide a resource that will enable the PSA to help support its members in the event of industrial action resulting in a significant loss of members' wages

The initial fund was sourced from existing members' reserves. It is intended to keep this reserve at \$1,000,000 for the foreseeable future. Any use of the fund will be replaced from reserves.

4. Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the PSA's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments

The PSA has entered into a number of vehicle and equipment leases. The PSA has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the vehicle or equipment and the present value of minimum lease payments, that it does not retain all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

Classification of Holiday Homes

The PSA considers Holiday Homes to be a non profit service to members and therefore has not classified

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

them as investment property, but as property, plant and equipment.

Classification of PSA House

The PSA considers PSA House to be primarily an asset in use by the organisation. While PSA also leases some space to third parties, on balance PSA has classified PSA House as property, plant and equipment, not an investment property.

Estimates and assumptions

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

Revaluation of property, plant and equipment

PSA measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive revenue and expense.

PSA engaged an independent valuation specialist to assess fair value as at 31 March 2022 for land and buildings.

Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific

market factors such as nature, location and condition of the property.

The PSA apply a biennial revaluation cycle for land and buildings, or earlier if indication of material valuation differences exists.

Useful lives and residual values

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

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

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

Determination of Employee Entitlements

A provision is calculated based on historic claim patterns and current staff service levels. An estimate is made of the likely timing and rate at which these entitlements will be paid based on criteria set out in the PSA Employees Collective Agreement and these are discounted to the net present value using the five year government forward discount rates.

	2022 \$	2021 \$
5. Other Income		
Bargaining Fees	98,139	210,647
Commission	157,061	139,398
Rental Income - Property	371,023	376,974
Sale of merchandise	4,625	8,419
Sundry income	41,017	42,417
Total Other Income	671,865	777,855
	2022 \$	2021 \$
6. Investment Income/(Loss)		
Dividend Income	1,248	1,234
Interest Income	768	16,951
Investment portfolio income	502,258	499,044
Realised Gain on Investments	365,794	27,533
Unrealised Gain/(Loss) on Investments	(944,880)	1,583,396
Total Investment Income/(Loss)	(74,812)	2,128,158

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

	2022	2021
	\$	\$
7. Auditor's Remuneration		
Audit of the financial statements	39,814	35,040
Total Auditors Remuneration	39,814	35,040

The auditor is Deloitte Limited.

	2022	2021
	\$	\$
8. Receivables from Exchange Transactions		
Trade Debtors	7,003	20,251
Total Receivables from Exchange Transactions	7,003	20,251

	2022	2021
	\$	\$

9. Intangibles

Computer Software		
Cost or Valuation		
Opening Balance	1,348,229	1,215,375
Additions	-	132,854
Total Cost or Valuation	1,348,229	1,348,229
Amortisation		
Opening Balance	(1,221,592)	(1,184,416)
Amortisation charge for the year	(66,651)	(37,176)
Total Amortisation	(1,288,243)	(1,221,592)
Total Computer Software	59,986	126,637
Total Intangibles	59,986	126,637

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

	2022 \$	2021 \$
10. Property, plant and equipment		
Land		
Cost or Valuation		
Opening Balance	7,308,042	6,058,479
Additions	-	-
Disposals	-	-
Revaluation	3,411,522	1,249,563
Total Cost or Valuation	10,719,564	7,308,042
Total Land	10,719,564	7,308,042
Buildings		
Cost or Valuation		
Opening Balance	12,138,615	12,580,876
Additions	1,059,683	315,660
Disposals	(318,439)	-
Revaluation	(3,990,264)	(757,921)
Total Cost or Valuation	8,889,595	12,138,615
Depreciation		
Opening Balance	(738,743)	(654,387)
Depreciation charge for the year	(448,367)	(427,508)
Revaluation	366,241	343,152
Accumulated depreciation on assets disposed	300,355	-
Total Depreciation	(520,514)	(738,743)
Total Buildings	8,369,081	11,399,872
Plant and equipment		
Cost		
Opening Balance	3,057,619	2,853,432
Additions	233,060	217,947
Disposals	(96,723)	(13,760)
Total Cost	3,193,956	3,057,619
Depreciation		
Opening Balance	(2,309,792)	(2,061,661)
Depreciation charge for the year	(243,169)	(261,194)
Accumulated depreciation on assets disposed	48,522	13,063
Total Depreciation	(2,504,439)	(2,309,792)
Total Plant and equipment	689,517	747,827
Motor Vehicles		
Cost		
Opening Balance	23,261	23,261
Additions	43,478	-
Disposals	(23,261)	-
Total Cost	43,478	23,261
Depreciation		
Opening Balance	(6,690)	(1,805)
Depreciation charge for the year	(7,080)	(4,885)
Accumulated depreciation on assets disposed	7,911	-
Total Depreciation	(5,859)	(6,690)
Total Motor Vehicles	37,619	16,571
Total Property, plant and equipment	19,815,781	19,472,312

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

Valuation details of property

The PSA operate a two yearly cycle of revaluations, however, have revalued the properties again in 2022 due to significant changes in property values during the last 12 months. All properties were valued on a fair value basis at 31 March 2022 by independent

registered valuers, listed below, who are members of the Institute of Valuers of New Zealand. The valuers have the appropriate qualifications and experience in the valuation of properties in the relevant location. The fair value of the properties at 31 March 2022 were as follows:

Property Location	Valuer	Inspection Date	2022 \$	2021 \$
Holiday Homes				
Raumati	Darroch	3-Mar-22	3,230,000	3,110,000
Whitianga Apartments	Darroch	20-Mar-22	1,260,000	990,000
Carters Beach	Darroch	21-Feb-22	426,087	356,522
Te Anau	Darroch	16-Feb-22	525,000	435,000
Otematata	Darroch	2-Feb-22	480,000	400,000
Rotorua	Darroch	17-Mar-22	2,626,087	2,104,348
Nelson	Darroch	15-Feb-22	1,260,870	1,078,261
Auckland Apartments	Darroch	19-Mar-21	500,000	626,087
Mangawhai	Darroch	8-Mar-22	1,113,043	795,652
Total Holiday Homes			11,421,087	9,895,870
Wellington Office	Darroch	28-Apr-21	6,600,000	8,200,000
Total			18,021,087	18,095,870
Book Value of fit out on leased properties			1,067,558	612,044
Total			19,088,645	18,707,914

The valuers have utilised the capitalisation approach for the valuation of the Wellington Office (yield rate of 7.75%, 2021: 7.5%), the Rotorua property (yield rate of 5.5%, 2021: 5.6%) and the Carters Beach property (yield rate of 7.15%, 2021: 7.15%). This approach involves capitalising the actual contract and/or potential net income at an appropriate market derived rate of return. In situations where the contract rental varies from anticipated market rent the rental surplus or rental shortfall is calculated on a present value basis and adjusted against the capitalised value.

In addition to the assumptions above, the valuation

of the Wellington office includes an estimate of the capital expenditure required for earthquake strengthening and fitout works. The estimate of \$2.9m is based on third party quotes and the valuer's estimates where applicable. Subsequent to year end, the PSA has entered into a contract to carry out the strengthening work on the building.

The remaining properties have been valued by reference to market evidence of transaction prices for similar properties. This conforms to the New Zealand Property Institute Practice Standard 3 - Valuations for Financial Reporting Purposes.

	2022 \$	2021 \$
11. Trade and other payables		
Trade and other payables from exchange transactions		
Trade Payables	1,071,854	1,416,039
Total Trade and other payables from exchange transactions	1,071,854	1,416,039
Trade and other payables from non-exchange transactions		
GST Payable	363,059	291,969
Total Trade and other payables from non-exchange transactions	363,059	291,969
Total Trade and other payables	1,434,913	1,708,008

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

	2022	2021
	\$	\$
12. Employee Entitlements		
Current Employee Entitlements		
Annual Leave	1,763,792	1,420,119
Long Service Leave	110,469	131,286
Early Retirement, Retirement and Resignation Leave	208,169	210,449
Total Current Employee Entitlements	2,082,430	1,761,854
Non-current Employee Entitlements		
Early Retirement, Retirement and Resignation Leave	2,108,440	2,180,505
Long Service Leave	214,179	200,625
Other Leave Liabilities	63,267	38,698
Total Non-current Employee Entitlements	2,385,886	2,419,828
Total Employee Entitlements	4,468,316	4,181,682
	2022	2021
	\$	\$

13. Taxation

Reconciliation of the tax expenses and the accounting profit multiplied by tax rate		
Accounting (deficit)/surplus before tax	361,527	3,692,446
Expected tax expense at statutory income tax rate of 28%	101,228	1,033,885
Tax effects of adjustments to accounting surplus		
Non-taxable activities for tax purposes	(8,209,425)	(7,721,159)
Non-deductible expenses for tax purposes	7,960,847	7,160,156
Other permanent differences	29,953	(488,504)
Income tax (Credit)/Expense	(117,397)	(15,623)
Current Tax		
Current income tax charge	45,923	27,317
Total Current Tax	45,923	27,317
Deferred Tax		
Relating to origination & reversal of temporary differences	(163,320)	(42,940)
Income tax related to Expenses reported in the Statement of Comprehensive Revenue and Expenses	(117,397)	(15,623)
Income tax recognised directly in other comprehensive revenue and expenses		
Taxation relating to revaluation of property	(326,703)	48,107
Total income tax recognised directly in other comprehensive revenue and expenses	(326,703)	48,107
Deferred Tax Liabilities		
Statement of Comprehensive Revenue and Expense		
Revaluation of properties to fair value	(326,703)	48,107
Deferred tax on building	(23,838)	(70,412)
Timing difference on employee entitlements	(11,016)	(14,510)
Timing difference investment portfolio	(128,466)	41,982
Deferred tax expense/(income)	(490,023)	5,167
Statement of Financial Position		
Revaluation of properties to fair value	(996,671)	(1,323,374)
Deferred tax on building	335,087	311,249
Timing difference on employee entitlements	96,398	85,382
Timing difference investment portfolio	111,392	(17,074)
Net deferred tax liabilities	(453,794)	(943,817)
Reflected in the Statement of Financial Position as follows:		
Deferred tax liabilities	(453,794)	(943,817)
Deferred tax liabilities net	(453,794)	(943,817)
Taxation receivable	(163,221)	(152,226)

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

	2022 \$	2021 \$
14. Operating Leases		
PSA as Lessee		
Not later than one year	1,726,927	1,391,404
Later than one year and no later than five years	2,809,566	3,401,951
Later than five years	1,839,179	1,659,294
Total	6,375,672	6,452,649

Operating leases related to office premises located in Auckland, Hamilton, Rotorua, Napier, Palmerston North, Nelson, Christchurch, Greymouth and Dunedin. Office equipment leases and vehicle leases.

PSA as Lessor		
Not later than one year	205,954	342,726
Later than one year and no later than five years	144,791	228,929
Later than five years	-	-
Total	350,745	571,655

Operating leases related to Wellington property (PSA House) where PSA is landlord.

15. Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Executive Board, National Secretaries and Assistant Secretaries. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2022 \$	2021 \$
Key Management Remuneration		
Executive Board	35,638	34,390
Number of persons at year end	10	10
Senior Management	1,485,558	1,369,485
Number of persons at year end	9	9
Total Remuneration	1,521,196	1,403,876

Remuneration and compensation provided to close family members of key personnel

During the reporting period, total remuneration and compensation of \$88,763 (2021: nil) was provided by PSA to employees who are close family members of key management personnel.

16. Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2022

	2022	2021
	\$	\$
Financial Assets		
Receivables from exchange transactions	7,003	20,251
Cash and Cash equivalents	2,258,852	2,192,012
JBWere Portfolio	22,155,735	22,481,586
Total Financial Assets	24,421,590	24,693,849

	2022	2021
	\$	\$
Financial Liabilities		
Trade and other payables	1,434,913	1,708,008
Employee entitlements	4,468,316	4,181,682
Total Financial Liabilities	5,903,229	5,889,690

	2022	2021
	\$	\$
17. JBWere Investment Portfolio		
Cash	4,384,589	1,492,721
Term Deposits	-	1,012,477
Shares	6,663,411	7,663,884
Bonds	11,107,735	12,312,504
Total	22,155,735	22,481,586

The investment portfolio was established during the 2020 financial year and is managed by JBWere. The total bonds held are made up of \$7,007,429 (2021: \$7,128,415) New Zealand bonds and \$4,100,306 (2021: \$5,184,089) offshore bonds. The New Zealand bonds have interest rates ranging from 0.25% to 4.85% and maturity dates ranging between 12 April 2024 and 17 September 2031.

18. Capital Commitments

As at balance date, PSA had committed to refurbishments on levels 3, 4 and 5 of PSA House. The agreed contract price is \$260,338 and as at balance date progress payments of \$103,765.27 had been made. PSA had also committed to fit out of new offices at its leased Auckland premises. The agreed contract price is \$136,334.55 and as at balance date progress payments of \$32,086.25 had been made. (2021: nil).

19. Contingent assets and liabilities

There are no contingent assets or liabilities at balance date (2021:\$100,000).

20. Events after the reporting date

The Executive Board and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements, that have significantly or may significantly affect the operations of New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated.

Independent Auditor's Report

To the Members of New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated

Opinion

We have audited the financial statements of New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated (the 'Association'), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows 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, on pages 21 to 36, present fairly, in all material respects, the financial position of the Association as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Association 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

The Executive Board are responsible on behalf of the Association for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

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

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Executive Board's responsibilities for the financial statements

The Executive Board are responsible on behalf of the Association for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced

Disclosure Regime, and for such internal control as the Executive Board determine 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 Executive Board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intend to liquidate the Association 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 and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Members, as a body, in accordance with the Rules and Regulations. Our audit has been undertaken so that we might state to the Members those matters 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.



Wellington, New Zealand
21 June 2022



www.psa.org.nz

0508 367 772

enquiries@psa.org.nz

PSA, PO Box 3817,

Wellington 6140

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