



Annual Report

2022 - 2023



Public Service Association
Te Pūkenga Here Tikanga Mahi

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	12-13
Message from the National Secretaries	Strategic goals progress report
5	14-17
President's report	Year in review
6	18-19
PSA governance structure	Sustainability Report, PSA finances
7	22-47
How we organise	Financial statements for the year ending 31 March 2023
8-9	48-49
Membership Snapshot	Auditor's report
10-11	
Te Rūnanga o Ngā Toa Āwhina	

National Secretaries



Over the past 12 months, we have achieved so much. In a social and political landscape that has become increasingly crowded with voices, PSA members used our collective voice to champion workers' rights. Our accomplishments, documented in this report, demonstrate that together, we are greater than the sum of our parts.

We must acknowledge the challenging times we are living through. Efforts to halt and slow the spread of Covid-19 have given way to inflationary pressures, and the impacts of our changing climate have been felt with severe weather events in Te Tai Tokerau, Tāmaki Makaurau and Tairāwhiti. We have witnessed, here and internationally, changes to our social fabric, with a rising sense of disunity and the spread of mis- and disinformation. And we have witnessed changes to how we work, with large organisational shifts in health and local government sectors through the establishment of Te Whatu Ora and the ongoing national water management reforms.

PSA members will be acutely aware of these changes as you provide crucial support to individuals and communities as they navigate the way forward.

Despite these circumstances, it is with great pride that we reflect on so much success. As a union, we have secured several historic, precedent-setting achievements that protect and enhance workers' rights.

Ngā Taonga Sound & Vision became the first state sector employer to agree to a four-day –working week.

After a hard-fought 19-month campaign, Allied Health workers ratified a pay increase that lifted their pay above the living wage for the first time.

Community Corrections members took their first industrial action in 21 years and secured the adoption of a step-based pay system to help mitigate race and gender pay inequity.

The first Multi-Employer Collective Agreement (MECA) in the local government sector was ratified covering councils in the upper South Island.

Community social workers achieved pay equity delivering an average pay rise of 36%.

And, off the back of a public-service-wide campaign, which many of you joined and received record levels of member engagement, we secured the Public Service Pay Adjustment (PSPA). A historic cross-sector deal, the PSPA delivered pay increases for almost all public service departments and additional enterprise specific improvements.

The first of its kind, the PSPA demonstrates the power of the collective; together, we are more influential.

Behind the scenes, we also worked to ensure that industrial action was supported by legal advocacy and political lobbying. Throughout the year, we submitted on countless bills and pieces of legislation, met with Ministers, conducted surveys, consulted with members and ran training sessions, hui and travelling roadshows to keep members abreast of proposed changes.

None of it would be possible without you. Our members and delegates are our most important champions, and we are excited by our member growth and the general sense of momentum. Thank you for the work you do to support our union, and for your public service to Aotearoa.

**Ngā mihi nui,
Kerry Davies and Duane Leo
PSA National Secretaries**



President's report



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

It is my pleasure to introduce our annual report for 2022-23.

It is a privilege to lead our union for a second term, having stood unopposed at the PSA Congress 2022. Thank you for your continued support and the mandate to keep going with the essential mahi of advancing workers' rights for everyone that calls Aotearoa home.

Together, we have had much success and this report provides an important opportunity to reflect on the previous 12 months' achievements. Please share these stories with your colleagues, friends and whānau and invite them to join our progress.

I am delighted to report a steady increase in member numbers for the third consecutive year. At 86,825 members, we are now bigger than ever and on track to surpass 90,000 members.

As we battle increased costs of living, a changing climate and the ongoing effects of the Covid-19 pandemic, our growth as a union reflects how vital our work is.

We have grown not only in numbers, but in influence. By joining together and using our collective voice, we have made several historic gains, most notably ending years of public service pay freezes with the Public Service Pay Adjustment (PSPA).

When I was first elected in 2020, I said I would prioritise elevating the voices of women, youth, Māori and Pasefika. Since then, we have established Vā Moana Delegates to represent Pasefika interests across the union and

established a new Māori senior leadership role.

Our efforts are paying off: Māori membership is up 11% and Pasefika membership up 11.33%. Our PSA Youth network, now our biggest network, were invited onto the global stage at the Asia Pacific Regional Conference of Public Services International in Singapore to share their knowledge and experience of youth leadership training.

More recently, we established ALMA, a network representing Asian, Latin American, Middle Eastern, and African members.

We have also made important gains with one of our flagship initiatives, Kia Toipoto, which seeks to close gender, Māori, Pacific and ethnic pay gaps in the public service. I am thrilled to report that the gender pay gap has fallen by 5.6% since 2018 and the Māori pay gap has fallen by 4.7%. We remain committed to achieving similar results for eliminating Pasefika and Asian pay gaps.

It was wonderful to see so many of you at Congress last year after several years of pandemic-induced separations. The energy in the room was palpable. As we approach the general election, take that energy and seek out opportunities to give voice to workers and apply pressure to our political parties to support the public service.

The work you do is essential for the success of all New Zealanders, and we must safeguard the gains we have made over the last 12 months for future generations.

**Ngā mihi nui,
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, 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.

Health sector committee	Community Public Services sector committee	State Sector sector committee	Local Government sector committee	Public Service sector committee
PSA members working for Te Whatu Ora and 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 research institutes, other crown entities, in the tertiary sector, state owned enterprises and some private companies formerly owned by the state.	PSA members working for councils and council-controlled organisations, water entities and local body authorities.	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:

Lesley Dixon

Vice-President:

Virgil Iraia

National Secretary:

Kerry Davies

National Secretary:

Duane Leo

Te Rūnanga o

Ngā Toa Āwhina:

Tuakana: Lesley Dixon,

Teina: Virgil Iraia

PSA staff representative:

Diana Te Rata

Health Sector:

Diana Mancer

Local Government:

Lee Manaia

State Sector:

Susan Young

Public Service:

Robyn Holland

Community Public

Services:

Michelle Callinan-Troup

Youth Representative:

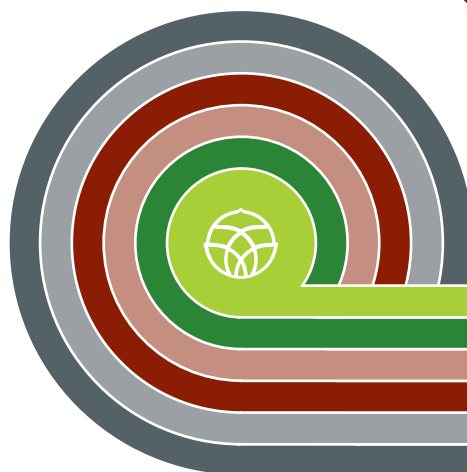
Hine Perry

Pasefika Representative:

Ulualofaiga Mareko

**Previous board members
April 2022 to March 2023**

Brontë Ammundsen,
Alana Reid, Athol Ringrose,
Pania Tulia



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.

PSA membership snapshot

Membership reached 86,825 at 1 April 2023, an increase of 5,317 on the previous year.

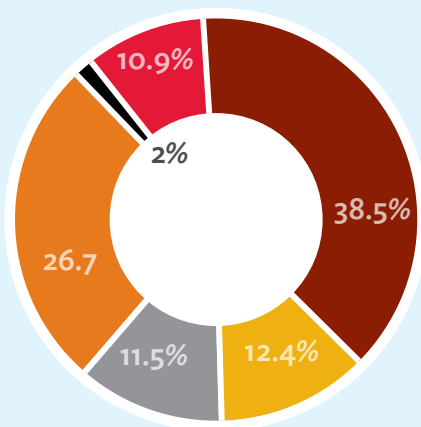
Recruitment remains a strong priority for the union.

All statistics below are taken at 1 April 2023.

And the numbers:

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Members	58,178	58,868	59,782	62,044	63,101	64,608	71,780	76,146	78,345	81,508	86,825
Annual change	-30	+690	+914	+2262	+1057	+1507	+7172	+4366	+2199	+3163	+5317
Percentage change from previous year	-0.05%	1.19%	1.55%	3.78%	1.7%	2.39%	11.1%	6.08%	2.89%	4.04%	6.52%

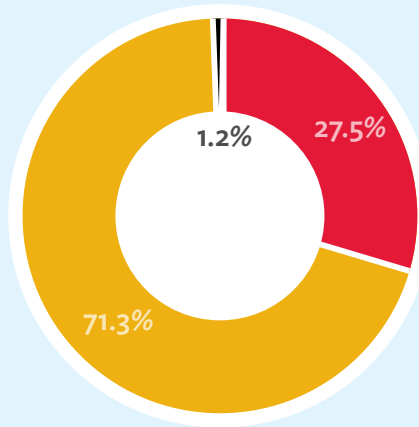
PSA membership by sector



- Community public services
- State sector
- Health
- Public Service
- Local Government
- Other*

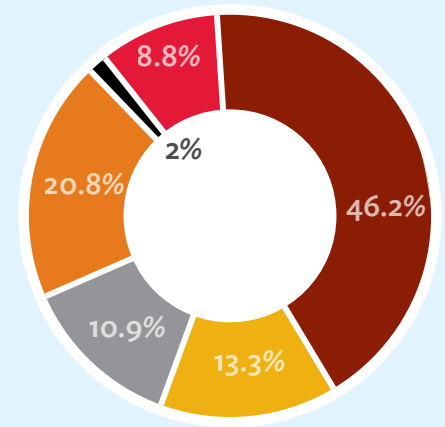
*Other includes student, life, and associate members, and PSA staff who are union members.

PSA membership by gender



- Female
- Male
- Intersex/unspecified

PSA delegates by sector



- Community public services
- State sector
- Health
- Public Service
- Local Government
- Other*

*Other includes student, life, and associate members, and PSA staff who are union members.

PSA membership by age

In 2022/2023 we welcomed 5,317 new members of whom 2,957 were under 35 years old.

That's over half of new members being 35 or under when they joined the PSA.

Age band	Mar-2019	Mar-2020	Mar-2021	Mar-2022	Mar-2023
Under 19	253	255	243	259	235
19-25	3,555	3,812	3,799	4,253	5,042
26-35	11,687	13,124	14,076	15,464	17,632
36-59	34,426	36,122	37,120	37,924	40,286
Over 60	11,604	12,665	13,290	13,934	14,901
No age data	10,255	10,168	9,817	9,674	8,729
Total	71,780	76,146	78,345	81,508	86,825

PSA membership snapshot



5317 additional members

+7%



-12 delegates

-0.3%



882 additional Rūnanga members

+9%

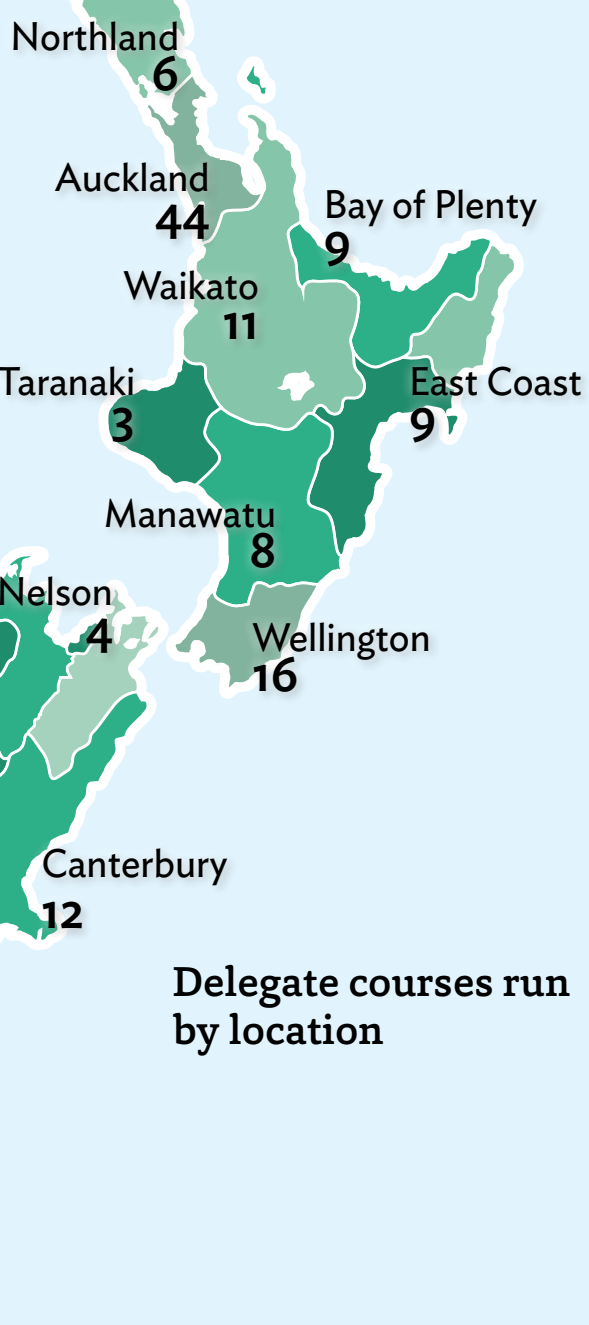


2965 additional PSA Youth

+14%

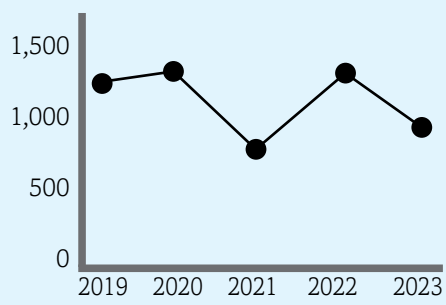
Members by Network

Network	Mar-2022	Mar-2023	Change
Deaf and Disabled	1,092	1,310	20%
Eco Network	2,393	2,823	18%
Out@PSA	2,137	2,523	18%
SWAN	2,059	2,326	13%
Women's Network	8,494	9,846	16%
Pasefika	6,082	6,967	15%
PSA Youth	21,217	24,182	14%



Delegate courses run by location

Number of delegates that attended at least one course



Te Rūnanga o Ngā Toa Āwhina

In 2022/23 Te Rūnanga welcomed 882 new members, boosting Māori representation in our union to 9856 – a 9% increase from the previous year.

Building cultural competency and normalising flexible working

Te Rūnanga has supported these initiatives, which help address bias, discrimination and racism in the workplace. We have engaged with members across the union and launched a campaign to progress these goals.

Mana Wāhine Claim

The Mana Wāhine Claim has been the catalyst to address the breaches to Te Tiriti o Waitangi inequities faced by wāhine Māori in the workplace. We are working on the second part of the claim, speaking to members, and gathering experiences of individual, organisational and systematic barriers faced by wāhine Māori. We are campaigning in the community and in parliament, generating support for progressing the claim.

Kaihautū Māori



Janice Panoho was appointed to Te Kaihautū Māori in March 2021. In the newly created role, Te Kaihautū Māori is a member of the leadership team and oversees the integration

of Te Tiriti o Waitangi, Te Ao Māori and Kaupapa Māori programmes and strategies into PSA's policy and campaigns.

The role also works to normalise tikanga practice in the PSA, and leads the union's engagement with the Iwi Leaders Forum, Māori Ministers, and senior Māori officials including Rūnanga and Iwi organisations that deliver social services to Māori.

Maranga Ake: A call to action for Māori in the Future of Work

Janice Panoho participated in the Māori Future of Work Advisory Group, which co-authored the report *Maranga Ake: A call to action for Māori in the Future of Work*. The report was presented to the Future of Work Tripartite Forum and the Minister for Māori Development in November 2022.

The report acknowledged significant operational change is required to ensure the Crown delivers to Māori, as is guaranteed by Te Tiriti o Waitangi and put forward eight recommendations. Chief among the report's finding is that



the current system of funding Māori development and affairs through disparate government agencies needs greater support to achieve equitable outcomes for Māori and has created an environment that lacks transparency and accountability.

Work in this area continues and the Advisory Group is engaging with public service leaders at the Ministry of Business, Innovation and Employment, and central government, to progress the recommendations.

Te Mahere Whai Mahi Māori - Māori Employment Action Plan

Janice Panoho acted as Chairperson and represented PSA in an independent reference group, which conducted hui across the motu, leading to the development of *Te Mahere Whai Mahi Māori – the Māori Employment Action Plan*. The Action Plan was presented to the Minister for Social Development and Employment, Carmel Sepuloni, and the Minister for Māori Development, Willie Jackson.

The Action Plan is for all Māori, from all backgrounds and walks of life. It recognises Māori as tangata whenua and emphasises building capability and providing resources and opportunities for Māori communities to thrive. The Action Plan provides tangible steps towards the vision of the Government's Employment Strategy: everyone working to create a productive, sustainable, and inclusive Aotearoa New Zealand.



Te Rūnanga o Ngā Toa Āwhina

Among the recommendations is an urgent review into the education system to ensure tamariki and rangatahi remain interested and engaged in their education, ensuring they are 'work ready' and able to maximise employment opportunities upon graduation.

Iwi engagement hui with local candidates

In advance of the October 2023 general election, we have invited local Māori candidates from the five main parties to kōrero with us and our Māori members.

Candidates will be invited to address the hui and take questions from members in attendance. The focus will be our core kaupapa of supporting Māori workers and the hui will provide an important opportunity for members to raise with candidates' changes of policy that may affect their employment and delivery of services to their communities. We are delighted to have received a high level of interest from candidates and members and look forward to these events.

Kia Toipoto – Public Service Pay Gap Action Plan

We continued to work collaboratively with Te Kawa Mataaho Public Service Commission to ensure that the country's entire public service has guidance and a set of actions to help close gender, Māori, and ethnic pay gaps. Agencies and Crown entities are required to publish data relating to pay gaps and we have developed six sets of guidelines to ensure these are published in annual reports. We are delighted that the Māori pay gap in the public service has decreased from 11.2% in 2018 to 6.5% in 2022.

Kia Toipoto encourages us to work collectively to accelerate progress for Māori, Pacific and other ethnic groups by identifying and addressing inequities and disparities in the workplace. Bias, discrimination, and racism are major contributors to gender and ethnic pay gaps. We must commit to work collectively to eliminate all workplace barriers.

Introducing our new PSA kaumātua

John Witana took over the important leadership role of kaumātua for PSA in June 2022, following Kiwhare Mihaka's service of 40 years.



After leaving the Far North at the age of 17, John moved to the South Island to begin an apprenticeship through the Māori trade training schemes of the 1970s, after which he worked as an engineer, teacher and evaluator in the Education Review Office (ERO). He also served as a trustee of Te Rūnanga o Te Aupōuri, progressing Treaty claims and settlement processes.

These experiences – in particular, as a history and Māori studies teacher – made John keenly aware of how historical injustices can inform current inequities and instilled in him a belief in the power of unionism.

His union journey began as a delegate in the Engineers Union and continued as a teacher with New Zealand Educational Institute (NZEI) and Post Primary Teachers' Association (PPTA). Later, he became a PSA delegate and a Māori enterprise delegate at ERO.

After several years as a member of Te Rūnanga o Ngā Toa Āwhina, we are delighted to welcome John Witana to the role of kaumātua.

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 PUBLIC SERVICES	HEALTH
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

Public Service Pay Adjustment (PSPA): In a challenging economic climate, we negotiated the PSPA proposal, which delivered pay increases for employees of public service departments and agencies following years of pay restraint.

We received record engagement and high levels of support from members for this precedent-setting agreement, which provides a new model for streamlining bargaining across the public service.

State Sector pay adjustments: We advocated for the PSPA to be applied to the state sector and, in cases where this wasn't possible, we negotiated pay increases which reflected cost-of-living pressures, with success at several agencies and Crown Research Institutes such as AgResearch and the Institute of Geological and Nuclear

Sciences Limited.

Water reforms: We were a key voice throughout the Water Services reform process, submitting on legislation, meeting with Ministers, and working with government officials to ensure workers' needs were considered throughout the reform process. We launched waterworkers.nz, a website with information for members, and travelled around the country briefing members on the proposed changes and seeking their feedback.

Income Insurance Scheme: We strongly supported the Government proposal for a service and fund that would provide income security and support for workers who lose their job through redundancy, illness and/or disability. We were disappointed when Prime Minister Chris Hipkins delayed implementation of the scheme until after the election.

Strategic goals – progress report

Equity in the workplace | Mana taurite i ngā wāhimahi

Kia Toipoto and closing the pay gap: Through Kia Toipoto we jointly developed guidance on eliminating gender and ethnic pay gaps. We have seen substantial gains - the Public Service gender pay gap has fallen from 12.2% in 2018 to 7.7% in 2022 and the Māori pay gap has decreased from 11.2% in 2018 to 6.5% in 2022 (as measured by Te Kawa Mataaho Workforce Data July 2022). We also continue to work to close the Pasefika and Asian pay gaps.

Step-based pay: We continued to advocate for the removal of performance-based pay systems, including discretionary payments, which contribute to ethnic and gender pay gaps. We are seeing progress in this area and are delighted that more than 2,000 Community Corrections members have moved to a step-based pay system.

Pay equity: We lodged and negotiated several pay equity claims across multiple sectors, achieving settlements for community social workers and Te Whatu Ora (TWO) administration staff. We continue to work on many other claims, including for Library Assistants in six main cities; care and support workers; public service administration; and TWO nurses, allied, scientific and technical workers.

Equal Pay legislation: The ratification of the DHB administration staff claim was a momentous occasion. After four years of negotiation, it was the first claim to be settled under the Government's new Equal Pay legislation and heralded subsequent claims. In the health sector alone, we continue to work on numerous claims covering over 15,000 workers.

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

Member growth: Our membership continued steady growth with 5,317 new members, taking our total membership to 86,825. We are on track in the next financial year to surpass 90,000 members for the first time in the union's history.

Our team of four growth specialists worked alongside organisers to personally contact new starters in the workplace and provide them with information about the advantages of joining and participating in their union.

Strengthening networks: We saw increased growth and participation across all our networks. Our Deaf and Disabled Network nearly doubled in size to 1415 members

and our Youth Network now has 19,000 members. We also established a new network representing Asian, Latin American Middle Eastern African members (ALMA).

Capacity building: As our union has grown, we have increased our internal capacity to support our members' needs, including establishing a new role, Assistant Secretary of Strategy. We have restructured our communications team so that there is a dedicated communications professional for each sector.

Digital ecosphere: We launched the first stage of our multiyear programme to replace our digital environment. This significant project, which will include revamping the PSA website and member portal, will fundamentally change how members engage with the PSA by improving access to information, enabling members to connect with each other and enhancing security.

Health and Safety: We submitted and engaged with the Select Committee on the Health and Safety at Work Amendment Bill. The Bill, which is now law, restored the right of all workers to request health and safety representatives and committees in their workplaces.

Strong public & community services | Rātonga hāpori tūmatanui kaha

Reforming the research, science and innovation sector: We surveyed members, met regularly with Minister Dr Ayesha Verrall and submitted on the Government's Te Ara Paerangi, Future Pathways white paper, ensuring the voice of the science workforce was heard.

The subsequent suggested reforms were broadly in line with policy we proposed, with priority given to better funding and the development of a model that reduces competition, focuses research on national priorities and improves employment.

Health change management: We were highly engaged in the establishment of Te Whatu Ora, including running member surveys and presenting 17 collective submissions on topics such as Pacific Health, People & Communications, Finance and more.

Future of Local Government: We gathered feedback from more than 600 local government workers for our submission on the draft Review into the Future for Local Government report – a big-picture review of how local government could evolve in the coming decades.



A year in review

Apr 2022

PSA: We opened a new regional office in Rotorua to better support members in the central North Island.



May 2022

Health: 10,000 PSA Allied, Public Health, Scientific and Technical (APHST) workers took strike action seeking an improved offer to settle their collective employment agreement.

Health: Members in CDHB/Te Whatu Ora administrative roles ratified a historic pay equity settlement that ensures 10,000 mostly female workers are fairly remunerated.

Eco Network: Submitted on the Government's national climate change adaptation plan, pushing for greater consideration for workers and better public sector resourcing to enable for a just transition.

Women's Network: Launched the C190 Campaign to encourage the Government to adopt the International Labour Organisation Violence and Harassment Convention (C190), which is the first international law to enshrine everyone's right to a work environment free from violence and harassment.



Jun 2022

Health: After a 19-month 'We Are Allied' campaign, Allied Health workers ratified a pay increase, lifting pay above the living wage for the first time for the lowest paid workers.

PSA: Members celebrated the country's first Matariki public holiday.

Women's network: Submitted powerful feedback on the Extended Time for Personal Grievance for Sexual Harassment Parliamentary Bill, advocating for an extension to the period in which a personal grievance can be raised.



A year in review

Jul 2022

Community Public Services:

Raised a pay equity claim for care and support workers against 15 employers, covering nearly a quarter of the care and support sector.

PSA: PSA member Ashok Jacobs stood in solidarity with striking firefighters.

PSA: PSA hosted Swiss trade unionist Adrian Durtschi, head of the home support sector at one of the world's largest trade union federations, UNI Global.



Aug 2022

Community Public Services:

Negotiated a representative pay equity settlement for community social workers in five NGO sector providers, bringing remuneration in line with Government social workers and delivering an average pay rise of 36%.

Local government: Appeared before select committee on the Water Services Entities Bill, pushing for more consultation with workers, greater protection of terms and conditions, compensation for workers who have an increased commute and limits on private sector contracting.

Sep 2022

Community Public Services:

Presented a joint report on the wellbeing of community support workers during the pandemic to the Government Health Select Committee and met with Minister Andrew Little to discuss recommendations.

Health: Allied, Public Health, Scientific and Technical (APHST) organisers embarked on an Allied Pay Equity training roadshow visiting eight cities and conducting 11 training days across the country.

ALMA: ALMA, a new network representing Asian, Latin American Middle Eastern, and African members, was established.

PSA: Congress was held, and delegates had an opportunity to attend workshops on local democracy, Te Tiriti and its relevance to employment law, climate action in the workplace and the future of work. Our President Benedict Ferguson was re-elected unopposed.



A year in review

Oct 2022

Community Public Services:

Government announced they would extend the PSA Community Social Worker Pay Equity to the wider community sector, which will deliver pay increases to 5,000 community social workers affiliated with iwi organisations, Māori providers and NGOs.

Local government: Review into the Future for Local Government released its draft report.

Public Service: Members launched the Stand Together Week of Action campaign raising awareness and support for the Public Service Pay Adjustment (PSPA). Members wore green, arranged events and participated in a Zoom presentation by the president of the CTU Richard Wagstaff.

Nov 2022

Health & Safety: PSA and the New Zealand Defence Force (NZDF) signed a worker participation agreement, under which both parties committed to improving the health and safety of all civilian employees at NZDF.

Public Service: Ministry of Justice PSA members, including court staff, staff at contact centres, processing centres and national office, took five weeks of industrial action, which resulted in the successful settlement of several pay claims and the establishment of a new coaching and pay approach at the Ministry.

Local Government: A historic Multi-Employer Collective Agreement (MECA) for the local government sector, covering Marlborough and Tasman District Councils and Nelson City Council, was ratified.

Dec 2022

Public Service: After lengthy negotiations, an offer was made via the Public Service Commission for a Public Service Pay Adjustment (PSPA) delivering pay increases for employees of public service departments, effectively ending pandemic-induced pay freezes.



#PayFairForCare



A year in review

Jan 2023

State Sector: Settled the first four-day-working-week agreement with Ngā Taonga Sound & Vision, enabling staff to work a 32.5 hours per week without a reduction in pay.

PSA: National Secretary Duane Leo attended the 110th Session of the Harvard Trade Union Programme, attending more than 100 classes and connecting with international labour movement leaders.



Feb 2023

Out@PSA and Women's Network: Submitted on the Government's proposed hate speech legislation, broadly supporting its intent and arguing for additional groups to be included.

Women's Network: Members shared their lived experiences of the challenges in accessing ACC support as part of a submission on the ACC (Access Reporting and Other Matters) Amendment Bill. The submission highlighted that there is an allocated funding shortfall of \$1 billion for women as compared to men.

Deaf & Disabled Network: Presented to select committee on the Accessibility for New Zealanders Bill which aims to address accessibility barriers in all areas of life.



Mar 2023

Youth Network: Members and union staff joined thousands of students at the School Strike 4 Climate which took place in Kaitaia, Auckland, New Plymouth, Wellington, Christchurch, Dunedin and Wanaka.

Out@PSA: Convenors and wider members spoke in support of trans and non-binary rights and attended trans rallies held around Aotearoa. They also organised stalls at the Big Gay Out in Auckland and Out in the City in Wellington.

Public Service: Community Corrections members took their first industrial action in 21 years. Following the strikes, more than 2,000 members secured the adoption of an annual automatic pay progression model.

Local government and Community Public Services: Opposed Auckland Council's proposed funding cuts to community and public services. Organisers and delegates wrote to Auckland Council delegates, issued media statements and circulated a petition to save funding for Citizens Advice Bureau garnering 20,000 signatures.



Sustainability Report

	2020/21	2021/22	2022/23
PSA vehicles (tonnes of CO2-e) ^[1]	Not available ^[2]	111.46	219.63
Air travel (tonnes of CO2-e) ^[3]	127.2	81.7	199.8
Electricity (tonnes of CO2-e)	73.08	73.39	69.97

[1] These figures are based on kilometres travelled by PSA-owned petrol vehicles, converted to CO2-e using the government's emissions calculator. These figures exclude rental car emissions and work travel undertaken in personal vehicles, but include personal travel undertaken in PSA vehicles.

[2] The PSA changed petrol accounts in the 2020/21 year which means accurate data on petrol purchases is not available for that year.

[3] Source: Air New Zealand PSA carbon emissions reports. Note these figures exclude radiative forcing (a measure that compensates for the increased effect of greenhouse gases released at high altitudes), and exclude any non-Air New Zealand flights (which account for an estimated 3% of air travel undertaken by PSA).

PSA finances

Transition from Tier 2 to Tier 1

During the 2022 and 2023 financial year, PSA crossed over the threshold for reporting under Tier 1 Not-For-Profit accounting standards. The main impact of the change to Tier 1 has been additional disclosures in the notes to the financial statements.

Financial Performance

During the 2023 financial year, the PSA continued to grow, with a 6.5% increase in membership numbers. In March 2022, we implemented the inflation increase to fees that was postponed in 2021. The fee increase, along with the growth in member numbers, saw subscription income increase by 8.5%.

As in the previous year, staffing was again a major focus for expenditure in 2023. We completed the recommendations

of a major review of our structure, and grew capacity to meet the demands of a growing membership.

With the removal of restrictions on travel and meetings related to Covid-19, this area of expenditure increased significantly in 2023. However, it is still below pre-pandemic levels, and in the context of growing member and staff numbers, shows that we have adapted to new ways of working and meeting online.

The result for the year (including taxes and non-cash effects of the property revaluations) was a deficit of \$3.8m. The most significant component of this deficit is the non-cash reductions in the value of PSA House and PSA's investments. If we remove the effect of taxes, and the loss in value of property and investments, then the "business as usual" result in 2023 was a small deficit of \$0.4m. This compares to a \$1.3m surplus in 2022. This can be seen in the table below:

Our Reserves	March 2023 results	March 2022 results
Total Comprehensive Revenue and Expense per page 26	(\$3,784,147)	\$593,126
Remove effect of taxation and non-cash gains/losses:		
Unrealised (gain)/loss of investment portfolio	\$413,192	\$944,880
Income tax expense/(benefit)	\$111,505	(\$117,397)
Loss/(gain) on property valuations, including tax	\$2,841,761	(\$114,202)
Business as usual financial result	(\$417,689)	\$1,306,407

The deficit of \$0.4m was less than the budgeted deficit of \$1.6m, reflecting the increase in income from growing membership numbers.

Investments

Ongoing geopolitical tensions and inflationary pressures continued to impact on global markets during 2022. This affected the value of our portfolio at year end, with an unrealised loss of \$0.4m. As with property revaluations, it is important to remember that this is not cash and we

PSA finances

would not realise this loss unless we sold the investments. We also withdrew cash from the portfolio to pay for Stage 1 of the earthquake strengthening work at PSA House.

Property Revaluations

The PSA usually revalues its land and buildings every two years to current market value, and accordingly properties were revalued in March 2022. However, the significant changes in property values over the last 12 months required a revaluation in March 2023. The valuation of PSA House reflects the yet to be completed expenditure on Stage 2 earthquake strengthening work. This has resulted in a considerable drop in value, negatively impacting our “bottom line”.

Overall, the revaluations resulted in a net decrease of \$2.8m on property book values.

Use of reserves

During the year, reserves were used to fund Stage 1 of PSA House earthquake strengthening, which included re-roofing and lift shaft strengthening. In addition, funds from the Strategic Projects Reserve were put towards digital transformation and online education projects. The surplus in 2022 was used to fund the deficit in the 2023 year.

Capital (assets) investments

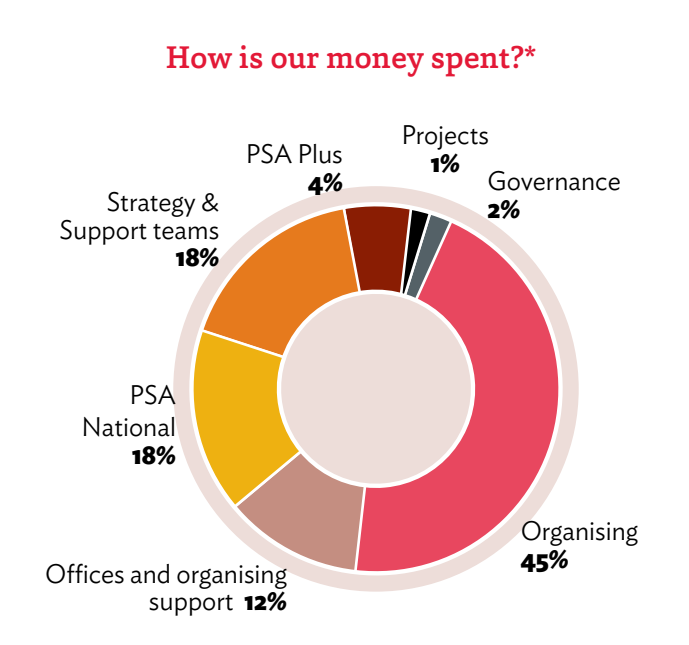
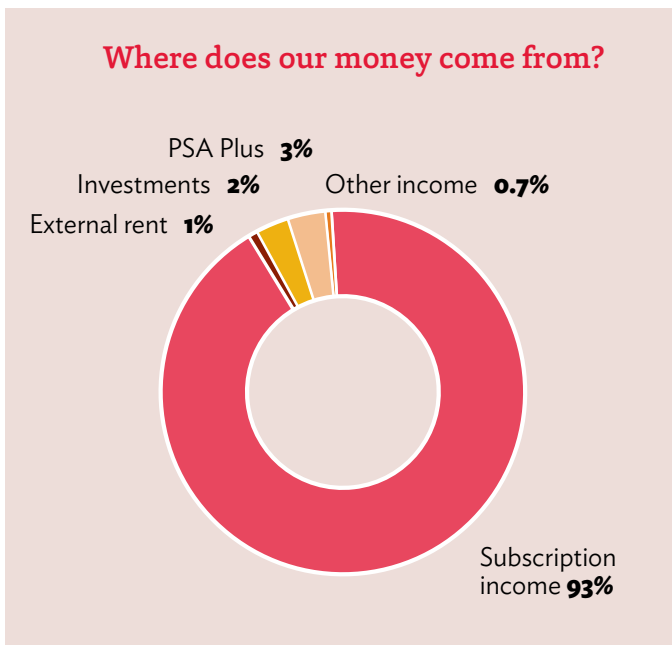
The major investment in the 2023 year was the Stage 1 earthquake strengthening works at PSA House. We also completed office refurbishments in PSA House and the Auckland office.

Financial Position – what we own and what we owe

As at 1 April 2023, if we paid all our bills and other short-term obligations to PSA staff, we would be left with buildings worth \$18.3m, and a further \$19m in cash and investments. The change in our financial position since last year reflects the fall in value of our property and investments, and the major capital works undertaken during the year.

Looking forward

We have been planning for some time to invest in PSA House to bring it up to an acceptable earthquake rating. We are now in the preparation stages for the second and final stage of this work, which is expected to take place in 2024. This is a major project which will require us to vacate PSA House for over a year and will heavily impact on our reserves. As we move forward, the Executive Board and leadership team are tasked with the responsibility to rebuild the reserves to ensure our financial sustainability for future years.



Note: Excludes taxation. PSA National refers to the Leadership Team, National Sector & Strategy Leads, staff development and other staff related costs (except salaries).





Financial Report
For the year ended
31 March 2023

Index	Page
Statement of Service Performance	23
Statement of Comprehensive Revenue and Expense	26
Statement of Changes in Net Assets	27
Statement of Financial Position	28
Statement of Cashflows	29
Notes to the Financial Statements	30-47
Auditor's report	48-49

Statement of Service Performance For the year ended 31 March 2023

New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi

Who we are

He aha te mea nui o tēnei ao? He tangata, he tangata, he tangata.

New Zealand Public Service Association (the 'PSA') is a trade union that represents people working in New Zealand's public and community services. We were founded in 1913 and are the largest union in the country, with more than 85,000 members.

We represent a wide range of workers from five sectors:

- Community Public Services (NGOs and for private companies delivering community-based services partially or fully funded by national or local government);
- Local Government (councils, water agencies and council-controlled organisations);
- Public Service (public service departments and offices of parliament);
- State Sector (staff working for Crown research institutes, other Crown entities, in the tertiary sector, state owned enterprises and some private companies formerly owned by the state); and
- Health (primarily workers employed in Te Whatu Ora).

Each sector has its own committee and is represented on the PSA Executive Board. In addition, Te Rūnanga o Ngā Toa Āwhina is the body for all Māori members of the PSA, ensuring that Māori have a voice at all levels of the PSA.

Our purpose

We build our union organisation to influence the industrial, economic, political, and social environment in the interests of PSA members – creating a better working life for our members. In doing this we are committed to honouring Te Tiriti o Waitangi and its principles of partnership, protection, and participation, as they relate to the working lives of our members.

We recognise that public and community services are at the heart of creating a more equitable, sustainable, and thriving Aotearoa where everyone's voice is valued. We are committed to promoting well supported public and community services and ensuring that our members are treated fairly and with respect.

How we achieve our goals

Our 2021-2027 strategic plan provides four clear areas of focus that enable us to achieve our goals.

Our four strategic goals are:

- 1. Strong Public and Community Services | Ratonga Hapori Tūmatanui Kaha**
Strong and sustained political and public support for public and not-for-profit community services as the heart of creating a better Aotearoa.
- 2. A Strong, Modern and Influential Union | He kaha, he whaimana, he uniana mō te ao hurihuri**
Strong and sustained political and employer support for worker voice and participation through unions at the national, industry and organisation level.
- 3. Transformed Work | Mana mahi**
Work is transformed so it is valued, secure, and influenced by strong worker voice to create wellbeing for all workers.
- 4. Equity in the Workplace | Mana taurite i ngā wāhimahi**
Workplaces are free from bias, discrimination, and racism at the individual, organisational and system level.

Strategic Goal One: Strong Public and Community Services | Ratonga Hapori Tūmatanui Kaha

Strong and sustained political and public support for public and not-for-profit community services as the heart of creating a better Aotearoa.

Outcomes	Service Performance Measures	2023	2022 (unaudited)
The PSA is an established public voice on the value of public and community services	Percentage of members who are satisfied that the PSA is influencing public debate about how things are done in public and community services is stable or increasing.	64%	59%

Satisfaction is measured by the percentage of members in a representative survey who answered "satisfied" or "very satisfied" to the question.

Over the last year we have advocated publicly for the value of public and community services and pushed back on attacks on the value of the work our members do. We've ensured PSA members have had a strong voice in consultations about reforms of public and community services, including the health system and mental health, local government, water services, public media and the public research and science system. We have spoken out on climate change, public spending and fiscal policy and the need for public services to be accessible and deliver a fair chance for all.

Statement of Service Performance For the year ended 31 March 2023

New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi

Strategic Goal Two: A Strong, Modern and Influential Union

Strong and sustained political and employer support for worker voice and participation through unions at the national, industry and organisation level.

Outcomes	Service Performance Measures	2023	2022 (unaudited)
Our union democracy is strong	Membership is growing	5,317 new members 7% increase	3,163 new members 4% increase
Our members are represented in their workplace and the union by elected delegates	Delegate density (percentage of members who are delegates)	4.6%	4.8%
Delegates are trained and equipped for the future of union work.	Number of delegates trained in the last year.	45%	56%

More and more people working in public and community services are joining our union and taking part in union activity at the workplace and sector level and through our active PSA membership networks.

Our union democracy is strong: in 2022 we held a successful biennial National Delegates' Congress, with members from across the union involved in discussing the future of work and our union. We are supporting delegates to tool up for the future of union work through our programme to implement a hybrid approach to delegate education and will continue to develop this in the coming year. We continue to strengthen our Māori delegate structures through regular Maranga Mai training.

Strategic Goal Three: Transformed Work | Mana mahi

Work is transformed so it is valued, secure, and influenced by strong worker voice to create wellbeing for all workers

Outcomes	Service Performance Measures	2023	2022 (unaudited)
We are improving members' pay and terms and conditions	The percentage of members who are satisfied we are improving their pay and terms and conditions.	73%	69%
We are getting people a say at work	The percentage of members who are satisfied we are getting them a say in how work is done in their workplace.	51%	52%
PSA members negotiate their terms and conditions collectively through their union	The percentage of members at enterprises with a current collective agreement.	97%	95%

Satisfaction is measured by the percentage of members in a representative survey who answered "satisfied" or "very satisfied" to the question.

Inflation and increases to the cost of living are putting pressure on PSA members across the union. This year members strongly supported our call to stand together for a cost of living Public Service Pay Adjustment for everyone working in public and community services. We have been successful in negotiating an offer for members working for public service departments and are advocating for this to be extended to other parts of the public sector and funded community public services. Other highlights this year have included: significant improvements to the pay and conditions of members working in Allied Health through their steadfast We are Allied bargaining campaign, and local government members from the top of the South Island coming together and achieve the first ever multi-employer collective agreement in local government.

Strategic Goal Four: Equity in the Workplace | Mana taurite i ngā wāhimahi

Workplaces are free from bias, discrimination and racism at the individual, organisational and system level.

Statement of Service Performance For the year ended 31 March 2023

New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi

Outcomes	Service Performance Measures	2023	2022 (unaudited)
Gender pay gaps are reduced within PSA workplaces	Gender pay gap across PSA membership from PSA Pay Survey is reduced	Survey is done every two years	Gender pay gap: 11.5%
Ethnic pay gaps are reduced within PSA workplaces	Māori and Pasefika pay gaps across PSA membership from PSA Pay Survey are reduced	Survey is done every two years	Māori: 8.2% Pasefika: 12.0%
Our members have equal pay for work of equal value	Our equal pay claims are progressing	12 claims underway 2 claims settled	8 claims underway 0 claims settled
We are actively engaging with employers to eliminate ethnic and gender pay gaps	Number of public service departments and Crown entities with Kia Toipoto pay gaps action plans in place	45	33

representative of the PSA membership by sector and demographics at the time. We emailed an invitation to PSA members to complete an online survey hosted on the PSA server in our PSA Surveymaker application with questions about their satisfaction with the PSA. We ensured we had a sample of responses representative of the demographic fields that we capture in our membership database. The Pay Survey is a biennial survey which was last undertaken in September 2021.

The governing body has decided to report on these four goals because they best reflect our role. We also have an overarching goal of our commitment to honouring Te Tiriti o Waitangi and advancing principles of partnership, protection, and participation, as they relate to the working lives of our members.

The statement was developed in consultation with our management team and was approved by the Executive Board.

We have continued to work towards eliminating gender and ethnic pay discrimination within our areas of coverage through advancing equal pay claims and engaging actively with employers to eliminate ethnic and gender pay gaps through Kia Toipoto pay gaps action plans.

Kia Toipoto is a comprehensive set of actions to help close gender, Māori, Pacific and ethnic pay gaps and create fairer workplaces in the Public Service, which involves agencies and Crown entities engaging with employees and unions in their work to close their gender and ethnic pay gaps. We continue to advocate for a robust pay transparency regime and this year have presented to a select committee inquiry on pay transparency and supported the CTU's participation in a government consultation on this.

Disclosure of Judgements

Our statement of service performance reports our non-financial performance against our four strategic goals as set out in our Strategic Goals 2021-2027 document. We have used both indicators that measure our outputs (our performance) and narratives. Where survey data has been used, we are satisfied that the samples used were

Statement of Comprehensive Revenue and Expense

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

	Notes	2023 \$	2022 \$
Revenue from Non-Exchange Transactions			
Donations		16,748	7,445
Rental Income - Holiday Homes		924,276	762,396
Total Revenue from Non-Exchange Transactions		941,024	769,841
Revenue from Exchange Transactions			
Subscriptions		31,658,266	29,166,191
Other Income	5	702,793	671,865
Total Revenue from Exchange Transactions		32,361,059	29,838,056
Total Revenue		33,302,083	30,607,897
Investment Income			
Income/(loss) from investments	6	136,509	(74,812)
Total Investment Income		136,509	(74,812)
Expenses			
Amortisation	9	50,940	66,651
Audit Fees	7	71,420	39,814
Communications and Printing		781,251	851,642
Depreciation	10	701,311	698,616
Lease of Vehicles and Equipment		967,526	982,794
Meetings and Travel		3,090,538	1,731,353
Rent and Rates		1,324,817	1,107,113
Salaries and Wages		21,455,226	19,382,032
Superannuation		1,378,248	1,184,790
Other Operating Expenses		4,448,196	4,126,753
Total Expenses		34,269,473	30,171,558
Total Expenses		34,269,473	30,171,558
Net (Deficit)/Surplus before Tax		(830,881)	361,527
Taxation			
Income Tax Expense (Benefit)	13	111,505	(117,397)
Total Taxation		111,505	(117,397)
Total (Deficit)/Surplus after tax		(942,386)	478,924
Other Comprehensive Revenue and Expense			
Revaluation of Property	10	(2,902,123)	(212,501)
Income tax relating to components of other comprehensive income	13	60,362	326,703
Total Other Comprehensive Revenue and Expense		(2,841,761)	114,202
Total Other Comprehensive Revenue and Expense		(3,784,147)	593,126

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 2023

	2023	2022
	\$	\$
Members Funds		
Opening Balance	27,235,949	26,757,025
Total (deficit)/surplus after tax	(942,386)	478,924
Total Members Funds	26,293,563	27,235,949
Asset Revaluation Reserve		
Opening Balance	10,076,261	9,962,059
Total Other Comprehensive Revenue and Expense	(2,841,761)	114,202
Total Asset Revaluation Reserve	7,234,500	10,076,261
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	34,528,063	38,312,210

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 2023

	Notes	2023 \$	2022 \$
Assets			
Current Assets			
Cash and Cash Equivalents		2,713,991	2,258,852
Receivables from Exchange Transactions	8	11,761	7,003
Prepayments		425,619	208,655
JBWere Portfolio	19	20,059,129	22,155,735
Taxation Receivable	13	83,670	163,221
Total Current Assets		23,294,170	24,793,466
Non-Current Assets			
Property, Plant and Equipment	10	18,298,542	19,815,781
Intangibles	9	9,046	59,986
Total Non-Current Assets		18,307,588	19,875,767
Total Assets		41,602,758	44,669,233
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	11	1,799,751	1,071,854
Trade and Other Payables from Non-Exchange Transactions	11	318,020	363,059
Employee Entitlements	12	2,394,168	2,082,430
Total Current Liabilities		4,511,939	3,517,343
Non-Current Liabilities			
Deferred Tax Provision	13	427,672	453,794
Employee Entitlements	12	2,134,084	2,385,886
Total Non-Current Liabilities		2,561,756	2,839,680
Total Liabilities		7,073,695	6,357,023
Net Assets		34,528,063	38,312,210
Net Assets attributable to the members			
Members Funds		26,293,563	27,235,949
Asset Revaluation Reserve		7,234,500	10,076,261
Industrial Fund		1,000,000	1,000,000
Total Net Assets attributable to the members		34,528,063	38,312,210

Signed by

President: Benedict Ferguson

National Secretary: Kerry Davies

Date: 06 September 2023



Date: 06 September 2023



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 2023

	2023	2022
	\$	\$
Cashflow		
Cash from Operating Activities		
Cash provided:		
Subscriptions	31,658,266	29,166,191
Dividend Income	1,200	1,248
Interest Income	684,936	503,026
Rental Income	1,238,218	1,133,419
Other Income	405,599	308,287
Total Cash provided:	33,988,219	31,112,171
Cash applied:		
Payments to Suppliers and Employees	(32,996,151)	(29,436,094)
Tax Refund/(Paid)	2,286	(101,416)
Total Cash applied:	(32,993,865)	(29,537,510)
Total Cash from Operating Activities	20	994,354
Cashflow from Investing Activities		
Cash provided:		
Sale of Fixed Assets	11,925	42,396
Total Cash provided:	11,925	42,396
Cash applied:		
Investments	1,546,980	(253,235)
Purchase of Fixed Assets	(2,098,120)	(1,296,982)
Total Cash applied:	(551,140)	(1,550,217)
Total Cashflow to Investing Activities	(539,215)	(1,507,821)
Net Increase in Cash Held	455,139	66,840
Add Opening Cash Brought Forward	2,258,852	2,192,012
Ending Cash to Carry Forward	2,713,991	2,258,852
Cash and Cash Equivalents	2,713,991	2,258,852

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 2023

1. Reporting Entity

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated (the "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 06 September 2023.

2. Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards ("PBE Standards") 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.

This is the first year adoption of Tier 1 Not-For-Profit PBE Accounting Standards as the PSA has total expenditure greater than \$30 million in the current and preceding reporting period. In prior years the PSA were reporting in accordance with Tier 2 Not-For-Profit PBE Accounting Standards. There are no recognition or measurement differences impacting these financial statements in moving from Tier 2 to Tier 1 reporting.

3. Summary of Accounting Policies

The accounting policies detailed in the following notes have been applied consistently to both years presented in these financial statements, except as noted in Note 3.3, which addresses changes in accounting policies.

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 Changes due to the initial application of a new, revised, and amended PBE Standards

3.3(a) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments is effective from 1 January 2022 and was adopted by PSA on 1 April 2022.

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

Financial assets previously classified as loans and receivables are now classified as financial assets at amortised cost with impairment measured using expected credit loss model.

3.3(b) PBE FRS 48 Service Performance Reporting

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

PBE FRS 48 Service Performance Reporting is effective for periods from 1 January 2022 and was adopted by PSA on 1 April 2022

PBE FRS 48 requires specific disclosures for the reporting of service performance information which have been provided in the Statement of Service Performance.

3.4 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.

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/(loss) are recognised at the time of the disposal of the interest and unrealised gains/(loss) are recognised based on the change in market value of the portfolio for the period

3.5 Financial Instruments

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

Financial Assets

Financial assets within the scope of PBE IPSAS 41 are classified as: amortised cost; fair value through other comprehensive revenue and expense (FVOCRE) or fair value through surplus or deficit (FVTSD). The classifications of the financial assets are determined at initial recognition.

With the exception of short-term receivables and payables that do not contain a significant financing component or for which the PSA has applied the practical expedient, the PSA initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCRE, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

Financial assets are not reclassified subsequent to their initial recognition unless the PSA changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCRE if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive revenue and expense. This category includes derivative instruments and quoted equity shares which PSA had not irrevocably elected to classify at FVOCRE. Dividends on listed equity investments are recognised as revenue from exchange transaction in the statement of comprehensive revenue and expense when the right of payment has been established.

Amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired.

PSA's financial assets at amortised cost includes cash and cash equivalents and receivables from exchange transactions.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, 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 under a 'pass-through' arrangement; and either (a) PSA has transferred substantially all the risks and rewards of the asset, or (b) PSA has neither

transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When PSA has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, PSA continues to recognise the transferred asset to the extent of its continuing involvement. In that case, PSA also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that PSA has retained.

Impairment

PSA recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through surplus or deficit.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the PSA expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that PSA expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables from non-exchange transactions and receivables from exchange transactions, PSA applies a simplified approach in calculating ECLs. Therefore, PSA does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. PSA has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Financial liabilities are classified, at initial recognition,

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

as financial liabilities at fair value through surplus or deficit, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. PSA's financial liabilities include payables under exchange transactions, payables under non-exchange transactions and employee entitlements.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive revenue and expense.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive revenue and expense.

3.6 Cash and cash equivalents

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

3.7 Term deposits

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

3.8 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.

3.9 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.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

Buildings		
Buildings	1% - 2.5%	Straight Line
Renovations	2% - 13.5%	Straight Line
Plant and Equipment	9.5% - 50%	Diminishing Value/ Straight Line
Motor Vehicles	21%	Straight Line

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 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.

3.10 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. 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 amount of the effect in future periods of these changes in accounting estimates has not been disclosed because estimating it is impracticable.

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%	Straight Line
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3.11 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.

3.12 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

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

patterns and current staff levels. An estimate is made of the likely 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.

3.13 Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Revenue and Expense 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.

3.14 Goods and Services Tax (GST)

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

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

Classification of PSA House

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

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 2023 for land and buildings.

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 3.9 and 3.10

Key Inputs & Key Assumptions

The fair values of the Rotorua, Nelson, and Carters Beach properties are estimated using the capitalisation of net income approach. 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.

The PSA House fair value was determined using a land rate per square metre based on comparable sales. 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. The PSA apply a biennial revaluation cycle for land and buildings, or earlier if indication of material valuation differences exists.

The most significant inputs are the actual contract and/or potential net income at an appropriate market derived rate of return. The estimated fair market value increases if the actual contract or potential net income increases or if the yield rate declines. The overall valuations are sensitive to both assumptions. The PSA considers the range of reasonably possible alternative assumptions is greatest for the market derived rate of return compared to the actual contract revenue and that there is also an interrelationship between these inputs.

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.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

	2023	2022
	\$	\$
5. Other Income		
Bargaining Fees	30,205	98,139
Commission	153,885	157,061
Rental Income - Property	313,942	371,023
Sale of merchandise	7,908	4,625
Sundry income	196,853	41,017
Total Other Income	702,793	671,865

	2023	2022
	\$	\$
6. Investment Income/(Loss)		
Dividend Income	1,200	1,248
Interest Income	12,484	768
Investment portfolio income	672,452	502,258
Realised (Loss)/Gain on Investments	(136,435)	365,794
Unrealised Gain/(Loss) on Investments	(413,192)	(944,880)
Total Investment Income/(Loss)	136,509	(74,812)

	2023	2022
	\$	\$
7. Auditor's Remuneration		
Audit of the financial report	61,320	39,814
Other Services	10,100	-
Total Auditors Remuneration	71,420	39,814

The auditor is Deloitte Limited. Other Services provided during the period relate to a forensic spending review.

	2023	2022
	\$	\$
8. Receivables from Exchange Transactions		
Trade Debtors	11,761	7,003
Total Receivables from Exchange Transactions	11,761	7,003

Impairment

Trade debtors are mainly advances to staff members, costs incurred on behalf of members or shared costs to be recovered from another party. PSA has not recognized any impairment of trade debtors.

9. Intangibles		
Computer Software		
Cost or Valuation		
Opening Balance	1,348,229	1,348,229
Additions	-	-
Total Cost or Valuation	1,348,229	1,348,229
Amortisation		
Opening Balance	(1,288,243)	(1,221,592)
Amortisation charge for the year	(50,940)	(66,651)
Total Amortisation	(1,339,183)	(1,288,243)
Total Computer Software	9,046	59,986
Total Intangibles	9,046	59,986

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

	2023 \$	2022 \$
10. Property, plant and equipment		
Land		
Cost or Valuation		
Opening Balance	10,719,564	7,308,042
Additions	-	-
Disposals	-	-
Revaluation	(1,124,999)	3,411,522
Total Cost or Valuation	9,594,565	10,719,564
Total Land	9,594,565	10,719,564
Buildings		
Cost or Valuation		
Opening Balance	8,889,595	12,138,615
Additions	1,908,054	1,059,683
Disposals	(13,303)	(318,439)
Revaluation	(2,130,176)	(3,990,264)
Total Cost or Valuation	8,654,170	8,889,595
Depreciation		
Opening Balance	(520,514)	(738,743)
Depreciation charge for the year	(453,396)	(448,367)
Revaluation	353,052	366,241
Accumulated depreciation on assets disposed	9,298	300,355
Total Depreciation	(611,560)	(520,514)
Total Buildings	8,042,610	8,369,081
Plant and equipment		
Cost		
Opening Balance	3,193,956	3,057,619
Additions	190,067	233,060
Disposals	(146,098)	(96,723)
Total Cost	3,237,925	3,193,956
Depreciation		
Opening Balance	(2,504,439)	(2,309,792)
Depreciation charge for the year	(238,786)	(243,169)
Accumulated depreciation on assets disposed	138,178	48,522
Total Depreciation	(2,605,047)	(2,504,439)
Total Plant and equipment	632,878	689,517
Motor Vehicles		
Cost		
Opening Balance	43,478	23,261
Additions	-	43,478
Disposals	-	(23,261)
Total Cost	43,478	43,478
Depreciation		
Opening Balance	(5,859)	(6,690)
Depreciation charge for the year	(9,130)	(7,080)
Accumulated depreciation on assets disposed	-	7,911
Total Depreciation	(14,989)	(5,859)
Total Motor Vehicles	28,489	37,619
Total Property, plant and equipment	18,298,542	19,815,781

Valuation details of property

The PSA operate a two yearly cycle of revaluations, however, have revalued the properties again in 2023 due to significant changes in property values during the last 12 months. All properties were valued on a fair value basis at 31 March 2023 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 2023 were as follows:

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

Property Location	Valuer	Inspection Date	2023 \$	2022 \$
Holiday Homes				
Raumati	Darroch	3-Mar-22	3,030,000	3,230,000
Whitianga Apartments	Darroch	20-Mar-22	1,180,000	1,260,000
Carters Beach	Darroch	28-Mar-23	443,478	426,087
Te Anau	Darroch	16-Feb-22	550,000	525,000
Otematata	Darroch	2-Feb-22	500,000	480,000
Rotorua	Darroch	17-Mar-22	2,573,913	2,626,087
Nelson	Darroch	15-Feb-22	1,269,565	1,260,870
Auckland Apartments	Darroch	19-Mar-21	460,870	500,000
Mangawhai	Darroch	4-Apr-23	1,210,000	1,113,043
Total Holiday Homes			11,217,826	11,421,087
Wellington Office	Darroch	31-Mar-23	5,300,000	6,600,000
Total			16,517,826	18,021,087
Book Value of fit out on leased properties			1,119,350	1,067,558
Total			17,637,176	19,088,645

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

Key Inputs & Key Assumptions

Properties were revalued using the valuations performed by Darroch Limited, independent registered valuers as at 31 March 2023.

The fair value of the property represents the estimated

amount that the property should exchange as at 31 March 2023 between a willing buyer and a willing seller in an arms length transaction.

In undertaking the valuations of the Rotorua, Nelson and Carters Beach properties, Darroch's primary methods applied are disclosed below, along with the rates used in the calculations. The remaining properties held were valued using a comparable transactions method.

Carters Beach (Capitalisation and Sales Comparison)	2023	2022
Adopted capitalisation rate % (capitalisation analysis)	6.75	7.15
Adopted psm price (\$) (comparison analysis)	2000	1795
Nelson (Capitalisation)	2023	2022
Adopted capitalisation rate % (capitalisation analysis)	5.75	5.65
Rotorua (Capitalisation and Sales Comparison)	2023	2022
Adopted capitalisation rate % (capitalisation analysis)	5.9	5.5
Adopted psm price \$ (average) (sales comparison analysis)	2922	2483
Wellington Office		
The prior year fair value of the PSA House was determined using the capitalisation and discounted cash flows approach. The capitalisation rate and discount rate used in the capitalisation approach were 7.75% and 7% respectively. The terminal yield and discount rate used in the discounted cashflow approach were 8% and 8.25% respectively. The current year fair value of the PSA was determined using a land rate per square metre of \$6,000, based on comparable sales.		

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

	2023 \$	2022 \$
11. Trade and other payables		
Trade and other payables from exchange transactions		
Trade Payables	1,799,751	1,071,854
Total Trade and other payables from exchange transactions	1,799,751	1,071,854
Trade and other payables from non-exchange transactions		
GST Payable	318,020	363,059
Total Trade and other payables from non-exchange transactions	318,020	363,059
Total Trade and other payables	2,117,771	1,434,913
	2023 \$	2022 \$

12. Employee Entitlements

Current Employee Entitlements		
Annual Leave	2,056,198	1,763,792
Long Service Leave	91,939	110,469
Early Retirement, Retirement and Resignation Leave	246,031	208,169
Total Current Employee Entitlements	2,394,168	2,082,430
Non-current Employee Entitlements		
Early Retirement, Retirement and Resignation Leave	1,841,567	2,108,440
Long Service Leave	274,605	214,179
Other Leave Liabilities	17,913	63,267
Total Non-current Employee Entitlements	2,134,085	2,385,886
Total Employee Entitlements	4,528,253	4,468,316

Key Inputs & Key Assumptions

The key assumptions concerning calculation of Employee Entitlements include 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 (such as probability of leaving or retiring from age 60). This estimate is then discounted to the net present value using discount rates.

The average forward discount rate used in the model over the period is 4.4% (2022: 3.89%).

The estimate of these employee entitlements also uses long term salary growth assumptions obtained by the PSA from the Treasury's Long Service Leave and Retiring Leave Models (per TC 2009/06).

The long-term salary growth assumption used by the PSA is 3.01% (2022: 3.08%).

13. Taxation

Reconciliation of the tax expenses and the accounting profit multiplied by tax rate		
Accounting (deficit)/surplus before tax	(830,881)	361,527
Expected tax expense at statutory income tax rate of 28%	(232,647)	101,228
Tax effects of adjustments to accounting surplus		
Non-taxable activities for tax purposes	(8,934,583)	(8,209,425)
Non-deductible expenses for tax purposes	9,141,751	7,960,847
Other permanent differences	50,499	29,953
Deferred tax adjustments for occupancy	86,484	-
Income tax expense/(credit)	111,505	(117,397)

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

Current Tax		
Current income tax charge	77,265	45,923
Total Current Tax	77,265	45,923
Deferred Tax		
Relating to origination & reversal of temporary differences	34,240	(163,320)
Income tax related to Expenses reported in the Statement of Comprehensive Revenue and Expenses	111,505	(117,397)
Income tax recognised directly in other comprehensive revenue and expenses		
Taxation relating to revaluation of property	(60,362)	(326,703)
Total income tax recognised directly in other comprehensive revenue and expenses	(60,362)	(326,703)
Deferred Tax Liabilities		
Statement of Comprehensive Revenue and Expense		
Revaluation of properties to fair value	(60,362)	(326,703)
Deferred tax on building	(20,285)	(23,838)
Timing difference on employee entitlements	(5,605)	(11,016)
Timing difference investment portfolio	60,130	(128,466)
Deferred tax expense/(income)	(26,122)	(490,023)
Statement of Financial Position		
Revaluation of properties to fair value	(936,309)	(996,671)
Deferred tax on building	355,372	335,087
Timing difference on employee entitlements	102,003	96,398
Timing difference investment portfolio	51,262	111,392
Net deferred tax liabilities	(427,672)	(453,794)
Reflected in the Statement of Financial Position as follows:		
Deferred tax liabilities	(427,672)	(453,794)
Deferred tax liabilities net	(427,672)	(453,794)
Taxation (receivable)	83,670	(163,221)

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

	2023 \$	2022 \$
14. Operating Leases		
PSA as Lessee		
Not later than one year	1,575,534	1,726,927
Later than one year and no later than five years	2,255,557	2,809,566
Later than five years	1,479,224	1,839,179
Total	5,310,315	6,375,672

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

PSA as Lessor		
Not later than one year	297,390	205,954
Later than one year and no later than five years	310,435	144,791
Later than five years	-	-
Total	607,825	350,745

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, 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:

	2023 \$	2022 \$
Key Management Remuneration		
Executive Board	39,024	35,638
Number of persons at year end	12	10
Senior Management	1,614,838	1,485,558
Number of persons at year end	10	9
Total Remuneration	1,653,862	1,521,196

Remuneration and compensation provided to close family members of key personnel

During the reporting period, total remuneration and compensation of \$114,489 (2022: \$88,763) was provided by PSA to employees who are close family members of key management personnel.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

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:

	2023 \$	2022 \$
Financial Assets		
Amortised Cost		
Receivables from exchange transactions	11,761	7,003
Cash and Cash equivalents	2,713,991	2,258,852
Fair value through surplus or deficit		
JBWere Portfolio	20,059,129	22,155,735
Total	22,784,881	24,421,590
	2023 \$	2022 \$
Financial Liabilities		
Amortised Cost		
Trade and other payables	2,117,771	1,434,913
Employee entitlements	4,528,252	4,468,316
Total Financial Liabilities	6,646,023	5,903,229

Financial assets and liabilities measured at fair value through surplus or deficit are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted market prices

included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The carrying amounts of financial assets and liabilities measured at fair value through surplus or deficit in the Statement of Financial Position relate to the following fair value hierarchy categories of assets:

	2023 \$	2022 \$
Fair value through surplus or deficit:		
Level 1		
JBWere Portfolio - quoted equity shares, bonds and cash	16,323,053	18,055,429
Level 2		
JBWere Portfolio - offshore bond funds	3,736,076	4,100,306
Total	20,059,129	22,155,735

Level 1 input category investments include quoted equity shares and bonds held within the JB Were portfolio. Fair values of these equity shares are determined by reference to published price quotations in an active market. Level 2 input category investments include investments in offshore

bonds within the JB Were portfolio. Fair values of these are determined by outside valuation providers, sourcing pricing from current market prices for highly liquid assets and via specialist price data firms. There were no transfers between levels during the year ended 31 March 2023.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

17. Financial Risk Management

PSA is exposed to market risk, credit risk and liquidity risk. PSA senior management oversees the management of these risks. Senior management is supported by a Risk and Assurance Committee that advises on financial risks and the appropriate financial risk governance framework for PSA. The Risk and Assurance Committee provides assurance to senior management that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with PSA policies and risk

objectives. PSA management reviews and approves policies for managing each of these risks, which are summarised below.

Liquidity risk

Liquidity risk arises from PSA's management of working capital. It is the risk that PSA will encounter difficulty in meeting its financial obligations as they fall due. PSA ensures that its short-term liquid financial assets (such as cash and cash equivalents, and trade receivables) is sufficient to meet the contractual cash flow obligations of its financial liabilities.

	31-Mar-23		Non-current \$	
	Current \$			
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
Trade and Other Payables from Exchange Transactions	1,799,751			
Trade and Other Payables from Non-Exchange Transactions	318,020			
Employee Entitlements	2,056,198	337,970	1,181,808	952,277
	31-Mar-22		Non-current \$	
	Current \$			
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
Trade and Other Payables from Exchange Transactions	1,071,854			
Trade and Other Payables from Non-Exchange Transactions	363,059			
Employee Entitlements	1,763,792	318,638	1,340,707	1,045,179

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, thus leading to a financial loss. PSA has minimal exposure to credit risk from its operating activities (as membership fees are deducted from wages by employers and paid to PSA at the same time). PSA is exposed to credit risk from its financing activities, including deposits with banks and financial institutions. The carrying amount of

financial assets represents the PSA's maximum exposure to credit risk.

In respect of its publically listed debt instruments, PSA manages this risk indirectly by requiring that these are invested only in government or SOE bonds that have a credit rating of above BBB-.

The PSA exposure to credit risk as categorised by Standard and Poor's ratings is presented below:

Nominal value (Standard & Poors ratings)	2023 \$		2022 \$	
	Cash	Bonds	Cash	Bonds
AAA		1,100,000		975,000
AA-	2,713,991	2,764,000	2,258,852	4,146,000
A-		342,000		-
BBB+		767,000		-
BBB		970,000		1,055,000
Not rated		710,000		1,152,000
Total	2,713,991	6,653,000	2,258,852	7,328,000

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following three types of risk: interest rate risk, currency

risk and other price risk, such as equity price risk.

Interest rate risk

PSA is exposed to interest rate risk in respect of its fixed interest rate financial assets (bonds). The PSA exposure to interest rate risk is presented below:

	2023			2022		
	Weighted average interest rate %	Nominal amounts \$	Fair value \$	Weighted average interest rate %	Nominal amounts \$	Fair value \$
Financial assets (quoted markets)						
Debt securities – NZ	3.86%	6,493,000	6,205,305	2.79%	7,328,000	7,007,430
Debt securities – Overseas	5.32%	160,000	149,600	-	-	-

The below reasonably possible increases/decreases in interest rates would have the following impact on the interest income in surplus or deficit and net assets/equity (excluding the fair value change):

	2023 \$		2022 \$	
	Surplus or deficit	Net assets /equity	Surplus or deficit	Net assets /equity
Interest rate increase of 0.5% (2022: 0.5%)	21,158	15,233	27,576	19,855
Interest rate decrease of 0.5% (2022: 0.5%)	(21,158)	(15,233)	(27,576)	(19,855)

Foreign currency risk

PSA is exposed to foreign currency risk in respect of its financial assets it holds in foreign currencies. The PSA's exposure to foreign currency risk is presented below:

Financial assets	2023 \$			2022 \$		
	Equity Securities	Cash	Offshore Bond Funds	Equity Securities	Cash	Offshore Bond Funds
AUD	2,188,082	431,230	-	2,759,274	94,806	-
USD	1,828,777	150,077	-	1,936,567	54,136	-
GBP	-	60,693	-	44,616	-	-
CHF	-	63,128	-	44,606	-	-
JPY	-	57,777	-	80,878	211	-
EUR	181,768	-	-	76,626	181	-
NZD (100% Hedged)	-	-	3,736,076	-	-	4,100,306
Total	4,198,627	762,905	3,736,076	4,942,567	149,334	4,100,306

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

The below reasonably possible increases/decreases in the respective currency rates would have the following impact on surplus or deficit and net assets/equity:

	2023 \$		2022 \$	
	Surplus or deficit	Net assets /equity	Surplus or deficit	Net assets /equity
AUD				
Rate increase of 5% (2022: 5%)	(124,729)	(89,805)	(135,909)	(97,854)
Rate decrease of 5% (2022: 5%)	137,859	99,258	150,215	108,155
USD				
Rate increase of 8% (2022: 8%)	(146,582)	(105,539)	(147,459)	(106,171)
Rate decrease of 8% (2022: 8%)	172,074	123,893	173,105	124,635
Others (GBP, CHF, JPY, EUR)				
Rate increase of 5% (2022: 5%)	(17,303)	(12,458)	(11,768)	(8,473)
Rate decrease of 5% (2022: 5%)	19,125	13,770	13,006	9,364

Price risk

PSA exposed to price risk in respect of its equity instruments. In respect of its publically listed equity instruments, PSA manages this risk indirectly by requiring that the portfolio is spread across different areas with various amounts of systematic risk to movements in the economy as a whole. The PSA's maximum exposure to price

risk is the total shares and bonds invested, per note 19 below.

For the listed equity securities, the below reasonably possible increases/decreases in the respective prices of the equities would have the following impact on surplus or deficit and net assets/equity:

Equity price risk	2023 \$		2022 \$	
	Surplus or deficit	Net assets /equity	Surplus or deficit	Net assets /equity
NZ Equities				
Increase 10% (2022: 10%)	166,847	120,130	172,084	123,901
Decrease 10% (2022: 10%)	(166,847)	(120,130)	(172,084)	(123,901)
AU Equities				
Increase 10% (2022: 10%)	218,808	157,542	275,927	198,668
Decrease 10% (2022: 10%)	(218,808)	(157,542)	(275,927)	(198,668)
US Equities				
Increase 10% (2022: 10%)	174,235	125,449	184,676	132,967
Decrease 10% (2022: 10%)	(174,235)	(125,449)	(184,676)	(132,967)
Other Equities				
Increase 10% (2022: 10%)	26,820	19,310	33,654	24,231
Decrease 10% (2022: 10%)	(26,820)	(19,310)	(33,654)	(24,231)

18. Capital Management

For the purposes of PSA's capital management, capital represents its equity, including accumulated comprehensive revenue and expenses and all equity reserves. Equity is represented by Net Assets attributable to members. PSA manages its capital as a by-product of managing its revenue, expenses, assets, liabilities, and general financial dealings.

The primary objective of PSA's capital management is to achieve long term sustainable benefit to members. In order to achieve this overall objective, PSA has asset management plans for major classes of assets.

No changes were made in the objectives, policies or processes for managing capital during the financial year ended 31 March 2023 or 31 March 2022.

Notes to the Financial Statements

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2023

19. JBWere Investment Portfolio	2023 \$	2022 \$
Cash	4,101,052	4,384,589
NZ Equities	1,668,469	1,720,844
AU Equities	2,188,082	2,759,274
US Equities	1,742,346	1,846,757
Other Offshore Equities	268,199	336,536
Bonds	6,354,905	7,007,429
Offshore Bond Funds	3,736,076	4,100,306
Total	20,059,129	22,155,735

The investment portfolio is managed by JBWere. The bonds have interest rates ranging from 1.439% to 6.19% and maturity dates ranging between 29 January 2025 and 15 March 2038. The portfolio also includes investments in offshore bond funds – these funds invest in international fixed income securities, derivatives, cash and are hedged to NZD.

20. Reconciliation of surplus/(deficit) with net cash flow from operating activities

	2023 \$	2022 \$
Net (deficit)/surplus for the reporting period	(942,386)	478,924
Non-cash items:		
Unrealised Gain/(Loss) on Investments	413,192	944,880
Realised gain/(loss) on investments	136,435	(365,794)
Depreciation and amortisation	752,251	765,267
Movements in working capital:		
Taxation receivable	113,791	(218,813)
Receivables from exchange transactions	(4,758)	13,248
Prepayments	(216,964)	(56,590)
Trade and other payables	682,857	(273,095)
Employee entitlements	59,936	286,634
Net cash flows from operating activities	994,354	1,574,661

21. Capital Commitments

As at balance date, PSA had committed to a project for roof replacement and earthquake strengthening of PSA House. The agreed contract price is \$2,437,243 and as at balance date progress payments of \$1,142,293 had been made. (2022: \$260,821).

22. Contingent assets and liabilities

There is potential liability of \$70,000 relating to ongoing litigation taken by the PSA (2022: nil).

23. 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 general purpose financial report ('financial report') of New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi Incorporated (the 'Association'), which comprise the financial statements on pages 26 to 47, and the statement of service performance on pages 23 to 25. The complete set of financial statements comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive revenue and expense, the statement of changes in net assets, the 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 report presents fairly, in all material respects:

- the financial position of the Association as at 31 March 2023, and its financial performance and cash flows for the year then ended; and
- the service performance for the year ended 31 March 2023 in accordance with the Association's service performance criteria

in accordance with Public Benefit Entity Standards ('PBE Standards') issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard NZ AS 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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 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 and a forensic spending review, we have no relationship with or interests in the Association. These services have not impaired our independence as auditor of the Association.

Other matter

The corresponding service performance information in the statement of service performance for the year ended 31 March 2022 is unaudited.

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 report and the audit report.

Our opinion on the financial report 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 report 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 report

The Executive Board are responsible on behalf of the Association for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards;
- service performance criteria that are suitable in order to prepare a statement of service performance in accordance with PBE Standards; and
- such internal control as the Executive Board determines is necessary to enable the preparation of financial statements and the statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 intends 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 report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance 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) and NZ AS 1 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 this financial report.

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

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

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 Association's 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.

Deloitte Limited

Wellington, New Zealand
6 September 2023



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