



Local Government New Zealand

te pūtahi matakōkiri

**ANNUAL REPORT
2002/2003**



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President's Foreword

I am pleased to present to you the report on the performance of *Local Government New Zealand* to the year ending March 2003. It was a year of outstanding success in which *Local Government New Zealand* has provided huge value to its member councils.

Two highlights during the year were major legal victories, one in the Privy Council, the other with IRD.

In pursuing the apportionments case to the Privy Council *Local Government New Zealand* was the means by which 55 councils collectively saved at least \$30m. This victory was to my mind the clearest evidence that we can get of the logic of working collectively in our best interests. This was further underscored by our success with the binding ruling on the issue of GST on fines. The decision that such fines were exempt from GST removed the potential for an even bigger liability than the apportionments case.

The enactment of the Local Government Act (2002), the Local Government (Rating) Act (2002) and the reform of the Local Electoral Act also dominated 2002/03. This work marks the completion of work to "re-write the tablets" initiated by *Local Government New Zealand* in 1996. It is a major milestone and a major credit to the Government.

It was pleasing to see the sector so involved in the legislative change process. I was also very pleased to see the collaboration between *Local Government New Zealand*, DIA and SOLGM in supporting the implementation of this legislation. The LG KNOWHOW programme was a major initiative and I believe it will prove to be one of the key elements to the successful implementation of the legislation.

On a more concerning note the 2002/03 year also saw the emergence of the "weathertightness" issue, followed by the public furore over dogs and animal control. These issues highlight just how important it is that all councils ensure that they discharge their regulatory responsibilities to the highest of standards.

Local Government New Zealand continues to receive strong support from its 86 members throughout New Zealand ensuring that local government presents a strong, unified voice to Central Government.

During the last year the National Council has come together well and continues to work effectively and efficiently as a team. During the year we welcomed Yvonne Sharp as the new Zone 1 representative and bid farewell to Jim Peters as he started his new career as a Member of Parliament.

A significant part of the year was taken up with the weathertightness issue. This is certainly an ongoing issue and will keep coming up over the next little while.

The zone and sector meetings are well attended and I have very much enjoyed the wide range of dialogue and debate that has taken place during these meetings over the past year. I look forward to this continuing in the coming year.

None of this would have been possible without the hard work and dedication of *Local Government New Zealand* staff and the ongoing support of Mayors, Chairs, Councillors and staff from our member councils. I wish to thank them all for their work and congratulate them on their outstanding achievements.

Basil Morrison
President



Chief Executive's Introduction

The 2002/03 year was another exciting and busy year for both *Local Government New Zealand* and the sector.

For me personally the highlight of the year was experiencing the Privy Council during the hearing of the apportionments case. Winning the case was a tremendous vindication of the huge effort that was made across the whole sector on this issue.

Our close relationship with the current Government continued during 2002/03, with two Central/Local Government Fora being held and *Local Government New Zealand* becoming increasingly involved in policy processes across a wide range of issues. This has been both productive and challenging. It has meant that our views are frequently addressed before a Cabinet decision is made. It has also demanded a lot of our staff and has often stretched our people beyond what can be reasonably expected.

Another major achievement has been our role in both the development and implementation of the Local Government Act (2002). The partnership with SOLGM and the Department of Internal Affairs to support the implementation of the new legislation has been very successful. I am hopeful that this is the model for a range of other initiatives and partnerships to enhance local governance.

In presenting this report I wish to acknowledge the wonderful effort by the staff of *Local Government New Zealand*. The last year has been challenging and the workload substantial. I owe a debt of gratitude to my staff for their achievements.

Lastly, I wish to thank the National Council and member councils for the support that they have provided both to me and the organisation during 2002/03.

Peter Winder
Chief Executive



Achievements by Work Area

1 Local Democracy and Legislative Framework

Central government continued with its desire to develop a much fuller policy framework around the place, role and functions of local government, and to engage in a new and comprehensive dialogue with local government as partners in the governance of New Zealand.

This work area focussed on three major pieces of local government legislation; the development and implementation of the Local Government Act, the Local Electoral Act and the Apportionments case. Each of these areas of work required considerable on-going policy resource and the establishment of real partnerships with central government and within the sector.

Local government has moved towards a significantly more robust legislative framework as a result of this year's activity.

Outputs

- Partnership for the successful implementation of the Local Government Act with Department of Internal Affairs and the Society of Local Government Managers formalised
- Seven meetings of the LG KNOWHOW steering committee held
- Appointment of eight LG KNOWHOW project teams looking at Rating; Outcomes; Planning; Consultation; Regulatory; Governance; Regional/Territorial Relationships; and Developer Levies
- Guides to the Local Government Rating; Decision making and Governance completed and distributed including templates of forms and policies
- Communications/marketing strategy for LG KNOWHOW products started
- Eight LG KNOWHOW seminars completed with attendees from 85 councils
- Planning for further LG KNOWHOW seminars initiated
- Six successful regional seminars on the Local Government Rating Act held
- Resource document on the Local Electoral Act published and distributed
- "Getting Started on Community Outcomes" Forum held in November 2002
- Substantial work on GST on traffic infringement fees produced

2 Sustainable Development

To ensure strong local government involvement in the creation of a sustainable development framework.

Outputs

- Attendance at the World Summit on Sustainable Development and attendance at the local government session at that summit

- Sustainable Development Project team convened and three meetings held
- Position on sustainable development for local government sector finalised
- Meetings between the Sustainable Development Project Team, Ministry of Economic Development, Ministry of Social Development and Ministry for the Environment held in regard to the Government's Sustainable Development – Programme of Action
- Work started on setting up a national local government sustainable development network

3 Environment and Bio-Community

Local government needed to work with Government to secure environmental legislation that has integrity, improves processes, enhances opportunities to achieve agreed environmental outcomes and recognises community aspirations. Similarly, local government needed to continue improving its processes, lowering costs and upgrading its capacity. Also attention needed to be directed towards waste management, reserves, biodiversity, and historic heritage.

Outputs

- Ongoing work with councils to build capacity to deliver biodiversity gains on private land
- New contracts negotiated successfully with Ministry for the Environment and CommonGround Local to manage funds for application to "pilot" biodiversity projects
- Communication strategy for Action Bio Community completed
- Submission on the "Guarding Pacific's Triple Start" Bio-security Strategy completed and distributed
- Representation on the National Policy Statement on Biodiversity Reference Group
- Ongoing support for the implementation of New Zealand Waste Strategy completed
- Attendance at Waste Management Conference, November 2002
- Submission on Climate Change Policy completed and submitted
- Discussions completed with Climate Change office re entering into partnership role
- Submissions prepared on Oceans Policy
- Submission made to Local Government and Environmental Select Committee re marine reserves
- Submission prepared on draft Bio-security Strategy

4 Regulatory Activity

Much of the legislation and policy affecting the core business of local government is outdated, complex and ambiguous. Problems arise in implementation which needs to be identified and addressed through amendments or altered practise.

This work area also covered the monitoring of legislation and policy to ensure councils were not prevented or inhibited from undertaking their statutory obligations or meeting community expectations.

Outputs

- Public Works Act Review Group convened to consider policy papers and draft cabinet papers

- Close liaison with the Ministry for the Environment regarding the Resource Management Act Amendment Bill
- Food Act Project Team convened
- Workshops on the Review of the Building Act held in March and October 2003
- Working closely with Ministry for the Environment to implement a series of eight projects designed to reduce the cost to business of complying with the Resource Management Act
- Workshops for councils regarding compliance costs, in partnership with the Ministry for the Environment, held in September and October 2002
- Working closely with Riskpool and Civic Assurance to establish protocols that provide for local government participation in the Weathertight Homes Resolution Service
- Ongoing discussions with the Building Industry Authority
- Submission on the Prostitution Bill completed and submitted

5 Land Transport

Central government continued the development of a national transport policy package. *Local Government New Zealand* has consulted and developed a policy package with the sector to assist central government to come up with a sturdy framework for legislative change.

Outputs

- Submission on Land Transport Management Bill completed and submitted
- Local Government Transport Forum held in December 2002
- Submission on Transfund's interim allocation framework and proposed project evaluations completed and submitted
- Submission on the Land Transport (Street and Illegal Drag Racing) Amendment Bill completed and presented to Select Committee
- Submission on Draft New Zealand Transport Strategy completed and submitted
- Submission on Transit New Zealand's 10 year programme completed and submitted
- Submission on Road Traffic Reduction Bill completed and submitted
- Liaison for sector with Transfund New Zealand, Transit New Zealand, Land Transport Safety Authority and Ministry of Transport

6 Utilities

Local government, road controlling authorities and utility operators are working together to achieve a corridor management regime that recognises the needs of all parties, within a robust legal framework.

Outputs

- Attendance at the Utilities Conference held in April 2002
- Submission on Standards New Zealand Code of Practice for Working in the Road completed
- Discussion paper on changes to utility legislation prepared
- Draft model Partnership Agreement sent to all local authorities for comment

- A brief on guidelines for utilities and the Resource Management Act completed and consultant appointed
- A pilot GIS database for utilities initiated

7 Water and Wastewater

Constraints and opportunities exist in the arrangements for the delivery of water, wastewater and storm water. Local government wishes to explore the options available to its communities and identify governance, pricing, regulation and institutional arrangements that remove impediments and best met local needs.

Outputs

- Representation on the Sanitary Works Technical Advisory Committee
- Funding for the Sanitary Works Subsidy Scheme secured
- Submission on the Consumer Protection (definition of Goods and Services) Bill prepared and presented

8 Economic Development

The need for economic growth and employment in communities continues to be a major concern for many member authorities. Local government aimed to influence central government actions and policy proposals in this area to support communities' economic and social well-being.

Outputs

- Tourism Project Team established
- Organisation of and participation in five training seminars for the tourism industry held in Palmerston North, Whakatane, Hamilton, Blenheim and Invercargill
- Tourism workshops undertaken in Waitakere, Napier, New Plymouth, Wellington, Christchurch and Dunedin in July 2002
- National Tourism Symposium held in September 2002
- Preparation and finalisation of Local Government Tourism Strategy
- Workshops on Film Friendly Regulatory practice held
- New Zealand Local Government Filming Protocol completed and launched
- Economic Development Symposium held December 2002
- Contracts between *Local Government New Zealand* and Works Wise Solutions prepared and signed (Mayors' Taskforce for Jobs)
- Contract between *Local Government New Zealand* and Jobs Research Trust prepared
- Ongoing support to Mayors' Taskforce for Jobs

9 e-Government

Initiate a sound strategy for the development of e-Government across local government in New Zealand

Outputs

- Project team to develop and e-local government strategy established
- e-local government Strategy completed and distributed
- Provided support for Project PROBE regional co-ordinators (Broadband)
- National forum on e-local government and broadband held in August 2002

10 Health and Community

Issues facing local government in this area included provision of health services, public health, social policy and delivery, housing, law and order, recreation and cultural development, and working with the voluntary sector.

Outputs

- Workshop on the Responsible Gambling Bill held in August 2002
- Campaign to make last minute changes to Responsible Gambling Bill launched
- Survey of rural and provincial councils to identify health concerns undertaken
- Campaign to make last minute changes to Responsible Gambling Bill launched
- Response to the discussion document "Public Health Legislation: promoting public health, preventing ill health and managing communicable diseases" prepared and submitted
- An undertaking secured from Ministry of Health that *Local Government New Zealand* will be consulted during the drafting of the Public Health Bill

11 Social and Cultural Well-being

Building stronger communities is a concern shared by both local and central government. National policies impact at the local level, and therefore require a local government input to ensure quality decisions.

Outputs

- Representation at meetings on a new funding formula for Citizen Advice Bureaux
- Safer Communities Conference held in September 2002
- Focus group convened on funding solutions for council housing
- Initial discussions held with Ministry for Social Development regarding a partnership arrangement to promote social development at a community level

12 Treaty of Waitangi and Maori Issues

Under the new Local Government Bill, the local government sector needs to understand its Treaty responsibilities and awareness of successful models of local government Iwi relationships.

Outputs

- Research project into good practice in local government Maori/Iwi relationships completed and published
- Maori Reference Group convened to provide advice and feedback on Maori provision in the Local Government LG KNOWHOW Guides

13 Emergency Management and Emergency Services

An integral part of every Council is emergency management and ensuring emergency services are used to their fullest.

Outputs

- Discussions with Department of Internal Affairs on area of coverage of rural fire service
- Ongoing discussions with Minister and Department of Internal Affairs and Treasury in regard to fire service funding
- Further submissions on Supplementary Order Papers on Civil Defence Emergency Management Bill

14 Ready Response and Monitoring

From time to time legal challenges arise which may be of critical national and generic importance to the sector and require *Local Government New Zealand* to become involved in, extend support to, or act on behalf of a council or councils.

This budget area is reserved to handle a quick response to these.

Outputs

Issues dealt with in this area included.

- Continued work with the Chatham Islands Council, Department of Internal Affairs and central government to secure a long-term solution to its financial difficulty
- Support and advice for Chatham Islands Council on the review of infrastructure needs
- Submitted proposed programme of activity to assist Rangitikei District Council
- Attended various meetings at Rangitikei District Council as required
- Attendance at Privy Council appeal on the apportionments case and subsequent win
- Binding ruling on GST on fines clarifying their exemption from GST

15 Local Government Performance

Governments, both local and central, contribute costs to the economy and society at large, through their regulatory and taxing powers, and through the services they deliver. Understanding the extent of this impact, and the degree to which it contributes to or diminishes economic and social well being, is essential for future policy development.

Outputs

- Activity continued in the Eight Cities Group

16 Member Development

High quality in local governance is essential for the effective performance of local government. This involves understanding of the nature of the leadership and representative roles, the separation of policy and administration, and the provision of information so both elected members and management can undertake their respective responsibilities well.

Local Government New Zealand activity in this area covered: raising awareness of the requirements of elected office, promotion of a code of conduct, increased participation and representation in local government by minorities.

Local Government New Zealand National Council and staff also need to be aware of and responding to the needs and concerns of its members. Effective leadership and communication with membership through responsiveness to issues as they arise.

Outputs

- Submission to Higher Salaries Commission on elected member salaries completed and submitted
- Continued work with the Community Boards Executive Committee
- Development continued on a proposal to establish an elected member training programme
- Advice given to members as required
- Regular attendance at all zone meetings by either the President or Vice President, the Chief Executive and the Manager Member Services and Events
- Reports for zone/sector meetings were completed and distributed as required
- Support for sector meetings was enhanced

17 Internal Governance

The success of *Local Government New Zealand* in its work on behalf of the sector is influenced by the nature and quality of the leadership provided by the National Council, the quality and application of its Governance Policy, and the integrity of its constitution.

Outputs

- Two fora with central government held
- By-election for Vice President held

- Five National Council meetings and one workshop were held
- Election for Zone 1 representative held following the resignation of Jim Peters
- One AGM of members held
- Ongoing relationship meetings with Ministers held

18 Communications

To achieve its strategic goals and advance specific policy and other objectives successfully, *Local Government New Zealand* needs to communicate strongly. It must influence stakeholder opinion effectively on behalf of the sector. It must also communicate well to its internal audience, i.e. to all member authorities.

Local Government New Zealand communications is aimed at creating a credible voice for local government.

Also, as part of our core business, *Local Government New Zealand* has needed to capture up-to-date information, and add value to it, as an input to policy issues, provide information to member authorities, and promote and support information sharing. *Local Government New Zealand* has had to have the technology platform to achieve this.

Outputs

- Briefing document called "Policies to Enhance Communities" aimed at people wanting to stand for local authority election produced and distributed
- Communication begun on ways to coordinate communications plans to support the 2004 local authority elections
- Post election briefing papers for new ministers completed and distributed
- Meetings with incoming ministers and spokespeople held
- Change to branding completed
- Media liaison for *Local Government New Zealand* and the local government sector was undertaken and significant gains made in relationship building and awareness raising achieved
- 14 publications were produced (3 LGNewZ plus 10 ENewZ and 1 special notice) plus special publications for one-off activities or events that required communication
- Continued development of website
- A collection of base information, databases, reports and "stories" produced and maintained
- Subscription to relevant publications maintained
- Intranet and website facilities maintained
- Contacts database for the organization updated and maintained
- Library and archives collection maintained

19 Research, Publications and Grants

There is very little (in quantity or quality) research and academic debate on local government. Such work is important to explore boundaries, develop thinking, identify issues, analyse changes, and place New Zealand's local government development into a global context.

This work area aims to provide high quality information, debate and research on local government.

Outputs

- Report on voting behaviour during the 2001 local authority elections completed and distributed to all councils
- Dame Catherine Tizard Award awarded to two applicants
- Collaboration with Victoria University and NZIER on successful FORST application to research strategic decision making in local government

20 International

To the extent resources allow, *Local Government New Zealand* needs to liaise internationally to contribute to global local government and to gain from others' experiences. This activity focuses on productive relationships with identified international organisations and increased awareness of the challenges facing local government internationally.

Outputs

- Membership of or contributions to international organisations were maintained
- Attendance at the International Union of Local Authorities Asia Pacific branch meeting in Penang
- Attendance at Commonwealth Local Government Forum board meeting in New Delhi, India
- Attendance at Commonwealth Local Government Forum conference in Tswane, South Africa
- Election of *Local Government New Zealand* President to Commonwealth Local Government Forum Executive
- Proposal for funding to establish a partnership with the Fiji Local Government Association submitted
- Successful organisation and completion of two Japanese Intercultural Academy of Municipalities study tours in July and November 2002
- Proposal for Overseas Development Assistance submitted to promote council to council relationships between countries
- Information was provided for overseas enquiries and limited support was given on request

21 Conference - Current Year

Production of the conference is a major *Local Government New Zealand* project, and is run on a self-funding basis. The conference aimed to promote national strategic interests and enable networking and information sharing, both within the sector and with external stakeholders.

Output

- The 2002 Conference was held in Rotorua from 29 – 31 July

22 Conference - Future Years

Planning for future conferences is a major *Local Government New Zealand* project. These are run annually and planning needs to begin two years out.

Output

- Planning for the 2003 Conference to be held in Queenstown initiated
- Memorandum of Understanding between Queenstown Lakes District Council and *Local Government New Zealand* completed and signed
- Venue and planning for 2004 conference underway



Other

23 Governance of the LGITO

Local Government New Zealand has governance ownership of, and responsibility for, the Business Unit it has set up called the Local Government Industry Training Organisation (LGITO). It needs to undertake this role effectively and efficiently as part of its stated goal of enhancing sector performance. The Unit's actual operation is fully self-funding.

Output

- Advice to National Council on the full range of LGITO governance matters
- Commentaries for National Council on the quarterly reports from the LGITO Board
- Oversight of the LGITO Training Needs Analysis Project

24 Contract Servicing - Civic Assurance

Local Government New Zealand provides administrative services to Civic Assurance.

Output

- Output services were provided in keeping with service agreements

25 Contract Servicing - Local Government Rural Trust

Output

- The wind-up of the Local Government Rural Trust has not yet been completed

REGIONAL

Neil Clarke	Chair, Environment Waikato
Hon Margaret Shields	Chair, Wellington Regional Council

Local Government New Zealand Staff

Peter Winder	Chief Executive
Jacqui Tebbs	PA to Chief Executive
Suzanne Howard	Internal Governance Coordinator
Elizabeth Hughes	Manager, Communications (until November 2002)
Helen Morgan-Banda	Manager, Communications (from January 2003)
Aroha Tanirau	Secretary, Communications
Beth Houston	Senior Communications Advisor (from February 2003)
Denise Bush	Manager, Member Services and Events
June Lewis	Records, Library and Information Officer
Teresa Mollo	Receptionist
Rochelle Snopko	Part Time Receptionist (from December 2002)
Tim Davin	Manager, Development and Infrastructure
Angela Gore	Support Co-ordinator, Development and Infrastructure
John Hutchings	Manager, Environment
Claire Miller	Secretary, Environment
Laura Hogg	Policy Analyst (until June 2002)
Anna Carter	Policy Analyst (until October 2002)
Jane Johnston	Senior Policy Analyst, Environment (from January 2003)
Mike Reid	Manager, Governance
Felicity Campbell	Secretary, Governance
Raymond Horan	Policy Analyst, Governance



New Zealand Local Government Association Incorporated
(trading as *Local Government New Zealand*)
Financial Statements for the Year ended 31 March 2003
