



**Local Government
New Zealand**
te pūtahi matakōkiri



Work Programme

2011/12



Mission

To represent and promote the national interests of local government

Sector Vision

Good local governance across New Zealand

Local Government New Zealand (LGNZ) is succeeding when councils understand and respond to the needs of their communities, and have the powers, skills and resources to do so.

Organisational Vision

The national voice of local government.

Our members are the bodies corporate that constitute the local authorities across New Zealand. LGNZ is the peak body of local government in New Zealand, and only LGNZ has the mandate to comprehensively represent the interests of elected members, managers and staff of councils across New Zealand.

Goals for the local government sector 2011/12

Fostering a strong local government sector and building recognition of its role in the prosperity of New Zealand is a key focus for LGNZ. Achieving this recognition and strength is a challenge across all areas of our work.

The 2011/12 LGNZ Work Programme has been organised into specific functions including regulation, environment, infrastructure, economic development, capacity, capability and local democracy.

For each function, we have identified goals, areas of focus and actions which feed into the top-level LGNZ goals.

While LGNZ staff work in different teams focused on governance, environment and regulation, development and infrastructure, communications and the chief executive's office, every team's work fits into a number of the areas identified in this work programme, and in many cases they overlap.



From the President

Lawrence Yule
President
LGNZ

Many of you reading this will be new to local government and the work *Local Government New Zealand* undertakes on your behalf. You undoubtedly have questions about what LGNZ does for you and your council. This work programme will answer those questions as it outlines some of what LGNZ is doing for the 2011/12 financial year. The buck stops here.

In order to be responsive and agile, LGNZ needs to be able to pick up issues as they arise. And we often do. Going to bat for councils through the media, last-minute requests for submissions, lobbying and attending events on your behalf will also make up a big part of LGNZ's work in the next financial year.

LGNZ's strength lies in its history, its reputation, its body of knowledge, and its ability to see the wood for the trees. LGNZ will engage, and sometimes debate, with central government politicians and stakeholders, and with those who perceive the sector as an impediment to development and progress. Everything we do is along those lines, and is about supporting you. This will be especially critical in an election year, when, you can bet your bottom dollar, there will be ill-informed opinions about local government stated as fact and reported in the media. We will use real facts to counteract the fiction.

There are a couple of areas I'd like to spotlight. Professional development continues to be a big focus for LGNZ. KnowHow, LGNZ's professional development programme, is going from strength to strength. It adds real value to our members by targeting its specialist training to meet your unique needs.

KnowHow supports you to do the best job you can. Governance,

finance, decision-making and media training are all programmes we will be rolling out this year. The workshops are advancing a step and offering stage two programmes for those who wish to progress their skills. It is hoped those of you who have completed the stage one training will continue to advance your knowledge.

Look out for the work being done in economic development, too. LGNZ is leading an approach through implementation and collaboration with central government and other stakeholders to ensure the sector's contribution to economic development is better understood by all.

A framework commissioned by LGNZ and produced by BERL helps councils measure the contribution they make to economic development. This is new information, but difficult for laypeople to digest. LGNZ is now repackaging the framework so it's meaningful and useable. A KnowHow course is in development and an information kit will be produced which supports you to show leadership to your councils in this area. This is a project I'm personally very interested in.

Communication is another big part of what LGNZ does for you. The annual conference is well-attended and always receives good feedback. This year's theme, Future Focus, brings together a stellar line-up of speakers on smarter

cities, leadership, New Zealand Inc, green economies and lighting for the future. There will also be presentations on spatial planning, ultra-fast broadband and digital strategies. The conference programme is available on the LGNZ website – www.lgnz.co.nz.

LGNZ will also be surveying you this year, as it always does following local government elections. This year's survey has been delayed due to the Canterbury earthquakes. The online survey will gather quantitative data to inform the sector and to counter misinformation. An additional section this year will ask you about how you'd like LGNZ to communicate with you. This is an opportunity for you to provide direct feedback about the information you receive and how you receive it.

Finally, LGNZ is exploring what effects the Canterbury earthquakes will have on the local government sector. It will be monitoring the impact of those events on planning and funding of infrastructure projects across New Zealand. It's very important local councils are involved in the decision-making process. This has been LGNZ's focus and it will keep you updated on this issue.

I look forward to working with you all in the new financial year.

Lawrence Yule
President
LGNZ

From the Chief Executive



Eugene Bowen
Chief Executive
LGNZ

LGNZ faces a very tough political environment this financial year. The Government is focusing on driving costs down and reducing debt, with net Crown debt forecast to balloon to around 30 per cent of GDP by June 2014. This is up from around 28 per cent in December and 14 per cent in June 2010.

Getting time with Ministers will be more challenging. Larger and more distracting issues will leave government with little time to focus on the shape and powers of local government: the Canterbury earthquakes, an economy on the brink of a double dip recession and the November elections.

Local government's relationship with central government will be a discussion topic at the Central Government/Local Government Forum to be held in May. The forum brings together LGNZ's National Council with the Prime Minister and relevant Cabinet Ministers.

The forum is a valuable platform for local government to highlight the role of the sector. Topics for discussion include social development, regulatory reform, infrastructure, economic development and Canterbury earthquake legislation.

We enter an election year in circumstances hugely changed from three years ago. In election years, LGNZ produces an election manifesto. This is where it takes the sector's wish list to the Government. The last election manifesto ran to 16 pages of requests, many of them involving money. This year we've altered our approach. Cognisant of the Government's statements

that there is no more money, we are focusing on engagement at a variety of levels, with a variety of stakeholders - not just government - with the message that this is what we can do for you.

Wherever possible we must work with the Government to put the country back on its feet. If this means supporting our local communities in self-sufficiency then that must be our focus. As a sector and as an organisation, we need to work smarter, pool resources, develop flexible structures.

For that reason, the 2011/12 work programme focuses on the further development of sector capacity and capability, resources and skills. Shared service initiatives are springing up around the country, and to the extent that LGNZ's involvement will make a difference, we will get involved. KnowHow will continue to deliver an expanding syllabus of professional development workshops to elected members up and down the country. We will continue to bear down on poor problem definition and bad legislation from government – the leading candidate here is the series of Building Act Amendments. In reality the earthquakes will put a lot of the legislative programme back beyond the election.

Our work in economic development takes on an added urgency – until we ourselves understand how all of our activities, in regulation, in service delivery and business assistance, affect the economy, we will not develop that understanding in central government. And until we do that, the economy will falter.

The "genuine partnership" we as a sector seek with government still eludes us, although there are prospects of engagement in the infrastructure plan, the way we are working together on the Local Government Funding Agency, the cooperation between government and the new Auckland Council in the development of Auckland's spatial plan and Christchurch City Council and ECan in the Canterbury recovery.

As an organisation LGNZ will also focus on how it operates, in an effort to deliver better services to you, our members.

Eugene Bowen
Chief Executive

Environment

Our goals for the sector

- Local government's role in environmental management is recognised in terms of its contribution to economic development.
- Regional councils and territorial authorities work seamlessly to co-operate and collaborate effectively on issues.

Areas of focus

LGNZ will:

- monitor, analyse and submit on the government's environmental management reform programme
- build strong linkages with regulatory reform and design initiatives.

Activities

New Zealand's natural resources fuel our economy, from tourism to farming and more. Local government is responsible for the effective management of resources such as freshwater and by protecting of flora and fauna. The effects on the economy of mismanagement of those resources could be profound.

The Government continues to have a strong regulatory focus on improving environmental management to drive economic growth. Local government has a vital role to play in designing and implementing effective environmental regulation. This is both to provide access to resources and to safeguard the quality of our natural resources.

In 2011/12 LGNZ will:

- advocate to government on the freshwater policy reform programme including the recommendations of the Land and Water Forum and report back to the membership through zone and sector meetings, fortnightly updates and written communications
- establish a local authority advisory group and prepare a submission on the proposed National Policy Statement on indigenous biodiversity
- provide advice and support to advocate for better use of tools under the RMA including national policy statements and national environmental standards
- advocate on behalf of the sector on the government's climate change response programme including the review of the Emissions Trading Scheme and improved natural hazard management
- support councils with guidelines and advice on implementing an improved spatial planning regime for infrastructure and land use planning.



Improving sector capability

Our goals for the sector

- Elected members are well informed.
- Appropriate remuneration for elected members is secured.
- Elected members are supported in their delivery of consistent and effective local governance through KnowHow professional development training.

Areas of focus

LGNZ will:

- work hard to deliver the best possible professional development programmes
- work with councils to raise awareness of and commitment to good practice through KnowHow.



Activities

KnowHow, LGNZ's professional development programme, provides specialist training in governance, finance, decision-making and media relations. The training provides elected members with tools to make informed decisions on behalf of their community.

KnowHow professional development manager Anne Gibson says often elected members stand for council with good intentions but with little understanding of budgeting, legislation and meetings.

"Elected members come away from KnowHow training with the confidence to ask the right questions of their councils and council staff. The training also helps break down regional and district boundaries through networking and shared learning," said Mrs Gibson.

Many may be experienced in private business but find there is a lot to learn about being an effective elected member, she adds.

In 2011/12 LGNZ's KnowHow programme will tailor training to meet the specific needs of individual councils. It will also provide new workshops to meet the demands of the sector.

"We are now developing stage two courses. Our first workshops were designed for entry-level participation. Many elected members have completed those workshops and want to advance their skills and continue learning.

"As the capability of our elected members grows, we have to keep pace with their learning demands," said Mrs Gibson.

KnowHow currently offers five types of workshops - core training, second stage learning, KnowHow Plus, Governance Modules and a community board workshop and governance modules.

Core training covers asset management, decision-making,

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finance and the Resource Management Act (RMA).

Second stage training delves further into important aspects of local government covered in core training. KnowHow Plus offers a new level of learning with greater knowledge and professional skills from strategically focussed sessions.

The community board workshop covers decision-making, identifying personal action points, statutory roles and responsibilities, proactive and reactive roles and how to advocate for the interests of the community.

The governance modules are half-day workshops which look at specific topics in depth such as the



» The right choices

As an elected member your role is to make decisions for your community which will create a better place to live and work. These decisions span a vast range of areas – from economic development to water management. Through the KnowHow suite of workshops you will develop different tools and techniques to assist you in making these choices.



» Focused training

At Local Government New Zealand we focus on helping you as an elected member grow and develop your skills. As part of this process we've created a suite of training workshops to provide more opportunities for you to upskill. As KnowHow matures and we gain feedback, more workshops are created to meet the demand.



» An open forum

We structure our workshops to help you get the most from the session. As well as an open forum where no question is wrong, we use practical exercises and relevant case studies. We also set aside valuable time in the session to discuss your questions. We also run in-house, own-council training sessions. These private workshops allow you to focus on your council's unique needs and save you money by reducing travel costs.



» Tap into expertise

All our facilitators bring a depth and breadth of experience and expertise. At every one of our workshops at least one facilitator has direct experience of local government – either on the administrative or political side of the fence. They also bring well-practiced presentation and facilitation skills.

role of elected members, media skills, consultation skills, effective team review, ethical responsibilities, an introduction to how local government works, elected members' effectiveness, understanding orders, chairing meetings and conflict of interest.

In 2011/12 LGNZ will:

- deliver new professional development workshops looking at the role of council in engaging with Māori, economic development and the role of territorial authorities and advanced learning in the areas of finance and governance
- update members on the work of LGNZ through fortnightly updates, online and written publications
- advocate to the Remuneration Authority for a remuneration system that works for both rural and urban elected members

- inform through delivering the annual conference plus workshops and seminars that inform and educate elected members.

For further information on the KnowHow professional development programme contact Mrs Gibson on anne.gibson@lgnz.co.nz or visit www.lgnz.co.nz/knowhow.

Remuneration

LGNZ is advocating directly to the Remuneration Authority to voice the concerns of its membership.

To help drive LGNZ's advocacy to the authority a survey, using a sample of elected members, will be undertaken to identify more accurately the time elected members spend representing their communities and attending to council business.

LGNZ's is aiming for a remuneration system that works for both rural and urban elected members.

"Elected members need a remunerations system that allows them to undertake their statutory duties and meet community expectations in a way that does not impose cost on them personally," said LGNZ governance manager Mike Reid.

Infrastructure

Our goals for the sector

- Mechanisms for prioritisation are developed to mitigate the effects of constraints on funding.
- Infrastructure decision-making is better linked to asset management processes so that "whole-of-life cost," demand forecasting and demand management are adequately considered.
- Local government is fully consulted in significant policy reviews which have the potential

to effect local decision-making and funding such as the Government Policy Statement (GPS) on road and transport funding, the Land Transport Management Act (LTMA), the Public Transport Management Act (PTMA) and Local Government Act (LGA) amendments on monitoring and reporting.

- The impact of government policy as a driver of costs on local government is recognised.

Areas of focus

LGNZ will:

- work to align local and national infrastructural asset planning processes to maximise the benefits of our collective investments
- position local government as a partner in facilitating growth / development within and for our communities
- facilitate the development of a local government sector consensus on transport futures.

Activities

Central and local government are collectively responsible for the management of \$200 billion worth of public assets, much of which falls under traditional definitions of infrastructure.

An effective and efficient infrastructure network underpins New Zealand's economic growth and productivity performance, as well as social, cultural and environmental wellbeing.

In 2010, following a mini-forum involving infrastructure ministers and LGNZ National Council, central and local government committed to working together to maximise the benefits of infrastructure.

However, the Canterbury earthquakes have affected the planning and funding of infrastructure projects across New Zealand. As a result, councils face the risk of blow-outs and delays of long-term infrastructure projects because resources for materials, labour, machinery and funding have been funnelled into Christchurch.

"Local government's infrastructure investment and decision-making frameworks and policies must adapt to the new reality, so under-investment is avoided and growth is not constrained," said LGNZ development and infrastructure manager Geoff Swainson.

Further, the country faces a potentially prolonged period of fiscal consolidation and restraint which will affect the way infrastructure investment decisions are made.

"Local government's infrastructure investment and decision-making frameworks and policies must adapt to the new reality, so under-investment is avoided and growth is not constrained," said LGNZ development and infrastructure manager Geoff Swainson.

Opportunities

The National Infrastructure Plan and the Auckland Spatial Plan create opportunities for achieving greater local and central government co-ordination in the short term. The reconstruction of Christchurch also presents an opportunity.

"The National Infrastructure Plan, which is due for release in mid-2011, will offer a long-term vision for New Zealand infrastructure. The Auckland Spatial Plan, and the model for its development, can build understanding of greater integration of central and local government planning at a regional level," said Mr Swainson.

He says we need to be smarter about the way local government invests in new infrastructure to ensure scarce capital goes to the highest value projects.



LGNZ has two clear priorities for infrastructure investment in 2011: getting more value for the sector from existing infrastructure assets and making better decisions on new infrastructure investment.

“There needs to be greater transparency and understanding of the whole-of-life costs, better definition of the scope and investment case for projects and decisions should reflect how projects fit with the context of national, regional and local outcomes.”

In 2011/12 LGNZ will:

- prepare a submission on the National Infrastructure Plan and voice the sector’s concerns about maintaining the existing levels of government funding for road maintenance and public transport services

- undertake research and consultation to develop a local government consensus on a long-term vision for transport which addresses the needs of the sector
- in response to changes and updates to the LTMA, the PTMA and LGA amendments, work with the sector to develop an informed response which addresses the concerns of local government.



Economic development

Our goals for the sector

- Greater engagement is made with central government on its economic growth agenda.
- Greater understanding is developed of the nature and importance of local government's economic impact.
- Strong relationships are built with economic development partners: the Economic Development Agency of New Zealand (EDANZ), the Tourism Industry Association (TIA) and business.
- An understanding is developed of how regional economic development and leadership by local authorities might be implemented.

Areas of focus

LGNZ will:

- ensure central government has a greater understanding of local government's contribution to economic development through the local government economic indicators framework
- foster local government leadership in economic development through engagement with economic development stakeholders.

Activities

Local government's role in creating environments that attract, retain and grow economic activity and the contribution it can make to central government's economic growth agenda is poorly understood.

Last year LGNZ commissioned an economic development framework with BERL Economics to give councils a tool to measure their contribution to the economy. LGNZ is sharing that information with the sector to increase understanding across central and local government.

"LGNZ is providing leadership through implementation of this framework and collaboration with central government and other stakeholders," said LGNZ development and infrastructure manager Geoff Swainson.

The research reveals local government's contribution to economic development is delivered through leadership, spatial planning and infrastructure, regulation,

Local government's contribution to economic development is delivered through leadership, spatial planning and infrastructure, regulation, services, and social and community services, as well as economic development agencies.

services, and social and community services, as well as economic development agencies.

In 2011/12 LGNZ's Economic Development Committee will continue to work with central government on the economic growth agenda. It will also work with the Ministry for Economic Development (MED) to create economic development policy that supports the export goals outlined in the economic growth agenda.

Mr Swainson says LGNZ is building strong relationships with sector partners and central government decision-makers such as EDANZ, TIA and MED.

"The Economic Development Committee will engage and communicate regularly with EDANZ and TIA to identify where our work can complement each other's for the benefit of all involved," said Mr Swainson.

An area of such collaboration could involve working with TIA to improve members' understanding of tourism development and its contribution to local economies.

The Mayors' Taskforce for Jobs (MTfJ) also feeds into the socio-economic work of the local government sector. MTfJ is a nationwide network of mayors working together to address the issue of work and livelihoods in communities.



In 2011/12 LGNZ will:

- establish a best practice model of economic leadership for territorial authorities with a focus on tourism, economic development, e-government and geo-spatial and digital planning
- produce guidelines for territorial authorities to create effective economic strategies for their communities
- deliver a new KnowHow course to develop members' economic leadership skills
- distribute case studies of some of the most advanced regional economic plans in the country from the perspective of structures, shareholding and leadership
- research the roles of core cities in an economic context looking for future collaboration opportunities to grow exports and support and develop specific joint economic development projects when required
- broaden the sector's engagement with central government on economics beyond the traditional regulation function
- support the work of MTfJ through representation on the taskforce
- develop an information kit to assist councils in applying the economic indicators framework to measure their role in the economy. The kit will also provide case studies of positive leadership in economic development.



Regulation



Our goals for the sector

- Local government fulfils its regulatory roles as efficiently as possible.
- Local government is engaged early in policy development and regulatory design of issues affecting the sector.
- Local government's knowledge and experience is used effectively to streamline regulation and reduce costs and delays to business and communities.

Areas of focus

LGNZ will:

- clarify and agree the roles of central government and local government in regulation
- assist with uptake of regulatory good practice
- provide effective local government input into central government regulatory reform programmes.

Activities

"LGNZ policy analysts focus on designing and achieving an efficient regulatory framework," said LGNZ environment and regulation manager Tim Bennetts.

"A sound regulatory framework gives business and the public confidence. LGNZ's focus is on ensuring local government is involved in policy development and regulatory design at an early stage to streamline regulation and reduce costs," said Mr Bennetts.

Local government is often at the forefront in the delivery of regulation and has the experience and knowledge to contribute to the Government's objective of streamlining regulation and reducing costs to business and communities.

"Regional and territorial authorities work across the environment and regulatory sectors, with sometimes opposing priorities. LGNZ aims to bridge those gaps so the sector can work towards common goals."

The regulatory function falls across a large part of LGNZ's work, from governance and infrastructure through to environment.

In 2011/12 LGNZ will:

- support councils when the Alcohol Reform Bill passes into law by providing information on what it will mean in practice; developing guidelines and templates to assist councils to implement the law
- ensure members are kept informed on the Food Bill currently before Parliament. Once it passes into law councils will be given information on the changes and how to implement them
- assist councils with the delivery of the Weathertight Homes Resolution Services (Financial Assistance Package) Amendment Bill through regular updates at zone and sector meetings and written communications
- prepare and present submissions on the RMA Phase Two and the Building Act reforms.

Local democracy

Our goals for the sector

- Central government's approach to local government is driven more by pragmatism than principle.
- High quality legislation and regulation affecting local government is developed.
- High quality advice is produced on local government issues to government professionals and officials.

Areas of focus

LGNZ will:

- work towards constitutional recognition of the local government legislative framework
- ensure government policy affecting local government is informed by local government views and consultation
- make sure principles of local democracy are reflected in policy / regulation proposals

- work across portfolios and the local government sector to achieve an integrated approach to achieving wellbeing.

Activities

Legislation

LGNZ is striving for stronger constitutional recognition of the local government legislative framework. Currently local government in New Zealand depends on Parliament for its powers, roles and functions.

In a worst case scenario under the current framework it would take a simple majority in Parliament to change the legislation affecting local government.

The lack of a strong legislative framework can result in poorly designed legislation which imposes unnecessary costs on councils and their citizens. A stronger framework will ensure the sector is protected from ill considered proposals.

LGNZ is also focusing on the Local Authorities (Members' Interests) Act and pushing for a review of the outdated conflict of interest rules in the Act.

LGNZ governance manager Mike Reid says there are a number of major anomalies in the way conflicts of interest are formally interpreted in the Act.

"Many elected members find the rules hinder their ability to represent their community."

Engagement

Effective community governance requires meaningful engagement with central government says Mr Reid.

"A number of mechanisms for engagement already exist, such as the Central / Local Government Forum. While a strong relationship with the Government is crucial it's also important we establish relationships that extend beyond the three year parliamentary term."

Local elections

In 2011/12 LGNZ will lobby for amendments to the Local Electoral Act as part of a review into the 2010 local body elections. LGNZ is looking for technical changes that would give electoral officers more time between candidate nominations closing, and election papers being distributed. Mr Reid says the longer timeframe would reduce the likelihood of errors in the papers and in the process.

In 2011/12 LGNZ will:

- advocate for amendments to the Local Electoral Act 2001
- push for a review of outdated conflict of interest rules in the Local Authorities (Members' Interests) Act
- campaign for stronger constitutional recognition of the local government legislative framework.

Improving sector capacity



Our goals for the sector

- Consensus is developed on what a sustainable local government funding model looks like.
- Recommendations of the Shand report (Local Government Rates Inquiry) on local government funding tools are implemented.
- Councils can more efficiently deliver services.

Areas of focus

LGNZ will:

- support councils to have access to the necessary funding and funding tools to meet statutory and community expectations.

Activities

In recent years there has been a succession of official inquiries into local government funding. All found local authorities need funding tools in addition to rates but no government has implemented these findings.

LGNZ will review past inquiries, work with the sector to identify the best combination of funding tools and present these to the incoming Government.

LGNZ also plans to update research on the costs imposed by central government on local government. It will report on the financial implications of legislation and regulation on councils over the last decade and show how decisions made by central government are putting pressure on rates.

All councils are struggling to balance increasing costs with rising community expectations. The situation requires new and innovative ways of delivering as well as producing services.

Shared services

Some regions have made considerable progress with shared services. There is potential to spread this service delivery model to other parts of New Zealand. LGNZ will examine ways to grow the level and range of shared services in New Zealand local government.

In 2011/12 LGNZ will:

- update research on the costs placed on local government by central government
- identify a new solution on the best way to fund local government and present this to government
- lead promotion of good practice in the areas of regulatory performance and service delivery through LGNZ publications and the website.

2011/12 Budget

	Budget 2010/11	Budget 2011/12
INCOME		
Subscriptions	3,285,023	3,300,000
Project Income	2,635,085	1,266,000
Interest & Sundry Income	170,000	170,000
Total income	6,090,108	4,736,000
EXPENDITURE		
Project Expenses	3,283,094	1,771,000
Overheads	1,057,413	975,000
Remuneration	1,800,000	1,850,000
Total Expenses	6,140,507	4,596,000
OPERATING SURPLUS / DEFICIT	(50,399)	140,000



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