

# WE WORK.

**to keep communities  
safe and prosperous.**

Local Government New Zealand | Te Kāhui Kaunihera ō Aotearoa  
Three-year business plan  
2020/21 - 2022/23

## We are.

Ashburton.	Gisborne.	Kaikōura.	Otago.	Southland Region.	Waimate.
Auckland.	Gore.	Kaipara.	Otorohanga.	Stratford.	Waipa.
Bay of Plenty.	Greater Wellington.	Kāpiti Coast.	Palmerston North.	Taranaki.	Wairoa.
Buller.	Grey.	Kawerau.	Porirua.	Tararua.	Waitaki.
Canterbury.	Hamilton.	Mackenzie.	Queenstown-	Tasman.	Waitomo.
Carterton.	Hastings.	Manawatu.	Lakes.	Taupō.	Wellington.
Central	Hauraki.	Marlborough.	Rangitikei.	Tauranga.	West Coast.
Hawke's Bay.	Hawke's	Masterton.	Rotorua Lakes.	Thames-	Western Bay
Central Otago.	Bay Region.	Matamata-Piako.	Ruapehu.	Coromandel.	of Plenty.
Chatham Islands.	Horizons.	Napier.	Selwyn.	Timaru.	Westland.
Christchurch.	Horowhenua.	Nelson.	South Taranaki.	Upper Hutt.	Whakatāne.
Clutha.	Hurunui.	New Plymouth.	South Waikato.	Waikato District.	Whanganui.
Dunedin.	Hutt City.	Northland.	South Wairarapa.	Waikato Region.	Whangarei.
Far North.	Invercargill.	Ōpōtiki.	Southland District.	Waimakariri.	

**LGNZ.**

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Tenei te rūrū e kōkōu mai nei,  
Kīhai māhitihi  
Kīhai māarakara

Kote ūpoko nui o te rūrū Terekou!  
Hepō, hepō,  
he ao  
Ka awatea  
Tihei mauri ora

Engā waka, engā mana, engā reo, engā tai e whā  
Nei te mihi o Te Kāhui Kaunihera o Aotearoa  
kia koutou katoa huri noa o te motu.

# Foreword



Tēnā tātou katoa,

He tika hoki kia mihi atu ki a rātou kua wehe atu ki te pō, rātou katoa kua kapo i te rika kaha o aituā, haere atu rā, haere atu ra, moe mai rā i te manaakitaka o ō koutou atua. Nō reira, waiho rātou ki a rātou, ko tātou ki a tātou, tēnā anō tātou katoa.

Nei rā te owaha, te whakamiha ki koutou i ruka i kā āhuatanga o te kaupapa nei, he mea hai tiaki, hai manaaki i kā taoka tuku iho, kā taoka ki uta, kā taoka ki tai. Mō wai? Mō tātou, mō kā hāpori nei. He mihi kau atu tēnei o Ōtepoti, o Te Wai Pounamu, o Te Kāhui Kaunihera o Aotearoa ki a koutou katoa, Ko Tātou.

Greetings to you all from Dunedin, from the South Island and from LGNZ. As we acknowledge those who have gone before us, and acknowledge their contributions in helping us pave our way forward to protect, preserve and enhance our environment for sustainable and resilience communities. We are LGNZ.

The business plan in front of you reflects LGNZ's goals for the next three years, as well as a refinement of LGNZ's work since formation – to provide a strong national voice for local government, that drives better regional policy-making, and unlocks the potential of our various and varied localities. After all, our vision is local democracy powering community and national success.

The work outlined in this business plan reflects the collective policy priorities of our sector because it is developed over the course of the business year with the sector through the various zone and sector meetings, our AGM, and finally National Council.

The challenge in committing to this kind of planning process is that changing circumstances can rapidly outstrip it. The COVID-19 pandemic represents just such a deck clearing change. In short there is no business-as-usual for the foreseeable future.

Nevertheless, the policy work outlined in this document stands up well in the face of the crisis in front of us.

As communities transition through the response phase and into recovery mode amid challenging economic conditions, delivering affordable and social housing will still be a critical focus for councils. As will transport, given the government's need to identify scale infrastructure projects to invest in to stimulate economic growth and prop up employment.

The actions in these two areas will need to be assessed through the critical lenses of climate change and environmental protection to ensure we are improving the country we hand over to future generations. And ultimately, amidst all this change, we need to ensure that communities have a greater say in the policies that influence their well-being.

As my tenure as President of LGNZ draws to an end, I can with confidence say that the team at LGNZ and the sector as a whole are up for the challenge. We've got a strong track record of rolling up our sleeves and getting on with the job, regardless of the circumstances.

It has been an honour and a privilege to represent our communities as the President of Local Government New Zealand, and I know that local democracy has the power to change New Zealand for the better – and it starts right here.

Nāku noa, nā.

Dave Cull  
President  
Local Government New Zealand

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# Introduction



We grow.  
Communities  
that thrive.

## 1. Introduction

- 1.1 The LGNZ 2020/21 – 2022/23 Business Plan (“Business Plan”) outlines the organisation’s Vision, strategy, policy priorities, business objectives, and budget.
- 1.2 Organisationally, the 2020/21 financial year will be one of change with personnel changes in the Presidency and Chief Executive roles. Although governance and management leadership will alter, the core components of the Business Plan have been determined by the 2019-2022 National Council are still relevant. A more comprehensive review of the Business Plan will occur later in 2020 once a new President and Chief Executive have assumed their respective positions.
- 1.3 LGNZ’s strategy is founded on the following components:
  - A Vision that drives and guides the nature of the organisation’s culture, policy priorities and communications strategy with external stakeholders. All policy initiatives are measured against this Vision;
  - A purpose that drives and guides the organisation’s and the sector’s internal governance work, and product and service offerings;
  - An assertive communications strategy that emphasises in particular the need to build strategic alliances with key partners in our policy work;
  - A focus on selecting, advocating and developing solutions for a number of key policy priorities where the value for the sector is judged to be the most pronounced; and
  - The continuation of LGNZ’s commercial strategy that offers to the sector, on a contestable basis, products and services to enhance sector capability and capacity, delivered through Equip.
- 1.4 LGNZ’s ongoing and continuing challenge is to:
  - Remain an influential voice in the policy debate;
  - Further enhance its value proposition for the membership and the sector’s value proposition for the public, by increasing sector reputation and performance; and
  - Assist and lead the members through these challenges.
- 1.4 The National Council of LGNZ has accepted this challenge and this Business Plan details how those challenges will be met and exceeded.

1.5 The Business Plan is structured as follows:

- **Section 2: Vision**

This section describes LGNZ's Vision, scope of business, business objectives and organisational values and capabilities.

- **Section 3: Advocacy**

This section describes the strategic advocacy goals for LGNZ and scopes the nature of the approved workstreams necessary to meet those goals.

- **Section 4: CouncilMARK™**

This section describes the ongoing CouncilMARK™ programme.

- **Section 5: Pacific TA**

This section describes the ongoing provision, under contract to the Ministry of Foreign Affairs and Trade, of the Pacific Technical Assistance aid programme.

- **Section 6: Mayors Taskforce for Jobs**

This section describes the ongoing support of the Mayors Taskforce for Jobs.

- **Section 7: Equip**

This section describes the high-level goals and initiatives of LGNZ's Equip business. Equip has a separate Board who set and oversee the execution of Equip's business plan. The Equip Board is accountable to LGNZ as its sole shareholder; and

- **Section 8: Financial analysis**

This section describes the budget for the period of the Business Plan.

## Advocacy glossary

AGM – Annual General Meeting

CBEC – Community Board Executive Committee

CCATWG – Climate Change Adaptation Technical Working Group

CGLF – Commonwealth Local Government Forum

CPAFFC – Chinese People's Association for Friendship with Foreign Countries

CWS – Community Water Supplies

FTE – Full-time Equivalent

GPS – Government Policy Statement

GSAG – Governance and Strategy Advisory Group

GST – Goods and Services Tax

ICI – Infrastructure Cook Islands

IRR – Income Related Rent Subsidies

LGRA – Local Government Risk Agency

MoT – Ministry of Transport

MoU – Memorandum of Understanding

MTFJ – Mayor's Taskforce for Jobs

NCEA – National Certificate of Education Achievement

NESDW – National Environment Standard for Sources of Human Drinking Water

NPS – National Policy Statement

NPSFM – National Policy Statement for Freshwater Management

ONRC – One Network Road Classification

PAG – Policy Advisory Group

REG – Road Efficiency Group

RMA – Resource Management Act

SHA – Special Housing Areas

SOLGM – Society of Local Government Managers

TPK – Te Puni Kōkiri

TWR – Three Waters Review

UCLG – United Cities and Local Governments

UDA – Urban Development Agency

YEM – Young Elected Members



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**Vision**



We look.  
After our  
communities'  
future.

## 2. Vision

### Scope of business

2.1 LGNZ's core business involves:

- The assertive representation of member councils' interests in policy debate;
- Cultivating a positive, constructive and informed image of local government with external stakeholders;
- A strong customer focus that keeps members informed and up to date on issues that may impact how they deliver value to their respective communities; and
- Through Equip, providing at a national level, products and services that add value to members and ratepayers.

2.2 Table 1 shows how funding for these activities is derived.

**Table 1: Funding for activities**

Free for members	Fee for members
• Advocacy, and stakeholder and media communications	• Equip products and services including training and development
• Policy development and analysis	• LGNZ Annual Conference
• Research	• CouncilMARK™ Assessments
• Communications to the membership including briefings, webinars, workshops and seminars on particular work programme issues	
• Administration of National Council, National Council Committees, Sector and Zone meetings and LGNZ advisory and working groups	

2.3 LGNZ's operations are currently supported by 19 full-time equivalent staff members (excluding consultants, contractors and those employed by Equip Limited Partnership).

## Vision

2.4 LGNZ's Vision is built around the concept of local government as "The Enabler." It is as follows:

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***"Local democracy powering community and national success."***

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## Business objectives

- 2.5 As a broad-based local authority membership organisation, LGNZ's ongoing mission is to continue to be one of New Zealand's leading lobbying organisations that not only represents its members' interests constructively, yet assertively, with central government and other stakeholders, but also actively promotes the value that local government delivers to New Zealand's diverse communities.
- 2.6 Additionally, it will support its members' drive to deliver value to ratepayers by offering products and services to its members that align with that objective. These products and services will support the manner in which local authorities add value to their communities, but in a way that ensures any profits are retained within the organisation to offset membership fees – a form of co-operative model. In doing so, LGNZ is dedicating itself to providing the maximum value possible for its members.
- 2.7 Accordingly, LGNZ continues to:
- Extend its brand positioning to ensure that the organisation's look, feel and culture supports the achievement of the Vision;
  - Drive its culture as one that puts customer-centricity at the core of the organisation;
  - Develop its advocacy approach to ensure a close alignment between policy objectives and assertive communications;
  - Provide communications tools, information and messaging to the membership to ensure that LGNZ maximises its media positioning and reputation;
  - Develop and offer national products and services that add value to the members and contribute to their success;
  - Access the best available technology and practices, not only through direct investment but through partnering and collaboration; and
  - Be a membership organisation whose reputation for innovative and quality work is second to none.

2.8 To meet its Vision, LGNZ focuses on:

- **Policy work:** to advocate principled and evidence-based, innovative policy solutions that are grounded in sound research and which will enhance the sector's reputation for quality, innovative and proactive analytical thinking;
- **Stakeholders:** to engage constructively and productively with key stakeholders on the policy issues of concern to the membership and to promote the value proposition of local government to New Zealanders;
- **Members:** to be recognised by the membership as:
  - An effective advocate for the local government sector;
  - A trusted source of sound advice and counsel to the membership; and
  - A provider of innovative products and services that add value to the membership;
- **Governance:** to promote and follow best practice in governance;
- **Financial:** to be fiscally responsible while delivering on membership value and performance expectations; and
- **Employees:** to partner with LGNZ's employees for success.

2.9 By implementing these business performance objectives LGNZ will deliver on membership value expectations and make a positive contribution to New Zealand.

2.10 To measure its performance, LGNZ runs a periodic stakeholder survey and a periodic sector Reputation Index, with the purpose of tracking, over time, its effectiveness in meeting the objectives identified above.

## LGNZ's values

2.11 Delivering on LGNZ's business objectives is underpinned by LGNZ's corporate values, shown in Table 2. These values influence our day-to-day behaviour and actions.

**Table 2: LGNZ's values**

Value	Description
Drive	We continuously drive for exceptional results in delivering superior value to the membership through energy, courage and commitment.
Innovation	We seek to innovate in everything we do and strive to find creative ways to deliver value to the membership. We anticipate change and take advantage of opportunities as they arise. We are solution oriented.
Integrity	We always do what we say we will and give total commitment to treating people as we would wish them to treat us. We act according to principle and in an honest and transparent manner.

Value	Description
Courage	We hold ourselves accountable for our actions and for doing what is right. We live our Vision and values daily. We make choices and set priorities that will achieve our Vision. We are resilient in tough times, maintaining our vitality and spirit.

## Organisational capabilities

2.12 To achieve its Vision, LGNZ remains focused on building the capability of our people. This involves thinking beyond the skills and knowledge that are needed to perform particular jobs, to the behaviours and values that LGNZ needs to achieve success. LGNZ is intent on continually developing and demonstrating the following key organisational capabilities:

### Leadership

- **Vision:** clear plans and goals, clear communication of a compelling Vision and direction, and a long term focus;
- **Strategic capacity:** reads shifts in the environment and adapts quickly in response;
- **Influencing/communication:** brings people and organisations together on issues, provides expertise that is sought after and persuasive, is an inspirational presenter providing advice and support;
- **Staff and organisational leadership:** identifies and motivates talent, gives and receives honest feedback, communicates expectations, coaches; and
- **Business insight:** identifies future opportunities and key issues, considers alternative courses of action, challenges traditional thinking, understands impacts of decisions, has a strategic view of expenditure, understands sector issues.

### Way of working

LGNZ's work is guided on a day-to-day basis by a key set of guiding principles that reflect the views and beliefs of the organisation and our members. In our day-to-day work, activities, as well as in our engagement with partners, stakeholders, and the broader public, we strive to uphold, protect and promote:

- Democratic decision making in New Zealand;
- Measures to improve diversity outcomes, internally and externally;
- The rights of all New Zealanders, as set out in the Human Rights Act 1993;
- The principles that underpin the Treaty of Waitangi;
- Evidence-based and data driven outcomes;
- Policy solutions that impose the least disruption on communities; and
- Measures that lift the wellbeing of communities, now and in the long-term.

## Decision-making/judgement

- **Bias for action:** takes calculated risks, is a successful dealmaker, understands commercial realities, synthesises the complex into the simple, has drive and insight to take action where required, and a “can do” customer focused attitude;
- **Adaptability:** sees change, innovates and adapts, adopts alternative courses of action where necessary, considers others’ points of view;
- **Business acumen:** drives business priorities, understands business risks and financial performance, dealmaker;
- **Fact based:** acquires and processes business intelligence, analyses data, thinks clearly in ambiguous situations, pursues information to reduce uncertainty;
- **Problem solving:** seeks out potential problems and resolves these before they arise, finds ways to continually improve performance; and
- **Delegation:** delegates decision-making and execution to capable people with full responsibility for results, implements organisational systems and procedures which drive culture.

## Teamwork/partnership

- **Networks:** develops a range of multidisciplinary networks and contacts, understands a wide range of viewpoints, and appreciates diversity;
- **Organisational teamwork:** has emotional intelligence, understands its own, other individuals’ and teams’ roles in achieving organisational goals, encourages and respects contributions of others, manages behaviour consistent with values, works successfully with others, gives and receives constructive feedback, recognises own and others’ strengths, works constructively with team members, builds team spirit;
- **Conflict resolution:** empathises with others, builds common viewpoints in resolving conflicts, uses strategies to build consensus and support, respects others’ views, encourages feedback, shares information, develops relationships which are mutually beneficial, establishes rapport; and
- **Political nous:** detects patterns of behaviour that are under the surface, has social awareness and intuition, reads situations and people.

## Performance orientation

- **Project management:** manages pressure with many competing demands, manages a number of different projects at various stages of completion, meets consistently high quality standards and project budgets, and identifies targets and milestones;
- **High performing teams:** creates a working environment that encourages high performance and calculated risk taking, gives feedback; and
- **Goal setting:** sets and achieves challenging goals for itself and others, pursues goals despite setbacks or obstacles, faces difficult situations with tenacity, anticipates obstacles, and adapts plans and priorities if necessary.

## Technical expertise

- **Excellent in-house resources/systems:** IT, communications, finance, HR, delivery mechanisms;
- **Improve business performance:** develops innovative solutions, drives for continuous improvement, calculates risk; and
- **Technical leadership:** has a wide range of in-depth knowledge of legal, economic analysis, policy, finance, communications, media, and product and business development.

2.13 LGNZ's behavioural competency framework, based on these key capabilities, and objective setting framework are the basis of our annual performance management process and actively drive the development of the desired culture of the organisation.

3

# Advocacy





We advocate.  
With a collective  
voice.

## 3. Advocacy

3

Advocacy

### Introduction

- 3.1 LGNZ starts 2020 well-positioned to advocate for the interests of members and pursue its policy objectives, not least because it is a Parliamentary election year. LGNZ has engaged more heavily and fulsomely in central government's policy development process over the past two years, the rewards of which are starting to pay off. This is largely because the Government's first term policy ambitions have collided with the reality that creating and implementing robust and effective policy is a difficult, complex and resource intensive process. Furthermore, central government has little operational capacity, and relies heavily on local government to undertake many functions and processes on its behalf. While still highly centralised in its nature, and reluctant to embrace a transfer of decision-making power to local government, in many policy areas central government (and officials) have cautiously accepted that a partnership approach is needed, and co-design is now a more frequent occurrence, particularly as it relates to waste management, transport and drinking water policies. More work is still needed in the areas of freshwater, housing, and climate change to convince central government of the merits of partnership.
- 3.2 In identifying the tail winds for the year ahead, there are still a number of headwinds. Since at least the 1860s, New Zealand has pursued a highly centralised form of government, and delivering on LGNZ's stated vision often means advocating for policies that run counter to this trend. Adding to this challenge is the reputation of the local government sector. New Zealand is currently caught in an infrastructure refresh cycle, where much of the core infrastructure put in place in the last century is reaching the end of its lifecycle. Equally, the regulatory environment in which councils operate has increased in complexity, even as populations and service expectations have grown. The transparency and accountability of our political system is further blurred by central government passing mandates onto local government without funding. This creates an extremely challenging operating environment. It requires that councillors and staff operate at much higher level than ever before to be effective, which can be challenging given the pressures to keep rates low, the high turnover among local politicians, and rising expectations and standards from central government. Central government and the public not only judge the sector's performance in an exceedingly critical light, but often conflate poor decisions in the past with current performance. This is why lifting the sector's reputation through performance improvements and clearer communication is a key advocacy outcome.
- 3.3 Immediately prior to the finalisation of this Business Plan, the Government instituted a lockdown of at least four weeks to combat the COVID-19 pandemic. To the extent possible, LGNZ will look to action this Business Plan subject to any constraints that may occur as a result of the country's response to COVID-19. The National Council has committed to a continual and on-going review of the work programme priorities to ensure that LGNZ's resources are targeted at issues of the most concern to

the membership during the COVID-19 period. These may evolve from week to week. One example might be to contribute to the efforts to maintain economic activity, another might be legislative reform to free up unnecessary constraints on council activities.

## LGNZ strengths, weaknesses, opportunities and threats

3.4 LGNZ's key strengths, on which it can continue to build an effective advocacy strategy, are:

- A national membership base currently comprising all of New Zealand's local authorities, and a large and diverse set of elected members and council chief executives with a well-developed set of political and business relationships;
- A governance and management team committed to the business strategy and delivering results;
- Many strongly performing councils and experienced elected members demonstrating best practice leadership, particularly those using the CouncilMARK™ local government excellence programme;
- Organisational independence, agility, and delivery culture, with a proven track record of adding value to collaborative policy development initiatives ;
- An established Centre of Excellence in EquiP;
- Acknowledgement by members and stakeholders that LGNZ policy work is dealing with matters that most impact local government and the country;
- The ability, willingness, and opportunity to work collaboratively with SOLGM to further the sector's goals; and
- Expertise, resources and successful delivery of services within our sector that can be harnessed to substantiate our brand proposition.

3.5 The key weaknesses from an advocacy perspective, are:

- Lack of public understanding as to what services and value councils provide, resulting in perceived low relevance, value and a poor reputation with the public, currently constrains LGNZ's ability to influence Government, central government agencies and the private sector;
- Some under-performing councils and/or elected members which impact sector reputation as a whole;
- Continued concern by external stakeholders (and recognition by most members) that some parts of local government have a way to go to be "customer-centric" and "change ready"; and
- An increasingly complex policy space with limited resources within LGNZ, along with the likelihood of unanticipated work required by either central government or members, which adds further resourcing pressures.

- A legacy of underinvestment in core infrastructure, with renewals timeframes clustering over the next 10 years.

### 3.6 Opportunities from an advocacy perspective are:

- LGNZ's strong profile, reputation and support from external partners and stakeholders, including a genuine desire for LGNZ to succeed;
- A continued opportunity to further lift LGNZ's and the sector's profile and influence with specific policy positions and solutions that lead the policy debate;
- A membership that is largely supportive, engaged, and in growing numbers, ready and willing to become a stronger sector; with the opportunity to partner with SOLGM and utilise Equip services to do so;
- The ability to utilise key member groups, including growth councils and the Regional Sector, to increase LGNZ's voice, and progress and influence both strategic and operational policy matters;
- Growing interest from communities to have a greater say in the policy development process, and desire to have policy differentiation on a regional/local basis.
- Growing maturity and sophistication in views expressed by non-member stakeholders that the local government sector faces challenging issues within existing funding limits;
- Significant opportunities on which to improve, from demonstration and communication of the value local government provides, to demonstrating improved management, governance and performance of our sector; and
- Growing take-up by the sector of the CouncilMARK™ programme.

### 3.7 Threats from an advocacy perspective that LGNZ will need to manage are:

- A sometimes poorly perceived sector and varying actual levels of performance amongst members and/or the risk of future system failures that impact on the reputation of the whole sector;
- Opposition or reluctance of some members to participate in National Council approved work programmes and/or sector programmes designed to lift value and reputation with the general public;
- The risk of weakened advocacy, inconsistent messages and/or brand confusion from sector groups having direct contact with Government; and
- Political disrupted related to a change of Government, requiring LGNZ to re-establish its relationship with the Minister of Local Government.
- Long history and embedded culture of centralised decision-making in New Zealand.

## Decision-making criteria for LGNZ's advocacy strategy and work programme

- 3.8 This section outlines the decision-making process and criteria for the advocacy strategy and work programme that National Council has set following consultation with the membership. In developing this, consideration has been given to national, regional and local issues, and issues impacting Metro, Regional, Provincial and Rural Sector members. National Council takes advice and input from the LGNZ governance structure, including its network of advisory groups and committees.
- 3.9 In compiling policy issues, National Council also has considered both longer-term strategic issues and current operational issues. National Council has selected, within available resourcing, which issues the organisation will concentrate on consistent with achievement of the three strategic themes.
- 3.10 Where new issues arise, or are promoted by the membership, then the priority of those issues will need to be assessed against existing priorities. The intention is that if a new matter is prioritised, an existing matter will need to exit the priority list to ensure that appropriate resourcing can be devoted to successfully pursuing all identified and National Council approved priorities. Alternatively, LGNZ will lead the issue but secure sector resources to develop and implement priorities, or a group of members may lead work and LGNZ may deliver aspects.
- 3.11 Members may also bring policy matters forward via remits at the Annual General Meeting (AGM) to be voted on and, where passed, to be adopted as official policy. Where possible it is always preferable that policy priorities are integrated within the annual business planning process to ensure fit within strategic priorities and to allow resources to be assigned. Where remits are passed at the AGM, they are prioritised and actioned based on the process above.
- 3.12 As with any prioritisation, the judgments to be made are subjective in nature but have been made against the following set of guiding principles. The decision-making process utilises oversight and guidance from groups in the LGNZ approved governance structure - its advisory committees make recommendations to National Council, which makes final governance and policy decisions for LGNZ using the following criteria:
- Policy objectives must align with and advance LGNZ's Vision and purpose;
  - Policy objectives must be realistically achievable at reasonable cost;
  - Policy objectives should be either broadly supported by the majority of LGNZ's membership or at least not opposed by the majority of LGNZ's membership; and
  - In the event of assessment against existing priorities, a policy objective should create more value for the membership than an existing policy objective.

## The six big issues for New Zealand councils

- 3.13 The key issues for local government and its communities have been discussed at length with the membership and there is strong agreement amongst councils that the big issues and priorities for councils are those as listed below. These issues form the basis of our policy projects and priorities for the years ahead.
- 3.14 There are strong cross-cutting themes and linkages between each of the six issues; for example the role of Māori and iwi, funding of local infrastructure and services, and the risk of natural hazards, including climate change, are common to each of the six areas.

### 1. INFRASTRUCTURE & FUNDING

Ensuring infrastructure and associated funding mechanisms are in place to allow for growth, renewals and maintenance across housing, building, transport, broadband, tourism-related, three waters and flood control infrastructure.



### 2. RISK & RESILIENCE

Understanding and addressing risks from natural hazards and other events – both for infrastructure, social cohesion and the environment, acknowledging that our communities and economy rely on both.

### 3. ENVIRONMENTAL

Leading and championing policy and working with central government, iwi and stakeholders to address the increasing impact of environmental issues, including climate change, the quality and quantity of New Zealand's freshwater resources, reducing waste and protecting biodiversity.



### 4. SOCIAL

Working alongside central government and iwi to address social issues and needs in our communities, including a rapidly growing and an ageing population, inequality, housing (including social housing) supply and quality, and community safety.



### 5. ECONOMIC

Developing a range of policy levers to address and fund economic development and growth across all of New Zealand.



### 6. CULTURAL

Work with communities, iwi/Māori, and central government to encourage, promote and support the art and culture to uplift and improve the cultural well-being of all New Zealanders.

## Guiding principles for the Advocacy work programme

- 3.15 National Council has considered the six big issues for its members along with strengths, weaknesses, opportunities and threats analysis and has determined the approach to our work.
- 3.16 With this background, National Council has set three guiding principles for LGNZ's Advocacy work programme. These are:
1. **Leadership and delivery of change on the big issues confronting New Zealand's communities:** local government will lead, innovate and advocate for solutions on significant issues, and leverage political and iwi relationships to push for government policy change, in order to deliver stronger, more successful and more resilient communities.  
  
These include ensuring strong infrastructure and funding mechanisms are in place; understanding risk and building resilient communities; dealing with environmental change, including adapting to climate change impacts and playing our part in mitigation, and ensuring our freshwater resources and biodiversity are protected; meeting changing social needs in our communities; and developing policy levers to address economic growth across all of New Zealand.
  2. **A focus on delivering best performance and value for communities:** local government will ensure it focuses on delivering best performance and adopting new ways of doing things in order to deliver fit-for-purpose services and infrastructure to its communities.
  3. **Building greater community engagement and setting a stronger platform for local democracy via a focus on "localism":** local government will actively increase engagement with its communities to build stronger support for change and increased turnout at voting time. To support this, we will advocate for a greater focus on "localism", where services and decisions should be delivered by the most appropriate sphere of government.
- 3.17 Identified below are a series of advocacy strategies, projects, programmes and action plans to address the big issues facing local government. The Advocacy work programme has two distinct aspects. Each is mutually dependent on the other for success. First, the policy work must be first class, innovative, practical, and built on sound data. Policy work may, on occasion, challenge existing paradigms. Provided such work is advancing the Vision, then innovation is to be encouraged. Second, the policy work must be communicated in a strategic and accessible manner. Worthy work that attracts only a limited audience is a waste of time and resource. Policy work is designed to achieve outcomes. Finally, effective communications strategies oil the wheels to achieve that goal.

## Strategic communications in implementing this Business Plan

- 3.18 The Advocacy work programme section of our Business Plan outlines the core projects, programmes and policy actions developed to implement our strategic priorities. In addition, and as a key part of this, LGNZ's strategic communications play a critical role in determining the audiences we need to communicate with and influence; and the various communications strategies, campaigns and activities we put in place to make sure our work is received and impactful.
- 3.19 LGNZ has in place a regular series of over-arching strategic communications initiatives, as well as using strategic and tactical communications for each of our projects, programmes and initiatives. This section focuses on our strategic communication initiatives.

**Table 3: Strategic communications**

Strategy	Planned action
A clearly articulated Vision and brand, and communications across multiple audiences and channels	<ul style="list-style-type: none"> <li>• LGNZ continues to deliver a vivid and engaging vision, brand and communications to members and stakeholders using new and existing campaigns, events and inter-linked communications activity and initiatives. Communication on key issues is strategic, proactive, and assertive and outlines consequences of action/inaction.</li> <li>• All major projects, programmes and key policy activity have inter-linked strategic and tactical communications plans in place which are regularly reviewed and refreshed.</li> <li>• Our website, digital channels and social media are used to engage on key issues and ensure that LGNZ is the go-to place for information and news on local government.</li> <li>• LGNZ has strong media relationships and and timely, proactive and responsive media releases and liaison.</li> <li>• The LGNZ Annual Conference and EXCELLENCE Awards are used as a flagship event to engage members and stakeholders, and highlight strategic priorities and best practice. Due to COVID-19 this event has been postponed until July 2021.</li> <li>• Periodic symposia, major issues seminars and other events are used to highlight key issues and engage members and stakeholders.</li> <li>• Stakeholder and research data, including the the three-yearly New Zealand Local Government Survey (and its Reputation Index) is used to monitor perception and performance of LGNZ and the sector, and identify and put in place necessary actions.</li> </ul>
Increase breadth and depth of membership engagement	<ul style="list-style-type: none"> <li>• Members engage with LGNZ, sector colleagues and stakeholders via a programme of meetings and communications, reaching both elected members and staff.</li> <li>• Reach is extended to include all elected members and senior staff as part of an LGNZ roadshow once per triennium.</li> <li>• Members are briefed regularly on the LGNZ Business Plan, key policy issues, projects, priorities and initiatives, and LGNZ engages the sector to voice support for common issues and priorities.</li> </ul>





We put.  
Local issues on  
the national  
agenda.

Strategy	Planned action
Enhanced stakeholder engagement with a clear plan of priority initiatives	<ul style="list-style-type: none"> <li>Key influencers, particularly Government ministers, opposition parties, iwi leaders, central government policy setters, and NGO organisations are engaged via a strong programme of meetings, advocacy and communications; policy positions are clear and regularly communicated and joint work programmes and a partnership approach on solutions are sought, where appropriate.</li> <li>International networks in order to provide exposure to global policy issues and trends; strengthen local democracy and governance in developing countries; and create opportunities for the economic growth and environmental development of New Zealand communities.</li> </ul>

## Advocacy work programme

- 3.20 This section identifies the work programme that National Council has set following consultation with the membership. This proactive LGNZ-led work is intended to deliver strong evidence-informed policy and advocacy activity that, where possible, is quantified in terms of cost and benefit.
- 3.21 A strong working partnership is being sought with the current Government – both ministers and officials – on key workstreams. Notwithstanding this partnership approach, our commitment is to developing and advocating for evidence-based policy, and where it differs in direction from central government we will continue to pursue our course.

## Flagship projects

- 3.22 LGNZ, with involvement from the membership and key stakeholders, will continue to lead a number of key projects under its core policy priorities and will deliver five significant projects with the sector in the 2020/21 year: Housing, Environment, Climate Change; Democratic Well-being, and Transport.
- 3.23 Each of these projects run in conjunction with members and key external groups, including central government, and where there is willingness, we will seek a partnership approach with the Government to develop and implement policy solutions under these projects.
- 3.24 As well as developing workable policy and providing practical support to the membership, the projects are also intended to demonstrate strong leadership by local government to a wide group of audiences on the key issues that are important to our communities and New Zealand.
- 3.25 The LGNZ Governance and Strategy Advisory Group (GSAG) and the Policy Advisory Group (PAG), provide strategic and operation level review of our policy work. LGNZ takes its commitments to co-governance seriously, and this is reflected in the advocacy work programme by seeking the perspective of iwi Māori on any policy project we work on, principally through National Council's Te Maruata subcommittee.



**Table 4: Flagship projects**

LGNZ workstreams
Housing
<p>National Council has identified housing as the key policy priority for the 2020/21 period, reflecting the housing price pressures being experienced by metro, provincial and rural communities. The policy and market drivers of housing affordability are numerous and varied, and fixes are variously in development as of 2020. Central government is primarily focused on metropolitan areas, where the housing need is most acute, primarily through the development of independent funding and financing tools, urban development legislation, and reform of building and construction policy. Acknowledging that this work is still progressing through the legislative process, National Council has directed LGNZ to focus on the housing policy areas where it can maximise its influence and make the greatest change on the ground in the short to medium term.</p> <p><b>Public (social) housing</b></p> <p>Since the 1930s public housing has been delivered in partnership in New Zealand, with central government focussing on families and councils focussing on older citizens in need of accommodation support. As a result of central government halting funding to councils in 1991, the stock of council-owned public housing has continued to decline, meaningfully reducing the supply of housing while adding to the pressure experienced by vulnerable people.</p> <p>This project seeks to:</p> <ul style="list-style-type: none"> <li>Reinstate central government funding for council provided public housing, principally in the form of income related rent subsidies by establishing an evidence base, quantifying the scope of public housing provided by councils and how this is likely to increase in response to the reinstatement of rental subsidies. In addition, it seeks to develop a best-practice model for social housing, ensuring prudent management of the assets and tenancies now and in the future.</li> </ul> <p><b>Māori housing and papakāinga</b></p> <p>Iwi/Māori are increasingly expressing an interest in using their land holdings to provide public and affordable housing for their communities and more broadly. As owners of land with a multi-generational ownership horizon they are strategically well-placed to do so, but face a number of structural challenges that prevent them from taking advantage of this opportunity.</p> <p>This project seeks to:</p> <ul style="list-style-type: none"> <li>Identify and examine the structural barriers that prevent Iwi/Māori from developing housing on their land, and explore best-practice measures that councils can implement to help Iwi/Māori overcome these structural obstacles. Where these obstacles fall outside of council remit, LGNZ will advocate for policy change at a national level.</li> </ul> <p><b>Urban development authority</b></p> <p>As part of a range of measures aimed at improving the supply of housing in New Zealand, central government is looking to establish an urban development authority Kāinga Ora - Homes and Communities. This centralised entity will be establishing partnerships at a local level to develop housing at scale, and will be given significant powers that override the traditional planning and development process.</p> <p>This project seeks to:</p> <ul style="list-style-type: none"> <li>Examine these cut through powers, the implications they have for territorial authorities, and to identify best-practice measures while this legislation is in the development phase. This recognises LGNZ's stated policy position, which is supportive of the overall aim of an urban development authority, provided it does not unnecessarily dilute or override local input into the development and operations of their community. In addition, this project seeks to advocate for sensible reform of the planning, funding and delivery systems, which are the root cause of New Zealand's housing affordability crisis.</li> </ul>

## LGNZ workstreams

### Environment

For many years LGNZ has led policy development in the water space, principally related to three waters, under the project heading Water 2050. This focus has by necessity expanded in 2019 to include freshwater, and resource management in response to the Government's ambitious environmental and planning reform process. The name of the flagship project is changing to reflect this. The government's proposed reforms will significantly change how territorial and regional councils currently operate, and may impose significant costs on communities. Given that much of this policy is still in development, National Council has directed LGNZ to ensure that any reforms enacted enable operational efficiency and are as practicable as possible, and adopt measures that impose the least cost on communities in delivering on the aim to improve freshwater quality in New Zealand.

#### Three waters

Over the next two years, responsibility for drinking water regulation will be transferred from the Ministry of Health to Taumate Arowai, the new drinking water regulator. The powers and responsibilities of this regulator are still in development. How this regulator is stood up, and to what degree its mandate reflects operational realities on the ground will have implications for local government, primarily territorial authorities.

This project seeks to:

- Engage in central government's policy development process as the three waters regulation passes through Parliament to ensure its regulatory powers and responsibilities are appropriate, imposes the least cost on communities in achieving the aim of providing safe drinking water, and maintains appropriate boundaries between public and private water networks. It seeks to co-develop an implementation strategy and plan to ensure the regulator, councils, and private water network operators have access to the skills they need to meet their statutory obligations.

#### Freshwater

Through the Regional sector, LGNZ has invested considerable resources into the Government's Essential Freshwater Programme, a reform initiative that has sought to halt and reverse the decline of freshwater quality in New Zealand. The sector strongly supports this aim, but has practical concerns about the Government's one-size-fits-all approach, which seeks to impose national standards across a number of freshwater attributes.

This project seeks to:

- Inform and advocate for the adoption of a phased implementation of the proposed freshwater standards to better reflect the New Zealand's capacity and capability constraints, affordability issues, and the limitations of the current planning system. Where LGNZ feels the evidence and analysis that supports the Essential Freshwater Package is underdone, this project will seek to update and inform policymakers.

#### Resource Management

Central government has embarked on an ambitious project to reform the Resource Management Act 1991 (RMA). LGNZ supports reform of New Zealand's planning system. Along with the Local Government Act 2002 and the Land Transport Management Act 2003, the RMA is one of the core pieces of legislation that informs how the local government sector operates. As such LGNZ and its members have a strong interest in ensuring that the reform process is successful.

This project seeks to:

- Engage in the resource management reform process to ensure that the voice of communities continues to be central in how New Zealand's resources are used. Furthermore, a key focus will be to ensure that changes to the legislation work for urban, provincial and rural New Zealand remain enabling. LGNZ will seek to make expert groups of local government practitioners available to central government, and commission additional advice and analysis as needed to inform the evidence base used to develop policy recommendations.

## LGNZ workstreams

### Climate change

New Zealand is increasingly seen as a leader in the climate change space, but much of the policy work has focused on mitigation measures, and insufficient attention has been given to adapting to the already locked in effects of climate change and how to facilitate the shift to a low-carbon future. The effects on climate change are increasingly a concern for communities. At a local and regional level, councils play a critical role in helping communities prepare for, and respond to, natural hazard events, whose incidence and severity are increased by rapid changes in the climate. National Council has directed LGNZ to work with central government to develop policies that will enable New Zealand's diverse communities to be resilient and adaptive in the face of climate change.

#### Reporting & funding

The Zero Carbon Act gives the Climate Change Commission powers over councils that will allow them to request a range of information related to mitigation and adaptation measures in their jurisdictions. Highly complex and technical information is likely to be required, and meeting this expectation will be costly and burdensome on all councils, particularly smaller ones.

This project seeks to:

- Advocate for, and participate in, the development of a right-sized reporting methodology and framework for councils that meets the foreseeable needs of the Climate Change Commission while remaining cost effective by using a single national platform. A key focus of this work is to help identify, at a national level, where the key risks are as catalyst for starting funding discussions with central government. This project will also explore the application of new and emerging funding tools to pay for climate change related adaptation projects, including measure to protect natural environments threatened by rapid changes in climate.

#### Community resilience

Central Government is currently developing adaptation policy through the Community Resilience working group. Comprised of key ministries and local government representatives, the group seeks to improve the ability of communities around the country to prepare for, avoid and respond to natural hazards - including those caused or exacerbated by climate change.

This project seeks to:

- Work with central government on identifying the gaps in the current system that prevents communities from becoming more resilient to natural hazards, and develop policies to close these, including funding shortfalls. From the local government perspective the aim is to advocate for systemic reform, as opposed to the current approach of piecemeal intervention as hazards occur. In addition, this project will examine areas of local government practice, as they relate to community resilience to natural hazards, and identify and socialise areas where improvements can be made.

#### Climate future fit

Councils play a pivotal role in enabling their communities and economies to adapt to a low carbon economy. Their engagement with communities determines how local places will develop in the future - the more forward thinking and climate change aware these plans are, the more communities will be better positioned to adapt to a low carbon reality.

This project seeks to:

- Examine current engagement with communities in areas affected by climate change-related natural hazard events. The aim is to identify best practice among the local government sector using case studies, and socialise this among other councils facing similar challenges. In addition, this project seeks to identify the challenges and limitations when it comes to community engagement under the current legislative and regulatory system to identify areas for policy change.

## LGNZ workstreams

### Transport

Transport is critical infrastructure, but one that is experiencing significant disruption amid rising demand for new modes of transport, the entrance of new technologies, and the shift away from fossil fuel power vehicles. This makes for a changeable and complex space for councils, particularly where it interfaces with central government transport infrastructure. It is more critical than ever for local government to pace the latest policy developments to ensure that they provide the transport infrastructure communities seek. National Council has directed LGNZ to advocate for local government in the transport policy space.

#### GPS reform

The Government Policy Statement (GPS) for Land Transport is the key strategic document that guides land transport investment in New Zealand. It sets the activities for the New Zealand Transport Agency and the local government sector alike. However, sharp and sudden changes in strategic direction result in downstream effects and costs at the local level, which tend to be overlooked when the strategy is developed.

This project seeks to:

- Exposed the economic costs imposed on the city by sudden changes in the GPS, and advocate Government to adopt and adhere to a long-term planning transport strategy that better reflects the operational realities of transport infrastructure provision and the nature of the construction sector. It also seeks to ensure that community voices are heard and recognised by the Ministry of Transport in the GPS development process, and that the trade-offs are openly considered and acknowledged when setting policy.

#### Road safety implementation assessment

The Government's recently launched Road to Zero strategy has set out five focus areas, aimed at reducing the injury and death toll on New Zealand's roads. These areas include infrastructure & speed management, vehicle safety, work-related road safety; road user choices; and system management. As the owner of 88 percent of New Zealand's roading network, how these focus areas develop will have key implications for local government.

This project seeks to:

- Assess the likely impact on communities from these changes, using the four local government well-beings as an analytic lens, and ensure local voices are represented and heard in regional and national discussions around road safety. The voice of communities in developing road safety measures will be increasingly important as new modes of transport enter the network, and the aim of this project is to ensure any future policy framework ensures these voices are heard and recognised at a regional and national level.

#### Transport funding

New Zealand's roads are largely funded by a hypothecated tax in the form of a fuel levy, but this means of funding will be subject to change in the near future as vehicle fleets shift away from fossil fuel powered vehicles, and Government looks to manage congestion using a price mechanism.

This project seeks to:

- Steer the policy development process by exploring alternative road funding options and assessing their feasibility, costs and benefits, trade-offs, and limitations. It also seeks to partner with the industry to ensure any policy recommendations are widely supported.

## LGNZ workstreams

### Local democracy (Localism)

LGNZ has for a number of years advocated for reforms that enable greater community say in policies that affect their lives, and greater variation in policy to better reflect the diverse nature of New Zealand's communities, districts and regions. This work has been done under the localism banner. National Council has sought to widen this focus to include policy matters that support and complement the localism work, and that aligns with LGNZ's strategic vision. As such, the focus of this project has been broadened to Local democracy, acknowledging that a healthy and sustainable local democratic system, and the checks and balances this entails, are inextricably linked to localism and the disaggregation of decision-making.

#### Localist framework

New Zealand is one of the most centralised countries in the developed world, with decision-making power highly concentrated at a central government level. In seeking to change this, one of the major hurdles is to present a credible alternative framework, and not merely a high-level strawman argument. LGNZ has sought to correct this by developing a localism framework. This work, which was started in 2018, progressed with the launch of a public discussion document in 2019, continues in the current period.

This project seeks to:

- Provide a policy framework to gradually move decision making power out of central government and invest it in communities where appropriate. It seeks to leverage the strengths of both tiers of government to deliver better outcomes for communities, while building local government capacity and capability over time to take on more responsibility. The policy framework is being packaged in a way that any political party can adopt it wholesale as their own.

#### LG legislative update

There are 100 statutes that confer roles and responsibilities on local government, and the powers to execute these, ranging from infrastructure provision to dog control. Much of this is past its use-by-date, and over time, this has inhibited the efficient and effective administration of councils. Addressing these will require a partnership approach between local and central government that combines the on-the-ground experience of councils and the drafting skills of officials.

This project seeks to:

- Partner with the Minister of Local Government and Department of Internal Affairs to identify obstructive, outdated and obsolete aspects of the statute that hinder the ability of councils to deliver on their responsibilities efficiently and cost effectively. The aim is to co-develop a legislative fix that will modernise local government legislation.

#### Community engagement

The Productivity Commission's enquiry into local government funding and financing identified good community engagement as a tool with which to have meaningful discussion on challenging matters facing communities and how to pay for them. The Commission highlighted areas of good practice in New Zealand, but noted that application was not consistent.

This project seek to:

- Identify those councils making use of leading community engagement practices and tools, and socialise this widely among the local government sector. It will include commentary on what tools should be used in different circumstances.

## LGNZ workstreams

### Electoral system reform

New Zealand local government electoral framework faces significant challenges, such as decreasing reliability of the postal system, security concerns surrounding online voting, as well as administrative challenges. The legislation at a minimum needs modernisation, but opportunities may exist to deliver more meaningful change to the future system, and maintain the integrity of the local democratic process.

This project seeks to:

- Investigate alternative methods of voting, as well as wider system reform, such as making the Electoral Commission responsible for both local and national elections. This will include examining the checks and balances within the system to ensure they are fair, transparent and fit for purpose.
- Consistent with present LGNZ policy, push for legislative change to have the law relating to the creation of wards be the same irrespective of the type of ward proposed by a council. Specifically this centres on reform to the law concerning the creation of Maori wards.

## Other policy matters including remits

3.26 This section of the Business plan outlines policy work to be undertaken to address the five big issues and priorities for local government which generally sit outside the scope of the “flagship projects.” It also includes remits adopted at LGNZ’s annual general meetings that are still to be implemented.

**Table 5: Other policy matters**

### Other policy priorities

#### Earthquake prone buildings

- Review efficacy of earthquake prone buildings’ regulations and promote workable timeframes; work with the Government on the Building Act and incentives to strengthen buildings and parts of buildings in high risk areas.

#### Tourism

- Advocate and work with the Government on new funding mechanisms for mixed-use Tourism infrastructure that have strong governance and allocation arrangements which meet councils’ needs.

#### China engagement

- Maintain membership of the Commonwealth Local Government Forum (CGLF) and participate in the Asia Pacific Region of the Association of United Cities and Local Governments (UCLG) to enable New Zealand local government to contribute to strengthening local democracy and governance internationally;
- Agree on the timing and form of the next New Zealand China Mayoral Forum and maintain connections with CPAFFC and MFaT on NZ-China relations ahead of the next Forum; and
- To contribute, as appropriate, to international networks established to assist local governments address the impact of climate change.

## Remits

- Advocate for local government representation at all levels of climate change policy development.
- Advocate for a ban on the sale of fireworks to the general public.
- Advocate to bring into line camera and officer detected red light running offences with other traffic offences that incur demerit points.
- Advocate for enabling legislation requiring all guest accommodation providers to register with the council.
- Advocate for the Government to fund additional research into the effects of nitrates in drinking water on human health.
- Initiate a review of Local Government Official Information and Meetings Act (1987)
- That LGNZ encourage member councils to consider using environmentally friendly weed control methods.
- LGNZ advocate for the Government cap the liability of councils in relation to building defects claims whilst joint and several liability applies.
- LGNZ advocate for broader funding and financing tools in respect of community/social housing provision.
- Investigate the ability of the sector to collaborate in procuring open-source designs and plans for bulk infrastructure that are largely similar.
- That LGNZ advocates to the Government to phase out single use polystyrene.
- That LGNZ pursue an amendment to the Local Government Act 2002.
- That LGNZ request the Government to amend the Camping – Ground Regulations to allow councils to approve remote camp facilities on private property.
- LGNZ encourage members to engage with the Living Wage Aotearoa New Zealand Movement when developing policies on payment of the Living Wage.
- LGNZ advocate for a review of the effectiveness of the Sale and Supply of Alcohol Act 2012 in reducing alcohol harm
- LGNZ's members collectively adopt the position that government should revise the Resource Management Act 1991 to adequately consider the impact of greenhouse gases, and ensure that the Resource Management Act 1991 is consistent with the Zero Carbon Bill.
- Advocate for the Government to establish an independent expert group to develop a new policy framework for adapting to climate change impacts as recommended by the Climate Change Adaptation Technical Working Group (CCATWG).
- Request the New Zealand Transport Agency and Road Controlling Authorities review afresh the Code of Practice for Temporary Traffic Management to reduce risks to road workers.
- Requests the Government investigate the introduction of strengthened rules to govern the safe use of mobility scooters, particularly in relation to speed limits and registration.
- Advocate for Government funding to be made available on an annual basis for museums and galleries operated by territorial authorities with nationally significant collections.
- Advocate for the Government to develop and implement national guidelines, policy or regulations to achieve national consistency for the largely unregulated 'health and beauty clinic' industry.



## Headroom

- 3.27 There will be some activities and initiatives that are not yet identified that will present themselves within this Business Plan period, whether due to events or policy, political or natural, or opportunities that may arise.
- 3.28 Should this occur, National Council will consider the events or opportunities and make an informed decision as to the resulting course of action, consulting with the membership where it is practical and appropriate to do so.
- 3.29 For this reason, LGNZ has retained a small ‘headroom’ or contingency within its financial budget and, while personnel resources are fully allocated, should the opportunity arise, they will be re-allocated to the higher priority opportunity.
- 3.30 Examples of possible opportunities are outlined in Table 6 below.

**Table 6: Headroom**

Strategy/event	Planned action	Timing
Unforeseen natural event or disaster	• LGNZ provides guidance, support and direction to the parties involved.	• As determined
New Government or sector-agreed policy opportunity, such as implementation of the LGRA	• LGNZ reviews and re-allocates its resources to take advantage of the new opportunity.	• As determined
New commercial opportunities, such as international demand for CouncilMARK™	• LGNZ reviews and re-allocates its resources to take advantage of the new opportunity.	• As determined

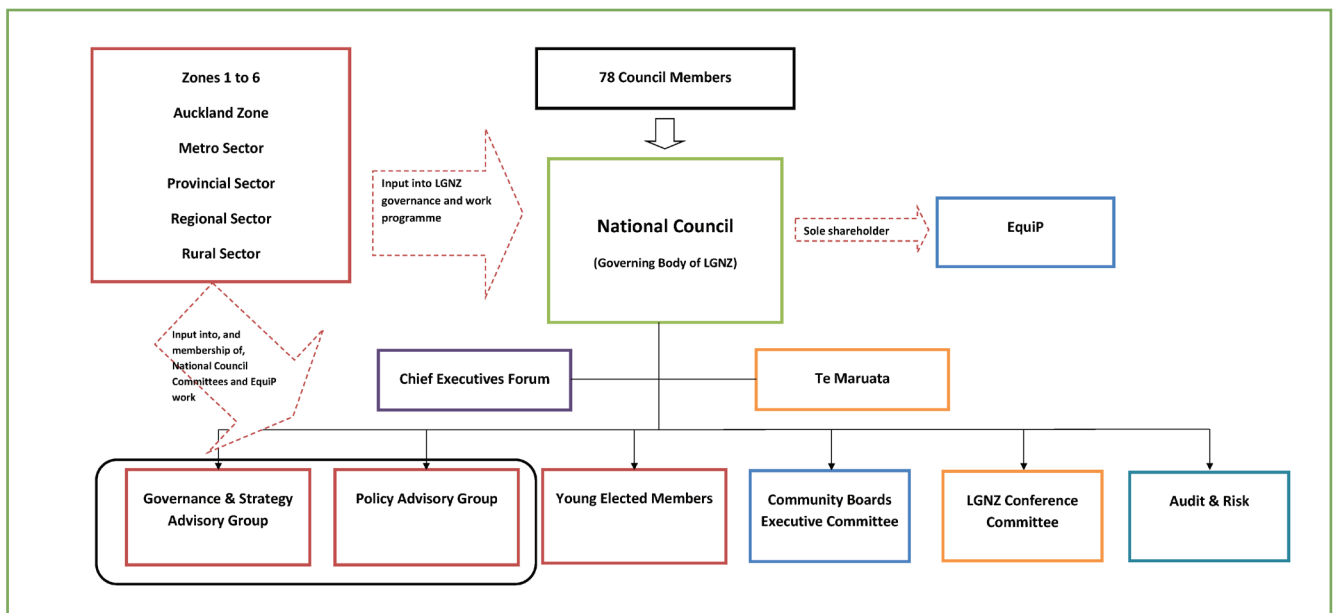
## Governance and member engagement

- 3.31 As a member advocacy organisation, reflecting the member voice in the strategic direction and the work we deliver is critical and LGNZ has endeavoured to increase its engagement and involvement with members in recent years under National Council governance, including by the establishment of a number of governance groups.
- 3.32 Two key National Council sub-committees govern LGNZ’s strategic direction, advocacy, policy and policy projects; the Governance and Strategy Advisory Group (GSAG) and the Policy Advisory Group (PAG) as outlined in Figure 1 overleaf. These advisory groups consist of both elected members and senior management from councils around New Zealand. Each group is refreshed at the start of each triennium.
- 3.33 LGNZ also has a number of other advisory and member groups that lead and provide input into aspects of the sector’s priorities and workplan: these include Te Maruata, our collective of Māori in governance roles within the sector, the Chief Executives Forum, the Young Elected Members Committee, the Community Boards Executive Committee and the Conference Committee.



- 3.34 These member groups are in addition to the core Zone and Sector (Metro, Regional, Provincial and Rural) groups and regular meetings that LGNZ services.
- 3.35 LGNZ utilises these groups and its Zone and Sector meetings to discuss key issues, and seek feedback and input into strategic direction and advocacy work programmes, and facilitates this by way of developing meeting agendas, papers and arranging internal and external speakers.

**Figure 1: LGNZ governance structure**



3.36 Within the Business Plan period there are specific action plans in place for the following initiatives:

**Table 7: Governance and member engagement**

Strategy	Planned action
A stronger role for Te Maruata and strengthening tikanga Māori in LGNZ work and local government - by implementation of four National Council agreed areas	<ul style="list-style-type: none"> <li>Te Maruata is respected as a thought leader and champion for kaupapa Māori in the LGNZ space: by implementation of a dedicated strategy involving member and external communications activity.</li> <li>The Māori voice is authentically reflected in the fabric of the policies and activities of LGNZ. Following the July 2019 AGM, Te Maruata now has voting rights on National Council in National Council meetings; representation on LGNZ committees and working parties; and LGNZ is refining its policy and communications to reflect the Māori voice.</li> <li>Te Maruata identify learning and information resources to assist councils to work better with Māori and kaupapa Māori and iwi: by working with EquiP to explore feasibility and funding sources to deliver a programme of webinars, best practice guidelines and workshops.</li> <li>Māori members and staff participate and gain value from Te Maruata and associated forums: by Te Maruata having a stronger role within Zone and Sector meetings.</li> </ul>
Young Elected Members' Governance Development Programme (GDP)	<ul style="list-style-type: none"> <li>National Council run a Young Elected Members' Governance Development Programme (GDP), which will provide a YEM with the opportunity to participate in National Council meetings for a period of 12 months.</li> <li>The GDP's term will run from April through to March of the following year.</li> <li>Mentoring and/or other governance development and support opportunities will be provided to the YEM selected.</li> </ul>
Community Board Executive Committee (CBEC) strengthening NZ's community boards	<ul style="list-style-type: none"> <li>National Council will work with the CBEC to review and agree its mandate and priorities; and LGNZ will then provide administrative and policy support to assist CBEC to deliver this mandate.</li> <li>LGNZ will assist CBEC to deliver the 2021 community board conference.</li> </ul>

4

**CouncilMARK™**

## 4. CouncilMARK™

### Introduction

- 4.1 CouncilMARK™, Local Government's excellence programme, is a key programme which delivers on the National Council guiding principle of delivering best performance and value for communities. There are currently 31 councils participating in the programme.
- 4.2 The CouncilMARK™ programme was developed and launched in 2016 as part of a change management programme to lift the reputation of local government and offers an independent, robust and credible system of ongoing performance assessment. It is designed to help councils demonstrate and lift the value and services they provide to their local communities.
- 4.3 An Independent Assessment Board oversees individual council assessments. Councils undergo an assessment using a standard template and process, which is conducted by a team of independent assessors. This results in a formal assessment rating and a published report. Councils sign a Memorandum of Participation with LGNZ prior to the assessment commencing, which sets out the terms and conditions for participating councils.
- 4.4 LGNZ employs a programme manager to run the CouncilMARK™ programme, and funds the governance overheads and the ongoing development costs of the Programme, and councils currently pay the actual costs of the assessment. Once the programme has achieved critical mass, this funding structure may be reviewed in future Business Plans.

### Vision

- 4.5 CouncilMARK™ is designed to win confidence with key stakeholders, including central government, ratepayers and business.

### Objectives

- 4.6 A sustainable programme whereby participating councils can engage their ratepayers to promote their performance, provide confidence and inform continuous improvement programmes; winning confidence and enhancing local democracy.
- 4.7 Localism is one of LGNZ's key strategic objectives and is integral to its approach across all strategic advocacy objectives; increased local responsibility, increased local control and ownership of communities' destiny also comes with increased accountability and transparency.
- 4.8 Perceived sector reputation is a barrier and a risk to achieving Localism; a greater awareness of what councils provide for their communities, a greater appreciation of the value councils provide and a commitment to continuous improvement supports the sector's Localism aspiration.

Table 7: CouncilMARK™

Strategy	Planned action
Raising awareness and promoting the value and outcomes of assessments	<ul style="list-style-type: none"> <li>• Deliver a communications and engagement strategy targeting external stakeholders, central government, business groups, and other influencers to secure strategic endorsement;</li> <li>• Communicate and build awareness in the sector of key sector themes to provide context and priority for continuous improvement;</li> <li>• Encourage participating councils to promote their report by creating a communications programme raising the profile for the programme with ratepayers; and</li> <li>• Communicate the results and celebrate participating councils who embrace the ethos of the programme and demonstrate the courage and leadership.</li> </ul>
Participation strategy - confirm councils' position on participation and recruit further councils to undertake the programme	<ul style="list-style-type: none"> <li>• Deliver a marketing campaign to proactively promote the programme and its benefits to the sector and drive participation rates;</li> <li>• Develop further participation incentives, beyond the perceived performance benefits, that creates momentum and encourages more councils to participate, i.e. work with key sector partners and investors to create incentives, promote the value and benefits of the programme in achieving enhanced community outcomes etc; and</li> <li>• Gain a greater level of insight into the barriers for participation and develop strategic and tactical initiatives to overcome objections or bridge information gaps to lift participation.</li> </ul>
Promote and acknowledge councils who demonstrate best practice and exemplary engagement with the Programme	<ul style="list-style-type: none"> <li>• Partnering with Equip, and strategically aligned influencers, in delivering a programme to share best practice within councils, building capability and capacity, and work with individual councils, providing tools to support continuous improvement;</li> <li>• Highlight best practice through the LGNZ EXCELLENCE Awards, and other LGNZ and CouncilMARK™ communications programmes; and</li> <li>• Establish best practice sharing opportunities to collaboratively share and celebrate excellence across participating councils and working with individual council's to enhance performance i.e. case studies, symposiums etc.</li> </ul>
Deliver ongoing improvements and enhancements to the Programme	<ul style="list-style-type: none"> <li>• Apply a continuous improvement ethos, role modelling a commitment to identifying and implementing ongoing improvements to the Programme with input from the sector, IAB, LGNZ, external stakeholders etc.</li> </ul>

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**Pacific TA**

## 5. Pacific TA

### Introduction

- 5.1 In 2017, LGNZ renewed a five year contract with the Ministry of Foreign Affairs and Trade (MFaT) to support the provision of local government technical assistance to Pacific Island countries. We match local government technical expertise with Pacific Island teams to provide hands-on, onsite training, mentoring and assistance. PacificTA – or Local Government Technical Assistance Facility for Pacific Countries – helps Pacific Island countries to improve the way public services are run in their cities, towns, and villages.
- 5.2 The programme is overseen by a Steering Committee comprised of LGNZ, MFaT, Southland District Council, Northland Regional Council, Porirua City Council and Auckland Council. There are two full time staff dedicated to the programme.

### Cook Islands

#### Infrastructure Cook Islands

- 5.3 Infrastructure Cook Islands (ICI) is responsible for roading, waste, sanitation and building control in Rarotonga and the Pa Enua, where they are also responsible for wharves, water and electricity assets.
- 5.4 Work with ICI has focused on the development of the executive leadership team and procurement and will move into asset planning in 2020. ICI is developing a five year roading contract for the upgrade and maintenance of the roads on Rarotonga. PacificTA advisors supported this work including the development of risk registers for this project and ICI.
- 5.5 ICI has begun an asset register of outer island assets and work is planned for 2020 to develop asset plans for several Pa Enua (outer islands).
- 5.6 The PacificTA programme will also be supporting improvements in building control in 2020.

**Photo 1: Dunedin City Council's Josh Von Pein, working with Infrastructure Cook Islands Projects and Planning team**



## To Tatou Vai

5.7 To Tatou Vai is a state owned enterprise established in mid-2019 to manage water supply in Rarotonga. Work in 2020 with To Tatou Vai includes asset management and water treatment, including automation.

## Vanuatu

### Port Vila Municipal Council

- 5.8 Establishing a sound revenue base and financial management is core to work with Port Vila Municipal Council. An IT upgrade was required to support financial management software. Activity to date on HR and management of the waterfront assets is going well, however the Council continues to be severely constrained by a lack of funding. Planned activity over 2020 includes building control and planning support (Greater Port Vila Urban Plan, compliance and enforcement policies), operational maintenance activities (waterfront and wider CBD area), HR and finance.
- 5.9 In 2020, assessments of Shefa Provincial Council and Luganville Municipal Council will be completed with a view to expanding PacificTA support to these councils.

**Photo 2: Port Villa waterfront development.**



**Photo 3: Pacific TA is providing building control and town planning support to Port Villa Municipal Council.**





## Fiji

### Suva City Council

- 5.10 At the request of the Fiji Ministry of Local Government PacificTA started work with Suva City Council in 2019. After reviews of building control, waterfront, parks and reserves management, and the council's financial systems, the programme of work for 2020 will include building inspector training, financial systems including risk management and procurement, HR, parks and reserves management, and condition assessments of Suva City Council's property portfolio.
- 5.11 Training in asset management will be provided to Suva City Council and other local authorities in 2020.

### Water Authority Fiji

- 5.12 Preliminary assessments of Water Authority Fiji assets and water treatment systems have been completed and further work in asset management, process automation and improvement, risk management, and energy efficiency has been developed for 2020.

**Photo 4: LGNZ meets with Suva City Council to establish a baseline for PacificTA support.**



**Photo 5 and 6: Suva City Council is developing strategy and asset plans for parks and reserves and council owned buildings.**



## Papua New Guinea

### Lae City Authority

- 5:13 The Lae City Authority (LCA) was established in 2018, to drive the amalgamation of three councils. This is an intensely political process. Planned activity for Lae City Authority in 2020 includes support for the development of HR, financial management, enforcement and procurement policies, and a strategy for Lae City. There will also be an incoming visit to study customary land management, waterfront development, asset management, long-term planning and reporting.

Photo 7: Markets in Lae



### Tokelau

- 5:14 2019 saw the exchange of building expertise between Tokelau and Wellington City Council. Construction and maintenance of buildings on Nukunonu and Atafu atolls has been reviewed and this has led to a focus on building compliance and procurement practice in 2020.

Photo 8: construction work in Atafu



6

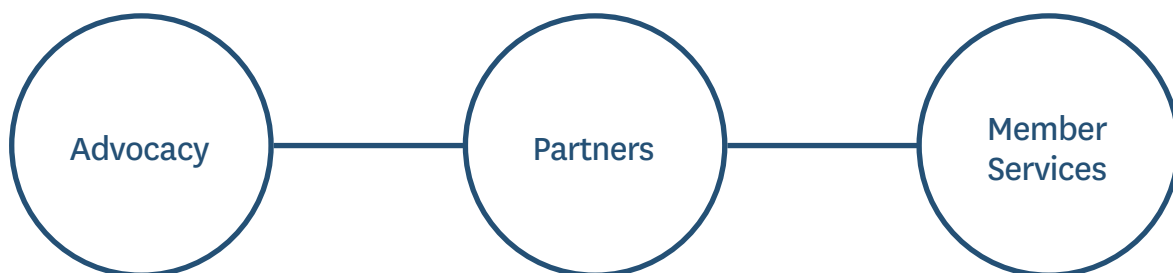
# **Mayors Taskforce for Jobs**

## 6. Mayors Taskforce for Jobs

### History

- 6.1. The Mayors Taskforce for Jobs (MTFJ) is a nationwide network of New Zealand's Mayors, working towards the shared vision of all young people under 25 being engaged in appropriate education, training, work or other positive activities in their communities.
- 6.2. MTFJ runs advocacy projects and aims to partner with best-practice organisations to promote the economic well-being of all young people. LGNZ provides support servicing to MTFJ.
- 6.3. The MTFJ is governed by the Core Group comprising of 17 Mayors from throughout the country, and is Chaired by Mayor Max Baxter of Otorohanga District Council. The work set by the Core Group is executed by the Taskforce Coordinator who is employed by LGNZ.

### MTFJ work streams



### Advocacy

- 6.4 In 2018, MTFJ signed a memorandum of understanding (MoU) with central Government. Our focus over the last two years has been on what the Core Group Mayors have identified as the major barriers to positive employment outcomes for young people:
  - Driver licencing;
  - The lack of education to employment engagement, and barriers to engagement;
  - Health issues (mental health and drug related health issues); and
  - The need for rangatahi mentoring.
- 6.5 MTFJ has successfully delivered on the advocacy around driver licencing, with a remit to advocate to Government for a national driver licencing initiative passing with 79% of the vote at the 2017 LGNZ Conference. This was based on the research and investment MTFJ has made in understanding the issue at both a social economic level. This also resulted in the Government coalition agreement stating that they will 'offer free driver training to all secondary school students.'

## Partnerships

- 6.6 MTFJ aims to partner with best practice organisations to promote the economic and social wellbeing of young people. Soft skills such as leadership, resilience and understand of self are vital for our young people to thrive in the world of work. Our partners have proven their availability to impart the skills needed for personal and working success.



## Tuia

- 6.7 MTFJ and Tuia have partnered since 2011 to weave rangatahi (young) Māori and the mayors of New Zealand together. Participation in the Tuia programme allows rangatahi Māori to gain mentoring from their mayor, and for the mayors to learn from the experience and perspective of young Māori in their district.
- 6.8 Rangatahi on the programme build national networks with other rangatahi on the programme, through a series of wānanga throughout the year at alternating Marae. Rangatahi are also expected to undertake a 100 hour community led project in the district.

## Industry Training Graduations

- 6.9 MTFJ supports its members to host Industry Training Graduation to celebration of local trade and service graduates. MTFJ Industry Training Graduations are a great way to celebrate the careers that are the backbone of our economy and are often overlooked.
- 6.10 MTFJ offers the following services and assistance for councils looking to host a ceremony:
- \$1,000 plus GST contribution for each council that hosts a ceremony;
  - Graduate data lists;
  - A video from the Prime Minister congratulating the graduates;
  - Communications support; and
  - Project plan support.

## MTFJ Outward Bound Scholarships

- 6.11 Outward Bound is an internationally recognised adventure and leadership development course which builds on team work, resilience, communication and leadership capabilities.
- 6.12 MTFJ members can nominate youth in their district for Outward Bound scholarships valued at \$3,600.

## Future Leaders

- 6.13 The Future Leaders programme operates in eight rural and provincial communities across New Zealand and works with over 200 young people. At its core, the programme puts young people at the heart of creating solutions to the challenges they face in their backyard.
- 6.14 Young people on the Future Leaders programme have reported significant increases in their sense of ambition, optimism, entrepreneurship and leadership skills.

## Member Services

- 6.15 MTFJ represents the thoughts and views of its members around youth employment to central Government as a collective of mayors and believes that local communities are best placed to come up to solutions to their local challenges.
- 6.16 MTFJ serves its members and offers value on the ground in communities across New Zealand.

## Road Shows

- 6.17 MTFJ engagements in communities and with mayors throughout New Zealand. Roadshows are important for MTFJ to understand the challenges facing local communities, so MTFJ can further advocate to central Government on youth issues.
- 6.18 MTFJ will be engaging with members to understand the common challenges facing our communities and how we can work as a collective, to make a difference.

## E- Newsletter

- 6.19 MTFJ has developed a monthly e-newsletter which is sent to MTFJ members and stakeholders, to ensure that key contributors of MTFJ are well informed of strategy, government policy and work streams.
- 6.20 These newsletters provide key insights into labour force updates, statistics and local stories about young people.

## Central Government Tailored Regional Communication kit

- 6.21 MTFJ believes that communication lines between local and central Government need to remain open and clear, so all parties can work in partnership for local communities across New Zealand.
- 6.22 MTFJ has create a tailored region-by-region central government communications list for mayors. It is recommended that the Mayor and council builds a relationship with their regional contact.



# 7

## Equip



We provide.  
Bright solutions  
for the sector.

## 7. Equip

### Introduction

- 7.1. Equip has grown from its inception on 1 April 2014 into a business with a turnover of \$1.6 million, delivering value to the sector through targeted consultancy and professional development services, offering flexible learning opportunities using online digital delivery to complement traditional methods, underpinned by andragogy principles (the method and practice of teaching adult learners). Equip LP is a Limited Partnership wholly owned by LGNZ, that has its own Board of Directors appointed by LGNZ's National Council and delivers:
- Consultancy services (including diagnostic tools);
  - Professional development; and
  - Collaborative procurement.
- 7.2. Equip has three core principles:
- Any activity or joint venture must be of benefit to members, and the sector, in raising and supporting best practice and/or delivering efficiencies and cost savings, ie sector benefit;
  - Any activity delivered must be commercially sustainable; and
  - Any activity must add value to the LGNZ membership and not encroach or erode the LGNZ membership value proposition.

### Sector value to date

- 7.3. Equip has delivered value to the sector through the provision of services assisting the achievement of governance excellence, council organisational management and efficiency, service and culture:
- Secured significant funding for large scale infrastructure projects with robust business case and strategic alignment with central government policy;
  - \$1.2 million saving for a mid-sized district council following a procurement review;
  - Enhanced governance practice, systems and culture in support of councils' strategic aspirations;
  - National asset management sector leadership role, partnering with REG (Roading Efficiency Group) and supported the sector in implementing the One Network Road Classification; and
  - Facilitated the recruitment of over 20 chief executives and supported the implementation of best practice executive performance frameworks.



## Statement of strategic intent

- 7.4. From a strategic perspective, EquipP will focus on supporting LGNZ's key strategic drivers, namely:
- Strengthening the sector with the provision of products and services, and collaboratively sharing best practice;
  - Supporting members to achieve agreed performance standards, aligning products and services to complement the CouncilMARK™ programme; and
  - Offering leading edge customer-centric support to help understand and drive key benchmarks, and improve organisational and sector performance.
- 7.5. EquipP's suite of products and services are aimed at building core capabilities in the sector, which effectively target service gaps outlined within the CouncilMARK™ programme, provide governance development support, drive organisational efficiency and cost effectiveness with a customer first approach. The aim is for an overall package of services that is designed to be seamlessly delivered and integrated from the council customer point of view. EquipP will continue to develop services with a customer-centric methodology, assisting councils' move from a technical led service design approach to a customer responsive philosophy.
- 7.6. These core capabilities underpin EquipP's professional development and bespoke services, as well as other sector tools and resources that EquipP identifies either meet a sector need or provide value. EquipP operates to ensure that the products and services are "best of breed," tailoring delivery to bring councils and their staff the very best tools and methodologies, but also delivered in a way which is ultimately empowering for all parties concerned.
- 7.7. A key priority for 2020/21 will be the support and alignment of EquipP services with the four priority areas of the CouncilMARK™ programme and the prevalent sector themes as identified by CouncilMARK™ assessments. Governance capability, leadership and strategy have been identified as an area of focus and will be underpinned by EquipP's Foundations of Governance Excellence.

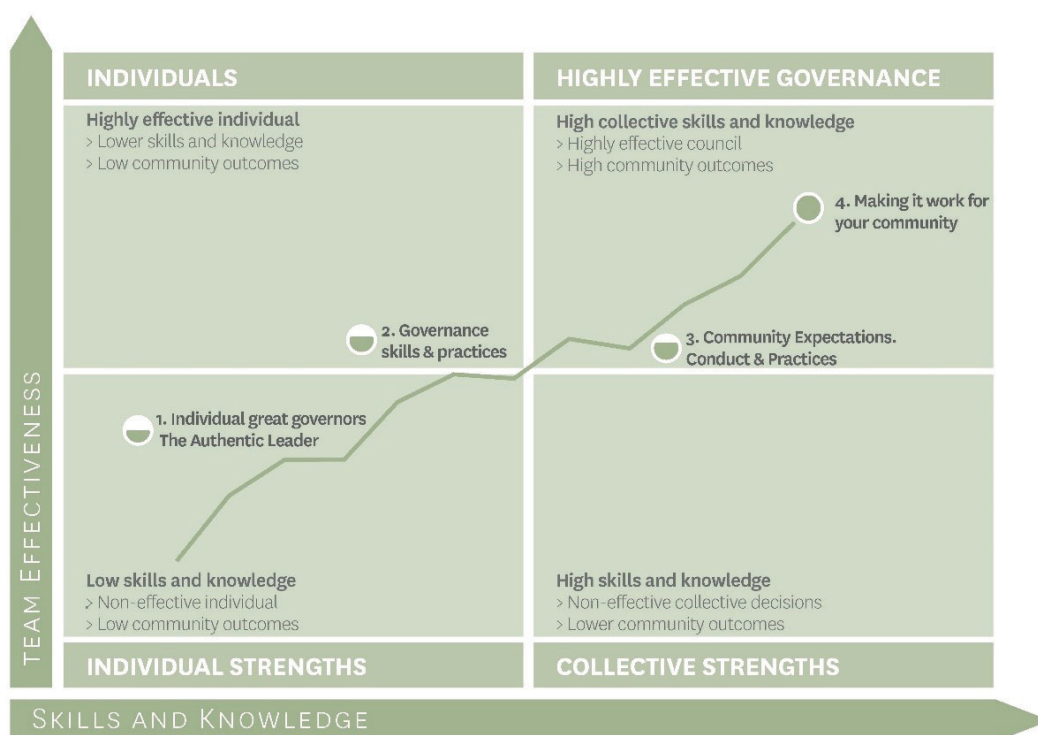
Figure 2: EquiP's Foundations of Governance Excellence



- 7.8. EquiP's statement of intent supports LGNZ's strategic priorities for the local government sector. In 2020/21 EquiP will deliver value to the sector by:
- Supporting best practice strategy, organisational leadership, governance capability to enable councils' to deliver on their community aspirations;
  - Working to build greater asset management capability across the sector, leveraging the achievements and IP from the roading space into other critical asset categories, with a focus on water, governance decision making, and the impacts of climate change;
  - Providing best practice, robust, business case services that support strategic infrastructure investment aligned to councils strategic aspirations with clear risk profiling and mitigation;
  - Continuing to develop sector-led professional development opportunities underpinned by robust andragogy principles to strengthen governance capability and best practice;
  - Providing flexible professional development delivery options, using traditional methods as well as continuing to develop disruptive technology; and
  - Assisting councils to drive greater efficiency and effect and meet customer expectations; and building partnerships that deliver value to the sector, and developing EquiP's capacity and capability to positively impact sector performance.

- 7.9 Equip's governance support services are designed to build highly effective governance and leadership teams that take individuals with diverse backgrounds and experiences, the strength of local democracy, into highly effective governance teams that deliver community outcomes balancing the corporate governance aspect of the elected members role (i.e. holding the organisation to account), with the community leadership and representative aspects of the role.

**Figure 3: Equip's Journey to Highly Effective Governance**



- 7.10 With the maturing of Equip's services and operations the Equip Board will oversee an intentional growth strategy and investment in Equip's capacity, capability and services to leverage the future commercial opportunity and provision of support for sector performance.
- 7.11 In support of Equip's growth strategy we will undertake a review of Equip's governance, structure and needs, giving consideration to the transition to a professional Board with independent representation, as well as a review of the legal and operating structures to ensure Equip is positioned and appropriately supported to deliver sustainable long-term growth.

8

# **Financial analysis**

## 8. Financial analysis

### Overview

- 8.1. LGNZ continues to receive the majority of its revenue from membership fees.
- 8.2. This budget has been prepared based on the impact of COVID-19.

### Membership fees

- 8.3. To ensure that LGNZ has the resources to execute the business plan, LGNZ continues to budget a per annum increase in subscription fees. The actual level of fees is reviewed annually by National Council. The decision has been made to set a yearly fee increase at 1.8 per cent. However, this year a fee increase will not be applied to assist Councils in dealing with the impact of COVID-19.
- 8.4. The following condensed table outlines the proposed fee structure for the 2020-2023 years.

**Table 9: Membership subscriptions**

Local Government New Zealand Membership Subscriptions (excluding gst)			
	2020/21	2021/22	2022/23
Annual Subscription Increase	-%	1.80%	1.80%
<b>Sector Group</b>	\$	\$	\$
Metropolitan (including Auckland)	1,024,143	1,061,344	1,080,448
Regional	586,225	607,519	618,454
Provincial	1,633,928	1,693,279	1,723,758
Rural	753,916	781,301	795,365
<b>Total</b>	<b>3,998,211</b>	<b>4,143,442</b>	<b>4,218,024</b>

## Assumptions

8.5. A full list of the assumptions underpinning the budget is set out below. These assumptions will be reviewed annually by National Council.

### General

- The forecast Financial Statements have been prepared in accordance with the accounting policies that are expected to be used in the comparable audited actual Financial Statements.
- All forecasts use the accrual basis of accounting.
- GST has been calculated at a rate of 15 per cent.
- All accounting policies have been applied on a consistent basis during the forecast period.
- The financial impact of COVID-19 has been accounted for.

### Income

- No Subscription fee increase has been budgeted in 2020/21 but the usual 1.8 per cent per annum has been applied in from 2021/22.
- 78 councils will remain as members.
- An annual finance and management fee will continue to be charged to the MTFJ at \$18,000 per annum.
- Interest income has been calculated at 1.8 per cent per annum.

### Other income

- A five year contract with the Ministry of Foreign Affairs and Trade (MFAT) was entered into on 1 June 2017. Pacific TA income is an agreed amount to manage all aspects of the programme. All international travel has been postponed indefinitely. The programme manager is providing alternative solutions to the Pacific.
- There is no 2020 conference. Conference income and expenditure (including GST) is managed by Conference Innovators, therefore the minimum agreed net surplus is forecasted in years two and three only.

### People costs

- The budget provides for 19 full-time equivalent (FTE) LGNZ staff for the three year period. Roles and salaries may change over this time but the number of staff is budgeted to remain level. Equip Staff are included in Equip budgets.
- An additional FTE for CouncilMARK has been accounted for.

- Salaries have been budgeted as a per year increase of two per cent per annum. Actual salaries, however, will depend on performance.
- KiwiSaver is forecasted at a minimum employer contribution of three per cent. There are no suggestions currently that this will change over the three year period.
- Staff members are replaced by an equivalent on resignation.

### Programme costs

- CouncilMARK assessment costs are offset by the fee charged to Council.
- Pacific TA expenditure involves costs incurred in running the programme.

### Policy costs

- These are based primarily on expected consultant costs deemed necessary to deliver the approved Advocacy work programme. These costs will be monitored monthly and only expended if required.

### Communications costs

- The Reputation survey has not been budgeted for.

### Committees and Advisory Board costs

- All travel has been suspended until 1 August 2020. Meetings will be held remotely.
- LGNZ hosts a stakeholder function in Wellington annually.
- Central Government Local Government Forum includes National Council travel and LGNZ funding the Forum in years 2020 and 2022.
- LGNZ contributes to Te Maruata, CBEC, YEM and Advisory Groups by paying for travel costs and catering associated with meetings as scheduled in the LGNZ annual planner, and additional costs as agreed by the National Council.

### Internal governance costs

- Travel and accommodation for 19 National Council members to meet in Wellington five times a year. There will be meetings held electronically while travel restrictions are in place.
- The AGM and Presidential Election will be held in November 2020.
- A roadshow has been scheduled for the new President and CE to visit every member in 2021/22.
- LGNZ will continue to be a member of the Commonwealth Local Government Forum and United Cities Local Government.

## Operating expenses

- An increase in general expenditure of five per cent has been budgeted to reflect inflationary increases.
- A market rent review will take place and rent will be increased from 1 September 2020. Rent has been reduced by 50 per cent in April 2020, due to no access during the lockdown.
- IT support is based on budgeted staff numbers (it does not allow for the staff allocated to EquiP).
- Financial costs include FBT, ACC and bank fees.
- The Presidential honorarium is maintained at 33.3 per cent of highest paid mayor and the Vice President at 30 per cent of that paid to the President. The current highest paid mayor's salary will be maintained until the Presidential and Vice Presidential elections in November 2020. A review is underway.
- Insurance premiums have increased by 1.5% this year due to the decrease in travel premium as there is a drop in estimated overseas travel days for the next 12 months.
- Costs associated to the CarbonZero Certification have been estimated. True costs are unknown until the audit is completed.
- Recruitment has been budgeted at three positions per annum. EquiP recruitment has been accounted for separately.
- We have not budgeted for any other contingency events. Any such unexpected expenditure would have an impact on LGNZ's operating balance in the year that it occurred.

## Other expenses

- The Independent Assessment Board for the CouncilMARK™ programme currently consists of three board members who receive honoraria payments, this will be increased to four board members. An increase of 10% for existing Board members has been applied. Travel and catering for meetings of the board is also budgeted for.
- LGNZ will continue to support Transparency International.
- LGNZ will continue to support NZTA One Network Road Classification (ONRC) for year one only.

## EquiP Limited Partnership

- The Limited Partnership established to run LGNZ's revenue activities will be fiscally transparent to LGNZ. LGNZ is required to account for the Limited Partnerships profit/loss. This has been included in the budget.



## Revenue and expenses

**Table 10: LGNZ budgeted revenue and expenses for the three years ended 31 March 2023**

<b>Budgeted Profit &amp; Loss</b> <b>New Zealand Local Government Association Inc</b> <b>1 April 2020 to 31 March 2023</b>			
	<b>Total</b>	<b>Total</b>	<b>Total</b>
<b>Income</b>	<b>Mar-21</b>	<b>Mar-22</b>	<b>Mar-23</b>
Annual Subscription Income	\$3,998,211	\$4,070,179	\$4,143,442
Conference	\$0	\$200,000	\$200,000
CouncilMARK Assessment Income	\$407,000	\$222,000	\$185,000
Interest Income	\$74,259	\$65,000	\$50,000
MTFJ Income	\$18,000	\$18,000	\$18,000
Pacific TA Income	\$446,000	\$346,000	\$86,500
<b>Total Income</b>	<b>\$4,943,470</b>	<b>\$4,921,179</b>	<b>\$4,682,942</b>
<b>Less Cost of Sales</b>			
Committees and Advisory Boards	\$208,100	\$214,000	\$239,000
Communications	\$46,300	\$81,000	\$87,500
CouncilMARK Assessment Expenses	\$396,000	\$216,000	\$180,000
Governance	\$194,000	\$247,000	\$187,000
Pacific TA	\$130,000	\$30,000	\$7,500
People	\$2,441,183	\$2,511,090	\$2,484,980
Policy	\$242,000	\$352,000	\$352,000
<b>Total Cost of Sales</b>	<b>\$3,657,583</b>	<b>\$3,651,090</b>	<b>\$3,537,980</b>
<b>Gross Surplus</b>	<b>\$1,285,858</b>	<b>\$1,270,089</b>	<b>\$1,144,962</b>
<b>Less Operating Expenses</b>			
CouncilMARK Expenses	\$239,150	\$206,150	\$206,150
Iwi Leaders	\$20,000	\$0	\$0
Transparency International	\$20,000	\$20,000	\$20,000
NZTA/ONRC	\$50,000	\$0	\$0
Accommodation	\$358,379	\$438,665	\$439,746
Advisory	\$80,000	\$84,000	\$88,200
Financial	\$16,200	\$17,010	\$17,861
Honoraria	\$121,928	\$128,138	\$128,138
Insurance	\$50,024	\$55,026	\$60,529
IT	\$132,510	\$143,376	\$152,945
Library	\$38,078	\$39,982	\$41,981
Office	\$202,180	\$227,879	\$243,273
Other staff	\$103,000	\$108,150	\$113,558
<b>Total Operating Expenses</b>	<b>\$1,431,448</b>	<b>\$1,468,377</b>	<b>\$1,512,380</b>
Depreciation	\$72,000	\$70,000	\$70,000
Holiday Accrual	\$10,600	\$10,000	\$10,000
<b>Net Surplus/(Loss) before Equip and Taxation</b>	<b>-\$228,162</b>	<b>-\$278,288</b>	<b>-\$447,418</b>
<b>Equip Limited Partnership</b>	<b>-\$156,715</b>	<b>\$303,989</b>	<b>\$525,143</b>
<b>Net Surplus/(Loss) before Taxation</b>	<b>-\$384,877</b>	<b>-\$25,701</b>	<b>\$77,725</b>

## Capital expenditure

8.6. Table 14 sets out anticipated capital expenditure for the three year period.

**Table 14: LGNZ capital expenditure including Equip**

New Zealand Local Government Association Inc.			
Budget for the three years ended 31 March 2023			
	Year 1 31 March 2021	Year 2 31 March 2022	Year 3 31 March 2023
Rotational Hardware	25,000	25,000	25,000
Conference Room	27,370	0	0
Furniture	15,000	15,000	15,000
General	10,000	10,000	10,000
Website	20,000	20,000	20,000
<b>LGNZ Fixed Assets</b>	<b>97,370</b>	<b>70,000</b>	<b>70,000</b>
<b>Equip Fixed Assets</b>	<b>297,500</b>	<b>152,500</b>	<b>152,500</b>
<b>Total Fixed Assets</b>	<b>\$ 394,870</b>	<b>\$ 222,500</b>	<b>\$ 222,500</b>

## Cash reserves

8.7. Cash reserves are forecast in Table 15.

8.8. The opening bank balance is the closing balance of last year's business plan. This will be calculated late March 2020.

**Table 15: LGNZ uncommitted cash reserves including Equip**

New Zealand Local Government Association Inc.			
Budget for the three years ended 31 March 2023			
	Year 1 31 March 2021	Year 2 31 March 2022	Year 3 31 March 2023
Opening Bank Balances (incl Term deposits)	2,405,342	1,681,148	1,679,640
LGNZ Budgeted Net Cashflow	(310,779)	(335,449)	(502,434)
Equip Budgeted Net Cashflow	(413,415)	(333,941)	581,359
<b>Closing Bank Balances (incl Term deposits)</b>	<b>\$1,681,148</b>	<b>\$1,679,640</b>	<b>\$1,758,565</b>

## LGNZ National Councillors

- Dave Cull | President
- Stuart Crosby | Vice President | Zone Two | Councillor, Bay of Plenty Regional Council
- Hon Phil Goff | Mayor, Auckland Council
- Pippa Coom | Councillor, Auckland Council
- Richard Northey | Local Board, Auckland Council
- Aaron Hawkins | Metro Sector | Mayor, Dunedin City Council
- Andy Foster | Metro Sector | Mayor, Wellington City Council
- Grant Smith | Metro Sector | Mayor, Palmerston North City Council
- Doug Leeder | Regional Sector | Chair, Bay of Plenty Regional Council
- Rachel Reese | Regional Sector | Mayor, Nelson City Council
- Hamish McDouall | Provincial Sector | Mayor, Whanganui District Council
- Alex Walker | Rural Sector | Mayor, Central Hawke's Bay District Council
- Hon John Carter | Zone One | Mayor, Far North District Council
- Don Cameron | Zone Three | Mayor, Ruapehu District Council
- Wayne Guppy | Zone Four | Mayor, Upper Hutt City Council
- Sam Broughton | Zone Five | Mayor, Selwyn District Council
- Gary Kircher | Zone Six | Mayor, Waitaki District Council
- Bonita Bigham | Te Maruata Roopu Whakahaere | Community Board Member, South Taranaki District Council
- Hilary Humphrey | Young Elected Member | Councillor, Manawatu District Council



# We are. LGNZ.

**Te Kāhui Kaunihera ō Aotearoa.**

PO Box 1214  
Wellington 6140  
New Zealand

P. 64 4 924 1200  
[www.lgnz.co.nz](http://www.lgnz.co.nz)

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## We are.

Ashburton.	Gisborne.	Kaikōura.	Otago.	Southland Region.	Waimate.
Auckland.	Gore.	Kaipara.	Otorohanga.	Stratford.	Waipa.
Bay of Plenty.	Greater Wellington.	Kāpiti Coast.	Palmerston North.	Taranaki.	Wairoa.
Buller.	Grey.	Kawerau.	Porirua.	Tararua.	Waitaki.
Canterbury.	Hamilton.	Mackenzie.	Queenstown-	Tasman.	Waitomo.
Carterton.	Hastings.	Manawatu.	Lakes.	Taupō.	Wellington.
Central	Hauraki.	Marlborough.	Rangitikei.	Tauranga.	West Coast.
Hawke's Bay.	Hawke's	Masterton.	Rotorua Lakes.	Thames-	Western Bay
Central Otago.	Bay Region.	Matamata-Piako.	Ruapehu.	Coromandel.	of Plenty.
Chatham Islands.	Horizons.	Napier.	Selwyn.	Timaru.	Westland.
Christchurch.	Horowhenua.	Nelson.	South Taranaki.	Upper Hutt.	Whakatāne.
Clutha.	Hurunui.	New Plymouth.	South Waikato.	Waikato District.	Whanganui.
Dunedin.	Hutt City.	Northland.	South Wairarapa.	Waikato Region.	Whangarei.
Far North.	Invercargill.	Ōpōtiki.	Southland District.	Waimakariri.	

**LGNZ.**