Welcome to the July 2019 update from the Central-Local Government Partnership Team

The first half of this year has been a busy time with a number of major projects starting or getting to the crunchy stage. Below is a summary of recent happenings across our work programme and a look to the next while. Standing back for a moment and looking at the programme as a whole, there are real opportunities to address some big challenges and move towards future focussed systems of government that work better together to deliver wellbeing. We are also very conscious of demands on your time and that we are looking for your input into much of our work so we will rationalise and coordinate across our work as much as we can.

**Local Governance for Community Wellbeing** (led by Partnership Director Justine Smith)
We have been working since late last year on scoping a collaborative piece of work to consider the role of local government in delivering intergenerational wellbeing. We have talked to a number of you on options for these and developing up some specific areas to work on further (“lines of enquiry”). This has similar objectives to the localism project that will a key topic of conversation at the LGNZ Conference next week. The Minister may be testing her thinking with her Cabinet colleagues in July/August though this timing and approach is yet to be confirmed.

**Community Resilience against Natural Hazards and climate change** (led by Partnership Director Paul Barker)
We have been working with many Government agencies and LGNZ to develop an all-of-government approach to strengthening community resilience. This work has drawn from the experience dealing with natural hazards working alongside local government in Kaikōura, Matatā in the Bay of Plenty and Franz Josef as well as the longer-term challenges of climate change adaptation. The work has now entered a new phase following agreement at last month’s Central and Local Government Forum to develop a joint work programme. This phase will need to involve local government experts and leaders working closely with central government to come up with solutions.

**Three Waters Project** (led by Partnership Director Allan Prangnell)
We have been working closely with local government, public health and other agencies and Ministers on the new regulatory framework and we anticipate announcements in the next few weeks. With Health and Environment agencies, we ran a series of regulatory workshops across New Zealand over March and April, and a summary of feedback received is on the Three Waters page on our website at: [www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-documents/$file/Stakeholder-engagement-report-May-2019-a.pdf](http://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-documents/$file/Stakeholder-engagement-report-May-2019-a.pdf)

In the background, we have been continuing to develop the analysis on the various options Cabinet asked us to consider last year for service delivery. We are working closely with regional groupings (e.g. Waikato) that are considering how this could look in their region. Over the next couple of months, we will be publishing reports on cost estimates for upgrading wastewater systems to
reduce overflows and improve the quality of discharges to the coast; and a national stocktake of compliance, monitoring and enforcement practices for wastewater.

**Local government funding inquiry** (led by Partnership Director Michael Lovett)
The Productivity Commission released their draft report today, feedback is due 29 August. The full report is rather long but there is a good at a glance summary on the Commission website, link below. We are keen to hear your reflections and where you agree or disagree with the Commission’s findings – and encourage you to make a submission to the Commission direct. The Commission’s final report is due on 30 Nov 2019. We will be assisting the Government with its response to and have a work programme underway in preparation for this. In April and May the Department conducted workshop with over 60 councils reviewing the operation of the LG financial management system. Findings from these workshops will be fed into our response. A number of the items in this update have funding and financing components so we are actively aligning our work and thinking across these as a collective. Link to the Commission’s website for the draft report and summary: https://www.productivity.govt.nz/inquiry-content/3819?stage=3

**Infrastructure Funding and Financing** (led by Partnership Director Richard Ward)
We have two major workstreams running for this programme

- The first is the work on Special Purpose Vehicles or alternative funding models. We have been working closely with a number of the High Growth Councils on this especially Auckland, Hamilton, Tauranga and Queenstown Lakes as well as discussions with other growth Councils. This is a joint project with Treasury and also involves Crown Infrastructure Partnerships. This is a complex piece of work so we will be looking for all Councils to carefully scrutinise the draft legislation to ensure it is workable and useful. We expect to have the Bill in Parliament later this year. Alongside the legislation development we are working with Councils on identifying potential projects that could use this new funding and financing tools.

- The second is a new piece of work reviewing the existing funding tools, primarily targeted rates and development contributions. We have set up a few early conversations with the sector for later this month and we will expand these later this year as we progress this work and start to develop options. This primarily has a growth focus but we are aware there are opportunities to consider how these tools work for all Councils so keen to hear any thoughts you may have on issues and possible solutions, tweaks or changes we could consider.

**Queenstown Partnership and Urban Growth Agenda** (led by Partnership Director Warren Ulusele)
This is one of a number of initiatives under the umbrella of the Urban Growth Agenda (UGA) that Warren oversees for our team. Spatial Planning is one of the five pillars of the UGA and one of the pieces of work is with Queenstown Lakes including the development of a thirty year spatial plan and the next steps post the recent bed tax referendum. We will also be providing input to key pieces of work being led out of other agencies such as the review of the RMA and streamlined planning processes where there will be an obvious local government interest.

**Hamilton 2 Auckland Corridor partnership** (led by Partnership Director Richard Ward)
This links closely with the wider Urban Growth Agenda and is progressing towards the first formal partnership meeting, hopefully in August. Initial discussions focussed on the start up rail service but thinking expanded pretty quickly and there are 20 transformative projects within the H2A
programme that pick up a range of different sectors and issues. Utilising and expanding the existing FutureProof structure is a good example of bringing local government, central government and Iwi/Māori together around a long term focus and vision. The Minister of Local Government is one of two Ministers on this partnership, Helen Wyn (our Deputy Chief Executive) has joined the FutureProof Implementation Committee Chief Executives Advisory Group, Richard is a member of the Steering Group and team members Sarah Polaschek and Michael Chatterley are engaged with some of the transformational projects - we see this as a real priority for working together in partnership.

**New initiative aimed at enhancing relationships between local government and iwi/Māori (led by Partnership Director Justine Smith)**
This is a new initiative with funding approved in Budget 2019. We are scoping up what this looks like in practice for our Minister’s consideration.

**The Guide for Central Government engaging with Local Government** was released by the Prime Minister at the Central Local Government Forum in Wellington on 10 June. A number of local government people had input into this useful and detailed resource along with LGNZ, SOLGM and our CLGP team. A copy can be found on our website at: [https://www.dia.govt.nz/Central-Local-Government-Partnership#How-we-work](https://www.dia.govt.nz/Central-Local-Government-Partnership#How-we-work)

**Misc**
As well as the above, we are also involved in supporting and progressing a number of other projects, including: digital local government, the new Te Waihanga New Zealand Infrastructure Commission, various transport projects and regional economic development. If you want further information on any of these, then please be in touch.

A reminder to keep an eye on our CLGP page on the DIA website for various papers and presentations, link is here: [https://www.dia.govt.nz/Central-Local-Government-Partnership](https://www.dia.govt.nz/Central-Local-Government-Partnership)