



WAIKATO MAYORAL FORUM

MINUTES		Waikato Mayoral Forum Meeting	
Date:	Monday 17 August 2020		
Time:	9.30am		
Venue:	Zoom meeting		
Members: (Present):	Hamilton City Council (HCC)	Mayor Paula Southgate	
	Hauraki District Council (HDC)	Mayor Toby Adams	
	Matamata-Piako District Council (MPDC)	Mayor Ash Tanner Don McLeod, CE	
	Otorohanga District Council (ODC)	Mayor Max Baxter Tanya Winter, CE	
	South Waikato District Council (SWDC)	Mayor Jenny Shattock Ben Smit, CE	
	Taupo District Council (Taupo DC)	Mayor David Trewavas Gareth Green, CE	
	Waikato District Council (WDC)	Mayor Allan Sanson Gavin Ion, CE	
	Waikato Regional Council (WRC)	Chair Russ Rimmington Vaughan Payne, CE	
	Waipa District Council (Waipa DC)	Mayor Jim Mylchreest Garry Dyet, CE	
	Waitomo District Council (Waitomo DC)	Mayor John Robertson Chris Ryan, CE	
In attendance:	Blair Bowcott, Executive Director – Special Projects, HCC Hamish Bell, Te Waka Michael Bassett-Foss, Te Waka Terri Tong, Forum Secretary, (WDC)		
Apologies:	Mayor Sandra Goudie, Thames Coromandel District Council (TCDC) Rob Williams, CE, (TCDC) Richard Briggs, CE (HCC)		

#	Topic
1	<p data-bbox="261 253 469 282">Te Waka Update</p> <p data-bbox="261 306 1369 371">Hamish Bell shared a power point presentation with the Mayoral Forum (<i>attached</i>) detailing Te Waka's strategy and High Level LTP.</p> <ul data-bbox="312 434 1362 1272" style="list-style-type: none"> <li data-bbox="312 434 1362 517">• Mayor Allan Sanson asked if Te Waka had any ideas on sourcing the projected shortfall of funding other than local government. <li data-bbox="312 542 1362 730">• Hamish Bell stressed that Te Waka needs Councils' united continued support to deliver on their plan. Also actively seeking increased support from business and from central government. Maybe some MBIE support around the investment & sector work. <li data-bbox="312 754 1362 898">• Hamish Bell pointed out that Te Waka's biggest constraint is their funding commitment which runs out next June. This seriously impedes their ability to operate - in particular hiring senior staff to deliver their plan. <li data-bbox="312 922 1362 1066">• Mayor Paula Southgate asked if there were any aspects of work that would be considered more likely to attract Government funding or interest post COVID. Are there certain priorities that are immediate and others long term? <li data-bbox="312 1090 1362 1173">• Hamish Bell confirmed that Government is absolutely focused on generating employment and work on the broader well beings. <li data-bbox="312 1198 1362 1272">• Mayor Paula Southgate asked what we know about the nature of the jobs that have been lost. <p data-bbox="456 1296 1362 1648" style="padding-left: 40px;">Hamish Bell advised the full impact of unemployment isn't known yet. Anticipated that there are massive levels of redundancies to come. Been talking with MSD and other key agencies around this. Concern over a whole new class of unemployed who have never been unemployed before - a growing curve of people in their 40s and 50s, potentially being unemployed for the first time in their life, as a result of business insolvencies and major redundancies.</p> <ul data-bbox="312 1673 1362 2024" style="list-style-type: none"> <li data-bbox="312 1673 1362 1756">• Chair Russ Rimmington advised that WRC are very supportive of the work Te Waka is doing. <li data-bbox="312 1780 1362 2024">• Mayor Allan Sanson felt regions need to play a big part in New Zealand's economic recovery. Suggested that the Mayoral Forum consider whether to make approach to the appropriate people within Central Government to support the funding being talked about, to maximize the benefit from the work that Te Waka is doing and the connections they currently have.

	<ul style="list-style-type: none"> • Hamish Bell agreed that support from the Mayoral Forum with Central Government would be a great idea
2	<p>Three Waters Reform - Stimulus Discussion (<i>Blair Bowcott, Tanya Winter</i>)</p> <p>The report previously circulated to the Mayor Forum on the Three Waters reform programme was taken as read (<i>attached</i>).</p> <ul style="list-style-type: none"> • Tanya Winter advised that all of the CEs who attended the last Waikato CE forum support the approach recommended and the report. • All of them said that they would be recommending to their councils that they sign a memorandum of understanding for the individual TA allocation. • Not all councils have met to make that decision yet. • The recommendation in the report to the MF today is that the regional allocation be split in the same way as the individual territorial allocations, which essentially means that each TA in the Waikato region would end up with double the allocation that they have at the moment. • The Chief Executive Forum had discussion on 2 further points. <ul style="list-style-type: none"> • Important to retain potential for regional or sub regional collaboration on some shared projects and maybe councils would like to set aside some money for that rather than commit it all to a local works program. So that, firstly, there is engagement in a regional or sub regional collaboration, but also to ensure capacity and capability to engage with central government on the reform package. • The other point discussed at the CE forum was the opportunities for joint procurement. Once delivery plans have been produced by individual councils, there may be opportunities for joint procurement. • Blair Bowcott pointed out that the reason for the recommendation as drafted is for practical reasons. It's simply aligned with the recommendation of the steering group which is a joint local government steering group. <ul style="list-style-type: none"> • A memorandum of understanding needs to be agreed by each Council, and is required by the end of this month. Then each Council requires a funding agreement and delivery plan of all the stimulus projects submitted to government by the end of September. Stressed the need to move quickly. To access the regional funding share, two thirds of Councils in the region need to agree to be part of the reform programme

conversations.

- Mayor Allan Sanson advised he hadn't spoken to his council yet but felt that they would be very supportive of this approach. He felt it was fair & equitable, with the result being the economic stimulus package for each territorial authority is doubled.
- Mayor Allan Sanson commended Blair Bowcott and Tanya Winters on the Three waters report and asked if there were any questions
 - There was a discussion about Councils putting funds aside to engage in regional or sub regional collaboration.
 - Tanya Winter advised that the CE forum didn't settle on a proportion, amount or percentage for each Council, recognizing the individual differences between the Council's. There is another CE forum on the 28th of August so this will stay on the agenda.
 - Mayor Allan Sanson suggested that the CE forum give the Mayoral Forum some sort of an idea of quantum or total involved
 - Gavin Ion advised the CE forum also discussed that there will be funding at the second tranche to contribute towards what the reform looks like, so you don't have to necessarily allocate money from the first part
 - Mayor Jim Mylchreest felt it should be kept as simple as possible.
 - Mayor John Robertson agreed
- Mayor Max Baxter confirmed that he was in support of the methodology that was used, and that some money should be put aside for the collaborative approach going forward
- Vaughan Payne pointed out that often the government comes up with a problem definition for the whole country. He saw this as an opportunity to do some collaborative work, making sure that any solutions fix a regional problem as opposed to one that may not actually exist in the Waikato.
 - Mayor Toby Adams agreed. He felt funds should be spent on local projects that we know are right for our own districts, but also working together so that we're showing government once we've got the correct funds in place, we can actually work collaboratively together.
- Mayor Jenny Shattock confirmed that she supported what the other Mayors had said
- Blair Bowcott advised that next steps are, once we know the status of all the Memorandum of Understandings by the end of the month, we write back via Mayor Allan Sanson on behalf of the Mayoral Forum to the Minister of Local Government

	<p>informing of the decision.</p> <ul style="list-style-type: none"> • Blair Bowcott suggested the three Waters topic be kept as a regular agenda item at CE forum level and Mayoral Forum level so that opportunities for collaboration & partnership can be progressed. • The following recommendations were passed unanimously: <ul style="list-style-type: none"> • That the Waikato regional allocation be split in the same way as the individual territorial allocations. • The Chair of the Mayoral Forum be requested to advise the Minister of Local Government and DIA of this investment package allocation decision for the Waikato Region.
3	<p>COVID-19 Developments</p> <ul style="list-style-type: none"> • General discussion about impacts of the latest COVID outbreak.
4	<p>Next Meeting</p> <ul style="list-style-type: none"> • Monday 9 November at Waikato Regional Council, 401 Grey Street, Hamilton East



Waikato Regional Economic
Development Agency

tewaka.nz



The opportunity is clear...

- Now, more than ever, the region needs an effective and supported regional EDA
 - **True impact of Covid is yet to manifest** - businesses will be seriously hit and need real support, the long-term impact to our region and the wellbeing of our people will be significant
 - Central Government support will be vital and the region must demand its fair share - to attract that support, the region must have a united economic voice and be clear on our priorities
- The Waikato Region's fundamentals are strong and the opportunity is compelling
 - We are geographically well located and **have many natural assets** – offers a strong foundation and the strongest potential of any region
 - **Brave thinking is required** – we must innovate if we are to emerge strongly in the new economy
- We could achieve so much more if we work together
 - Have many passionate people in the region, but there are **too many silos** and too much overlap
 - The **needs of business must be identified** and prioritised – and then focussed on
 - To achieve material impact and get genuine Government recognition and support, the region **must unite behind a common cause and collaborate**

Te Waka could be the region's point of difference...

Imagine a united regional approach, with strong voice in Wellington and genuine support delivered across the region and a collaborate and focussed manner...

- The initial vision was clear
 - Waikato Means Business was a great tag line and remains as valid today as ever
 - A **joined-up regional approach supported by localised delivery has significant benefit**
- Much has been achieved to date
 - Despite being in establishment mode, we have **met the KPIs set by our council stakeholders**
 - Real support delivered in volume to business across the region, plus **some decent regional wins**
 - We doubled down during Covid and significantly **extended our support** and engagement
- But the world has changed and our focus must now shift
 - We **learnt a lot** over the last six months – and Covid will have a once in a generation impact
 - We must now **focus our attention** on where we can achieve material economic impact
 - And on how we best focus limited resource to **add the most value**

Looking back – some highlights...

- Business Support & Business Attraction
 - Waikato **Business Support Centre** established and staff doubled in response to Covid
 - Delivered **\$1.4m in funding to 1300 businesses**, with ~\$4m more to come
 - Spearheaded **NZIST head office bid** alongside HCC and Waikato Tainui
 - Supported delivery of **\$110m in inwards investment** (PGF & CIP)
 - Attracted further support from TPK for **Maori ED** and from MSD to support **job redeployment**
 - Supported **Waikato Plan** refresh plus **iRSLG** establishment
- Regional Collaboration & Stakeholder Engagement
 - **Regional Communities of Learning** implemented - localised engagement, understanding of needs
 - Launched **Mighty Local** with HWT and started discussions with others re collaboration
 - **Re-engaged** with local stakeholders, and lifted engagement with large business
 - Launched the new **Waikato.Com** website as a one-stop destination
- Market Intelligence & Advocacy
 - **Expert groups** mobilised to gather / interpret intelligence - **Economic Radar** launched
 - **Targeted advocacy** on a range of issues and opportunities

Te Waka – on a page...

- Te Waka is
 - The Economic Development Agency for the broader Waikato Region, serving as a **Champion for and the Collective Voice of the region's** Economic and Business Needs and Opportunities
- We exist to
 - **Lift Economic Performance** across the Waikato Region
 - Support and **Enable Business & Industry Growth**
 - **Attract Business and Investment**
- We will achieve this by:
 - **Gathering Intelligence, Sharing Insights**, Advocate on behalf of the region and it's businesses
 - Building Connections, Creating **Partnerships & Driving Collaboration**
 - Being **well managed and financial sustainable**
- And by living our Values:
 - Collaborative, Inclusive, Outcome Focused, Agile / Nimble, Responsive, Courageous

We exist to support and enable business & industry growth

- Ensure a primary focus on growing business and employment in the region, with a focus on where we can move the dial / achieve meaningful impact

1.1 Sector Development & Leadership: Develop high level sector approach in target sectors then assist where relevant to support
Identify Priority Sectors
Hold Sector Forums
Develop Sector Plans (Two pagers)
Identify areas Te Waka can support and execute
1.2 Priority Business / Project Support: ID strategically important businesses / projects and develop relationship / support plan
Confirm project list, comms and activity plan
Identify strategic businesses and update stakeholder map and engagement plan
Deliver engagement plan to all business leaders
1.3 Regional Business Support Network: Revised program which consolidates mainstream business support (BGP & BSS)
Complete initial Regional Business Support Strategy (consolidation or BSS & BGT, plus regional networks)
Confirm resourcing and implement initial Strategy
Confirm final Business Support Strategy, resourcing and implementation plan
1.4 Maori Economic Development: Develop then implement a focussed Māori Enterprise / Economic Development strategy
Facilitate Waikato Region Social Procurement Strategy
Understand Tainui Waka Iwi economic development priorities for the next 12-months and beyond
Build on the register for Waikato Māori Business
Partner with business and industry sectors to grow and enable Māori business capability
Māori enterprise stories and contribution to regional economies are recognised and told across the region and country.

- Four key initiatives:
 - Priority sector leadership
 - Priority project support
 - Regional business network
 - Maori Economic development

We exist to attract business & investment

- Be the primary voice of, and advocate for the Waikato; gather and share intelligence and insights; tell the Waikato Story and lead the attraction of business, investment and talent into the region

2.1 Business & Investment Attraction: Targetted industry, business and investment attraction program
Develop clear base proposition with regional slant
Develop investment and resource plan
Develop collateral and engage stakeholder ecosystem
2.2 Opportunity & Deal Connection: Act as a central point / go to for transactions and investment
Establish an Opportunity Register (online) to connect people and opportunities
Actively promote the register and support deals as appropriate

- Two key initiatives:
 - Business & investment attraction
 - Opportunity and deal connection

We will achieve this by gathering intelligence, sharing insights, advocacy

- Be the source of information and insights, and become the primary advocate for business in the Region

3.1 Gather / Share Intelligence & Insights: Continue to gather and disseminate intelligence, adding insights to bring value
Establish an Opportunity Register (online) to connect people and opportunities
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3.2 Tell the Story: A clear pitch for "Why the Waikato" - a compelling regional economic story aimed at attracting talent and business
Workshop how story supports investment attraction and develop target audience - aim for businesses to self publish with Te Waka support
Develop a Waikato Story Plan that supports sectors
3.3 Advocate for & Represent Business: Be a strong advocate for business and business needs in the region. Lead from the front
Look to be a direct advocate for the issues that business feel are important (local and central government - others where appropriate)

- Three key initiatives:

- Intelligence & insights
- Tell the story
- Advocacy

We will achieve this by building connections, partnerships & collaborating

- Implement a proactive stakeholder management program to build relationships based on trust and mutual respect which underpin partnerships and collaboration

4.1 Local Government Connector: The respected regional connector to business for local government
Develop and prioritise Stakeholder Map (Mayors, CEs, others where relevant in TAs)
Develop Stakeholder Plan
Implement Stakeholder Plan
4.2 Central Government Connector: The go-to regional agency for regional economic development
Develop and prioritise Stakeholder Map (Ministers, Officials, Agencies)
Develop Stakeholder Plan
Implement Stakeholder Plan
4.3 Business & Industry Connector: Connect business and industry across the region and build networks and connections
Business Advisory Board: Put in place a Business Advisory Board to advise and support the Te Waka agenda
The Voice of Business: developed advocacy plan
Business / sector networks: Build / enable networks and people connectivity in priority sectors
4.4 Participate in regional projects Support key regional initiatives around Labourforce, Skills, Employment & Redeployment
Continue support for Waikato Plan, Labourforce and iRSLG initiatives
Enable employment and redeployment via regional job / skills matching site
4.4 Regional Partnerships & Collaboration: Develop a plan re partnership and collaboration with other agencies / partners
Develop regional Stakeholder Map and prioritise
Develop Stakeholder Management Plan - key relationships etc... Annual Engagement Plan

- Five key initiatives:
 - Local government
 - Central government
 - Business & industry
 - Regional contribution
 - Regional partnerships

We will achieve this by being well managed and financial sustainable

- Start with a clear purpose, vision and strategy - then have governance and management structures, skills and processes in place to deliver meaningful results

5.1 Purpose, Vision & Strategy: Clearly define and document the purpose, vision and strategy for the organisation
Develop Te Waka on page Plan
Develop engagement and comms on Te Waka Plan
Deliver engagement and comms plan
Review and refresh Te Waka Plan
5.2 Governance & Management: Review and ensure Governance, Management & Team structures and capability fit for purpose
Governance review
Resource allocation and skills assessment
Complete staff resourcing
5.3 Systems, Processes & Risk Management: Ensure appropriate systems in place and reviewed regularly
Review Policies, Systems and Processes on regular basis
Prepare / review Risk Register and ensure appropriate mitigants in place
5.4 Funding & Financial Management: Ensure financial management is prudent and long term funding certainty is put in place
Resource allocation and budget (Expenses review)
Regular reporting to F&A Committee
Financial policies reviewed

Four key initiatives:

- Clear purpose & strategy
- Governance & management
- Systems, processes, risk mgmt
- Funding & financial mgmt

Our immediate priorities...

- We must broaden our stakeholder base
 - **Councils remain vital**, but **business buyin is crucial**
 - **Sub regional reach and impact** is vital – collaborative approach required
 - Our relationships and **reach in Wellington must be enhanced**
- We must focus our attention on creating impact
 - **Focussed plan is essential** – with longer term context
 - **Alignment** within team and across stakeholders vital – **collaborative approach** to delivery
 - Must move **from busy to effective**
- We must ensure resources in place to deliver and financial sustainability
 - Board, management and **team need to be fit for purpose** – changes being made
 - Te Waka **budget under-cooked**, well below other regions, insufficient to maximise potential

Regional EDA funding comparison

- Waikato EDA funding compares poorly to that of other regions

Rank	EDA Region	ED Budget	RTO Budget	TOTAL BUDG	Ownership
1	ATEED (Auckland)	\$55,000,000	\$7,000,000	\$62,000,000	CCO - Auckland City
2	Wellington NZ	\$18,000,000	\$5,800,000	\$23,800,000	\$40m total including venues CCO WellingtonCity, Wellington Regional
3	Christchurch NZ	\$13,900,000	\$3,100,000	\$17,000,000	CCO - Christchurch City
4	Enterprise Dunedin	\$4,801,000	\$899,000	\$5,700,000	Unit of Council
5	Development West Coast	\$4,540,000	\$860,000	\$5,400,000	Trust - no council funding
6	Destination Rotorua	\$4,400,000	\$3,000,000	\$7,400,000	CCO - Rotorua CityCouncil
7	Venture Taranaki	\$3,200,000	\$2,400,000	\$5,600,000	CCO - New Plymouth City
8	Great South (Southland)	\$3,000,000	\$1,600,000	\$4,600,000	Venture Southland - now Great South CCO
9	Northland Inc	\$2,740,000	\$560,000	\$3,300,000	CCO- Regional Council
10	Trust Tairāwhiti	\$2,600,000		\$2,600,000	EDA operational expenditure - Trust Energy/Community
11	Whanganui & Partners	\$2,400,000	\$600,000	\$3,000,000	CCO - Whanganui DC
12	Hawkes Bay	\$2,200,000		\$2,200,000	Regional Council unit
13	Te Waka	\$2,000,000		\$2,000,000	\$670,000 across 9 local govt 1 regional \$750,00 RBP programme (NZTE)
14	Central Economic Development Agency (Manawatu)	\$2,000,000	\$600,000	\$2,600,000	CCO -Palmerston North, Manawatu
15	Nelson Regional Development Agency (Nelson/Tasman)	\$2,000,000	\$800,000	\$2,800,000	CCO Nelson City, Tasman District
16	Enterprise North Canterbury	\$1,900,000			CCO - Hurunui, Waimakariri

Our funding dilemma...

- Our funding model is not fit for purpose
 - **Reliance on councils** for 1/3 funding within context of current LTP budget to June 2021 is problematic
 - Growing **engagement with business and central government**, but some way to go to achieve funding certainty
 - **Lack of funding certainty** makes it impossible to undertake senior recruitment...
- Insufficient resources to deliver on current FY21 strategic plan
 - Current core **team insufficient to deliver on FY21 objectives** – even after re-prioritisation of resources
 - In particular the **targeted sector, inward investment and regional business support network** programs
 - Need to close **cash shortfall of \$500k** (\$950k annualised) as we transition with people and into the new plan
- Our FY22-24 work program will require a step-change in funding from all partners
 - Initial estimates suggest **need to double current budget** from c.2m to c.4m at least to deliver on our purpose
 - Intention is to move from 1/3 councils, 1/3 business, 1/3 government **towards 50% business** over next 3 years
- Ongoing commitment from councils vital as we enter the new LTP process
 - **Your confidence underwrites our efforts** to bring business and central government to the funding table
 - We need to **understand how we can best support you** to get your support in return



Te Waka

Anga Whakamua Waikato



Report to Mayoral Forum

To: Waikato Mayoral Forum

From: Tanya Winter and Blair Bowcott on behalf of CEO Forum

Subject: Three Waters Reform

Date: 17 August 2020 File: D-3407173

1. Purpose of this Memo

2. To discuss the three waters reform programme and agree the allocation of the regional portion of the investment package (economic stimulus) funds.

3. Recommendation from the CEO Forum

- a) That the regional investment package (economic stimulus) allocated to the Waikato region totalling \$33.3m be allocated to territorial authorities on same basis as the individual territorial authority share, with the result being the economic stimulus package for each territorial authority being doubled;
- b) The Chair of the Mayoral Forum be requested to advise the Minister of Local Government and DIA of this investment package allocation decision for the Waikato Region.

4. Background to Three Waters Reform

5. On 8 July 2020, the Prime Minister and the Minister of Local Government announced a three-year programme for reforming three waters service delivery arrangements, to be delivered in parallel with an economic stimulus package of Crown investment.
6. Specifically, the Government committed to investing up to \$702 million in an investment package to support local government to supplement planned investment and enhance asset quality. This package is intended to kick-start much needed work to bring our drinking, waste and storm water infrastructure up to scratch. This investment package represents the government's response to Three Waters-related shovel ready applications.
7. The design of the investment package recognises that COVID-19 has put additional pressure on local government, and that the financial pressures councils are under may result in reductions to planned maintenance and renewal of infrastructure precisely when the economy needs a boost to protect and create local jobs.
8. The package recognises that local authorities are best placed to direct this investment to where it is most needed, provided it is used to maintain, increase and/or accelerate investment in core water infrastructure renewals and maintenance. The Government is also looking to use this opportunity to accelerate progress on reform of water services delivery.
9. The joint central-local government Three Waters Steering Committee has worked together on the design of the process for accessing funding and endorses the Memorandum of Understanding, Funding Agreement and Delivery Plan. It has also agreed a proposed approach to the regional allocation component of the funding discussed below.

10. Information on the water reform package is available at: <https://www.dia.govt.nz/Three-Waters-Reform-Programme>

11. Allocation of the investment package (economic stimulus)

12. The investment package has been designed to:

- Support investment across the economy, helping to stimulate economic activity and jobs in all regions of New Zealand; and
- Support the objectives of the three waters services reform by encouraging as many councils as possible to participate in the reform programme.

13. Consistent with these objectives, the Government has determined a notional allocation framework based on a nationally-consistent formula, with some adjustments to take account of exceptional circumstances.

14. The general approach to determining each authority's notional allocation is based on a formula that gives weight to two main factors:

- The population in the relevant council area, as a proxy for the number of water connections serviced by a territorial authority (75 per cent weighting); and
- The land area covered by a local authority excluding national parks, as a proxy for the higher costs per connection of providing water services in areas with low population density (25 per cent weighting).

15. Territorial authorities that agree to participate in the Three Waters Services Reform programme, and that sign a Memorandum of Understanding and Funding Agreement with the Crown, will be eligible to access the investment package.

16. The investment package is structured into two components:

- 1) A direct allocation to each territorial authority, comprising 50% of that territorial authority's notional allocation; and
- 2) A regional allocation, comprising the sum of the remaining 50% of the notional allocations for each territorial authority in the relevant region.

17. The table (Attachment 1) summarises the notional territorial authority and regional allocations under the proposed investment package.

18. Allocation of the regional funding

19. The purpose of the Government's regional allocations is to encourage territorial authorities within a region to collaborate with their neighbours in identifying regional investment priorities, and to establish collective participation by councils in the reform programme.

20. Each regional group of councils will have until 30 September 2020 to agree on how best to apportion the regional funds to the individual territorial authorities that make up the region.

21. Access to this regional allocation is dependent on at least two-thirds of councils within the region agreeing to participate in the programme.

22. Reflecting the varying number of councils in each region, the Minister of Local Government will have discretion to approve exceptions to the requirement that two-thirds of councils must agree to participate in the reform programme to access the regional funding allocation.

23. Steering Committee's preferred approach for regional allocation

24. The joint central-local government Three Waters Steering Committee has discussed how it can support the purpose of the regional allocation and ensure territorial authorities are able to make the most of the opportunities presented by the reform programme. In their view, there is a risk that discussions on how best to apportion the regional allocation of funding could distract from the core purpose of the investment package (economic stimulus) and the long-term objectives of the reform programme.
25. To mitigate this risk, the Steering Committee recommends a preferred approach for allocating the regional funding is to adopt the national formula that has been used to determine the direct allocation to territorial authorities (i.e. the 75% population and 25% land area (excluding national parks) formula). **This approach, if adopted, would result in a total allocation for each territorial authority that is double the direct allocation to each territorial authority.**
26. The steering committee has written to Mayor Allan Sanson as Chair of the Waikato Mayoral Forum outlining this suggested approach (Attachment 2).
27. It is the view of the Steering Committee that this formula represents a transparent and equitable basis for allocating funding. Adopting this formula will help to ensure that discussions between councils are focused on the long-term objectives of reform rather than on the allocation of the stimulus funding.
28. The CEO Forum has also discussed this preferred approach for allocation of the regional funding and endorses the recommendation of the steering committee to the Mayoral Forum.
29. The Steering Committee strongly encourages territorial authorities to progress conversations within their regions about the reform programme. Through these regional conversations, the option remains open for territorial authorities to agree an alternative approach to the regional funding allocation, taking account of regional investment priorities.
30. The Steering Committee also encourages territorial authorities to continue to engage with their iwi partners on matters related to the stimulus funding and reform initiative, including the territorial authority and regional allocations.
31. Once agreed, the allocation of regional funding amongst territorial authorities who agree to participate in the programme should be communicated by way of letter to the Minister of Local Government via the ThreeWaters@dia.govt.nz email address.

Attachments

1. Notional Funding Allocations by Territorial Authority and Regional Allocation
2. Letter to Mayoral Forum Chairs

Tanya Winter and Blair Bowcott

Notional Funding Allocations

Region	Territorial Authority	Notional allocations		Total (\$m)
		TA allocation (\$m)	Regional allocation (\$m)	
Northland	Far North District Council	5.90	14.13	28.26
	Whangarei District Council	5.89		
	Kaipara District Council	2.35		
Waikato	Thames-Coromandel District Council	2.40	33.30	66.61
	Hauraki District Council	1.53		
	Waikato District Council	5.67		
	Matamata-Piako District Council	2.47		
	Hamilton City Council	8.73		
	Waipā District Council	3.41		
	Ōtorohanga District Council	1.25		
	South Waikato District Council	1.94		
	Waitomo District Council	1.75		
	Taupō District Council	4.16		
Bay of Plenty	Western Bay of Plenty Council	3.46	21.12	42.23
	Tauranga City Council	7.46		
	Rotorua District Council	4.71		
	Whakatāne District Council	3.49		
	Kawerau District Council	0.39		
	Ōpōtiki District Council	1.60		
Gisborne	Gisborne District Council	5.52	5.52	11.04
Hawke's Bay	Wairoa District Council	11.04	50.00	
	Hastings District Council	15.36		
	Napier City Council	12.51		
	Central Hawke's Bay District Council	11.09		
Taranaki	New Plymouth district	5.05	8.95	17.89
	Stratford district	1.19		
	South Taranaki district	2.70		
Manawatū-Whanganui	Ruapehu district	2.80	20.27	40.54
	Whanganui district	3.16		
	Rangitikei district	2.41		
	Manawatu district	2.54		
	Palmerston North city	4.67		
	Tararua district	2.51		
	Horowhenua district	2.17		

Notional Funding Allocations

Region	Territorial Authority	Notional allocations		Total (\$m)
		TA allocation (\$m)	Regional allocation (\$m)	
Wellington	Kapiti Coast district	3.13	29.90 (including Greater Wellington Regional Council)	59.80
	Porirua city	3.09		
	Upper Hutt city	2.55		
	Lower Hutt city	5.70		
	Wellington city	10.89		
	Masterton district	2.20		
	Carterton district	0.92		
	South Wairarapa district	1.42		
Tasman-Nelson-Marlborough	Tasman district	4.89	14.01	28.02
	Nelson city	2.86		
	Marlborough district	6.26		
West Coast	Buller district	2.27	7.62	15.25
	Grey district	1.92		
	Westland district	3.43		
Canterbury	Kaikoura district	0.94	50.00	100.00
	Hurunui district	3.75		
	Waimakariri district	4.01		
	Christchurch city	20.26		
	Selwyn district	5.33		
	Ashburton district	3.99		
	Timaru district	3.43		
	Mackenzie district	2.56		
	Waimate district	1.68		
	Waitaki district	3.73		
	Chatham Islands territory	0.32		
Otago	Central Otago district	4.73	20.60	41.20
	Queenstown-Lakes district	4.74		
	Dunedin city	7.92		
	Clutha district	3.20		
Southland	Southland district	7.03	11.15	22.31
	Gore district	1.10		
	Invercargill city	3.02		

5 August 2020

Allan Sanson
Chair
Waikato Mayoral Forum

Tēnā koe Allan

I am writing to you on behalf of the joint central and local government Three Waters Steering Committee to provide further guidance on the process for applying for the regional funding allocation announced by the Minister of Local Government to support local government to maintain planned investment and asset quality.

The Government's \$702 million investment package will be available in two parts: a direct allocation to individual territorial authorities; and a collective allocation to regional groupings. Access to the regional funding allocation is dependent on at least two-thirds of councils within the region agreeing to participate in the programme. This reflects the Government's desire to encourage collaboration within regions in identifying investment priorities, and to establish collective participation in the reform programme.

The purpose of the Government's regional allocations is to encourage territorial authorities within a region to collaborate with their neighbours in identifying regional investment priorities, and to establish collective participation by councils in the reform programme

Each regional grouping of councils will have until 30 September 2020 to agree on how best to apportion the regional funds to the individual territorial authorities that make up the region. Once decided, this can be communicated by way of letter to the Minister of Local Government. This letter should also note how local authorities intend to collaborate with each other to progress the reform objectives.


To inform the drafting of this letter, we recommend that you convene a meeting of the Mayors and Chief Executives of territorial authorities in your region to discuss how you will ensure collective participation in the reform programme, and to agree on an appropriate allocation of the regional funding.

There are several factors you may wish to consider when it comes to the allocation of funding. The Steering Committee recommends a preferred approach for allocating the regional funding, being the application of the national formula used to determine the direct allocation to territorial authorities (i.e., the 75% population and 25% land area (excluding national parks) formula). This approach, if adopted, would result in a total allocation for each local authority that is double its direct allocation.

The Steering Committee considers this represents a transparent and equitable basis for allocating the regional funding and enables regional conversations to focus on the long-term objectives of the reform, rather than the allocation of the stimulus funding.

Further information on the funding allocation and process for accessing this is available on the Three Waters Reform webpage at <https://www.dia.govt.nz/Three-Waters-Reform-Programme>. You may also send any questions you have on the process to the Steering Committee at 3WatersSteeringGroup@dia.govt.nz.

Ngā mihi

A handwritten signature in black ink on a light-colored background. The signature appears to read 'Brian Hanna'.

Brian Hanna

Chair

Three Waters Steering Committee



Te Tari Taiwhenua
Internal Affairs

