



**Te Tari Taiwhenua**  
**Internal Affairs**

A landscape photograph of a river flowing through a forested area, with mountains in the background. The image is overlaid with a dark blue gradient and a decorative pattern of white and dark blue squares in the upper right corner.

**Briefing to the Incoming  
Associate Minister of Local Government  
Hon Kieran McAnulty**

## Contents | Rārangi Kōrero

Introduction .....	2
Part One: Strategic opportunities and challenges .....	3
Part Two: Roles and responsibilities .....	17
Part Three: Introductory briefings .....	21
Appendix A: Central government work programmes impacting on local government ..	23
Appendix B: Legislation we administer .....	24
Appendix C: Appropriations .....	28
Appendix D: Key contacts in the Department of Internal Affairs .....	33
Appendix E: Key stakeholders .....	34

# Introduction | Kōrero Whakataki

Welcome to the local government portfolio.

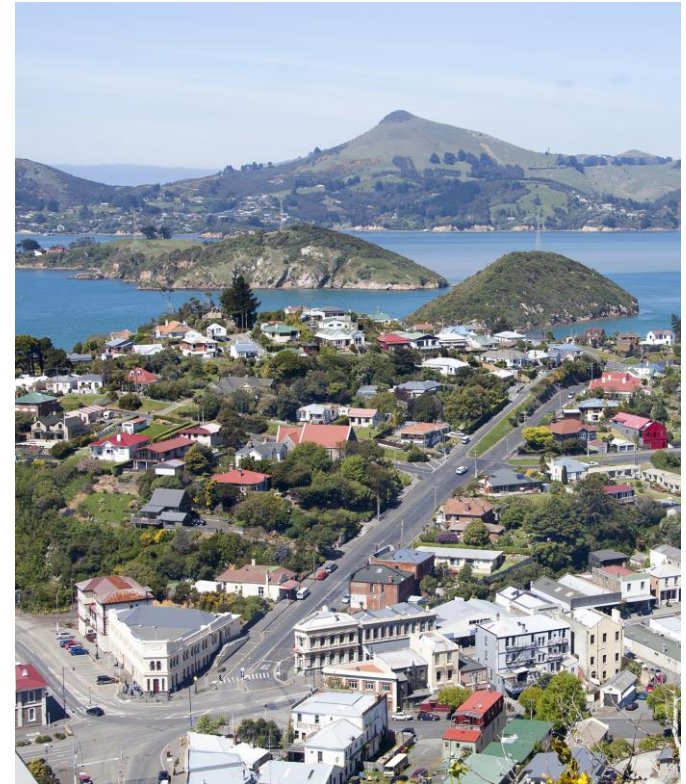
The Minister of Local Government is responsible for the local government system. The Minister will discuss with you what your delegated areas of responsibility will be. We will then work with you to understand how you would like to progress your delegated areas of responsibility, and how you wish to engage with the local government sector.

The breadth of issues covered by this portfolio reflects the wide reach and influence that local government has on the everyday lives of New Zealanders, from planning and development, providing infrastructure and community facilities, to climate change, water services and many areas in between.

It is a challenging time for local government, with the sector facing the most significant period of change in thirty years. This includes large scale reforms for the three waters system and resource management, responding to climate change, and challenges with the existing governance settings in local government. The Department of Internal Affairs (the Department) has an important role in supporting the local government sector to navigate those challenges and capitalise on opportunities.

The Department is the central government lead on the local government system. We partner with local government to achieve the Government's policy objectives for the sector and we collaborate with other central government agencies to ensure the impact of their work on local government is considered.

We look forward to working with you to support the delivery of your objectives for local government.



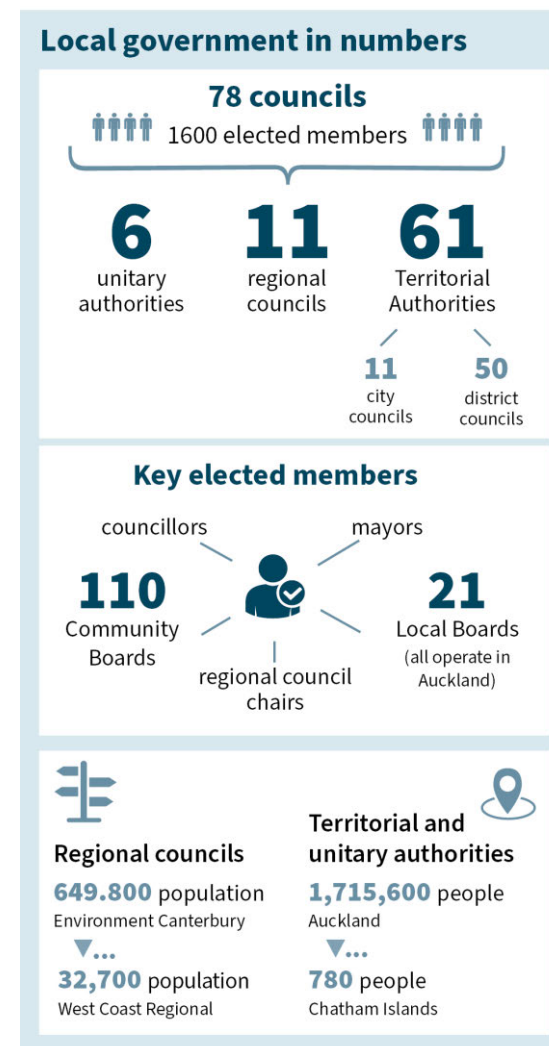
# Part One: Strategic opportunities and challenges | Wāhanga Tuatahi: Ngā whai wāhitanga rautaki me ngā whakapātaritari

## Local government is a busy and dynamic portfolio

1. Local authorities know their communities and are best placed to lead, represent and respond to the needs and interests of those communities. Councils are complex organisations with responsibilities involving roading, housing, facilities and amenities, attractions, infrastructure, planning, emergency management, and local democracy services.
2. The Department has an important role in ensuring the needs of local authorities are reflected in central government policy, and in providing consistent advice and support for the sector as they respond to the many issues they face. This includes working alongside two key sector lead agencies – Local Government New Zealand (LGNZ) and Taituarā – Local Government Professionals Aotearoa.

## Local government is facing a significant period of change, uncertainty, challenge and opportunity

3. Attached as **Appendix A** is an overview of the wide-ranging Government reforms that have implications for the local government sector. The Government has an ambitious reform agenda underway, with many of the changes affecting local government either directly or indirectly.



4. The scale of change that the sector is facing should not be underestimated and it is important to recognise that local government will be under strain to deliver on the proposed reforms to the three waters and resource management systems, as well as responding to issues such as natural disasters and climate change. The Minister of Local Government is in the process of establishing a Local Government Reforms Ministerial Group to enable a more coordinated and strategic approach to the reforms which affect local government. Identifying linkages and managing complexities across projects is integral to the overall success of the local government portfolio.
5. Local authorities are also in a recovery phase due to the significant disruption of the COVID-19 pandemic which continues to pose challenges for workforce management, particularly in specialist skill areas.
6. This year is election year for local government, with nominations opening in mid-July and the close of polling on 8 October 2022. This will result in many changes in councils' elected membership, and we need to allow time for new members to come up to speed with their roles and responsibilities so they can meaningfully engage with reform proposals.
7. Due to the cumulative impact of the Government's reform agenda, the Minister of Local Government initiated the independent Future of Local Government review in April 2021. Its purpose is to identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of our communities and environment, and actively embody the Treaty partnership.

## Three waters reform is the most significant project in the portfolio

8. The Minister of Local Government has been leading three waters reforms since late 2017, working closely with a wider group of 'Three Waters Ministers' with related portfolio interests.
9. During 2021 and early 2022, Cabinet made a series of decisions to reform how three waters services are delivered to most New Zealanders. These policy decisions are now being given effect through two connected pieces of legislation, which will eventually combine into a single Act:
  - a) The Water Services Entities Bill is currently before the Finance and Expenditure Committee. This Bill creates four publicly-owned water services entities to provide safe, reliable, and efficient three waters services in place of local authorities. It sets out the ownership, governance, and accountability arrangements relating to these entities, and provides for certain transitional arrangements.
  - b) The Water Services Entities Amendment Bill 9(2)(f)(iv) [REDACTED]. This Bill will equip the water services entities with the detailed powers and functions they need to operate.
10. 9(2)(f)(iv) [REDACTED]
11. In parallel, the Department is undertaking an extensive transition work programme to ensure the water services entities are established and able to operate by the 'go live' date of 1 July 2024. This work is led by the National Transition Unit and overseen by a board.
12. A constructive partnership-based approach has been taken to the reforms to date, including through a Joint Central/Local Government Three Waters Steering Committee, and through extensive engagement with the local government sector and iwi/Māori.



13. This approach will continue to feature strongly in the transition work programme, which will involve considerable expertise and information from local government. The National Transition Unit will also partner with iwi/Māori through both the transition and the organisational design of the water services entities.
14. A wide range of views have been expressed about the three waters reforms in various forums, including the media.
15. In recognition of the impact of the three waters reforms on territorial authorities, a comprehensive financial support package is being provided. The 'better off' package is an investment by the Crown into the future for local government and community wellbeing. It is also an acknowledgement of the significance for the local government sector of transferring responsibility for water service delivery.
16. The regulatory components of the three waters reforms are already being implemented. These comprise:
  - a) establishing Taumata Arowai, a Crown agent that became the new water services regulator last year, and
  - b) enacting the Water Services Act 2021.
17. The Water Services Act provides the new drinking water regulatory framework that is administered and enforced by Taumata Arowai, as well as its oversight functions relating to wastewater and stormwater networks. Under the Act, all drinking water suppliers (other than domestic self-suppliers) have a duty to supply safe drinking water and meet regulatory requirements. Small, unregistered suppliers (such as rural supplies) will have several years before they have to meet all the compliance requirements.
18. The Minister of Local Government is responsible for Taumata Arowai, including for appointing members to its board and Māori Advisory Group. The Department is the monitor for the purposes of the Crown Entities Act 2004, and administers associated legislation and appropriations.

### *Rural drinking water issues*

*The rural water sector faces unique issues and has various concerns about the three waters reforms. This is particularly the case for drinking water. It often comes from the same supply as water for farming purposes, and some users are involved in governance and management of water schemes.*

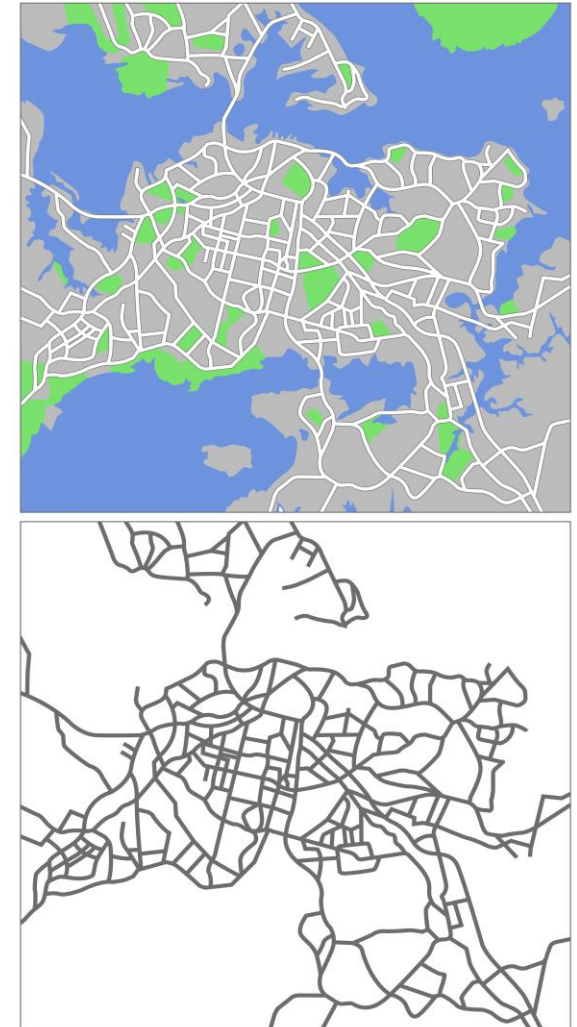
*In early 2022, a Rural Supplies Technical Working Group was established to help understand these concerns and make recommendations for addressing them.*

*The Working Group focused particularly on how council-owned mixed-use rural supplies are affected by the service delivery reforms. They also considered the impact of recent regulatory changes on all rural supplies.*

*The Working Group reported to the Department on 31 May 2022. A key recommendation is that council-owned mixed-use rural schemes should transfer to water services entities, but with the ability for continued user input into management/operations, and an opportunity for users to seek to take ownership of the schemes.*

## We are working alongside other central government agencies to support the resource management reforms

19. The resource management reform programme will replace the Resource Management Act 1991, with new legislation proposed to be introduced in September/October 2022 and passed during the current parliamentary term. This will be two new Acts: a Spatial Planning Act and a Natural and Built Environments Act. A Climate Adaptation Act will follow at a later date.
20. The reforms are led by the Ministry for the Environment. The Department is providing ongoing support and advice on the impacts of proposals on the local government system, and we are focused on ensuring successful implementation of the new resource management system.
21. The new resource management system has five key objectives:
  - a) protecting the natural environment,
  - b) better enabling development within environmental limits,
  - c) supporting climate change adaptation and addressing natural hazard risks,
  - d) improving efficiency, and
  - e) providing an enhanced role for Māori within the system.
22. Under the new resource management system local government will continue to play the key role of primary decision-maker for plan-making and consent applications.
23. The reform programme involves many changes for local government regarding governance, planning, and budgets, as well as being linked to Three Waters reform, managed retreat, and community resilience. The programme also has implications for the Future for Local Government review. The Department will provide support to the sector because the proposed reforms, and the reform process, are substantial.



## The Future for Local Government review is looking at the longer-term role of local government

24. A local government sector that is well prepared for challenges and change moving into the future would be a marker of success for the Department as stewards of the local government system.
25. The Future for Local Government Review was established to identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of our communities and environment, and actively embody the Treaty partnership.
26. The Review Panel members are Jim Palmer (Chair), Penny Hulse, Antoine Coffin, Gael Surgenor and Brendan Boyle.
27. The Panel presented its interim report to the Minister of Local Government on 30 September 2021. The interim report outlined the priority questions identified by the Review Panel. Since then, the Panel has identified five “key shifts” to local governance in the future that it believes will be required if the local government system is to meet the needs of Aotearoa New Zealand:
  - a) Strengthened Local Democracy,
  - b) Stronger Focus on Wellbeing,
  - c) Authentic Relationship with Hapū/Iwi/Māori,
  - d) Genuine Partnership between Central Government and Local Government, and
  - e) More Equitable Funding.
28. The Review is working to the following timeframes:
  - a) October 2022: draft report to Minister and commence public consultation, and
  - b) April 2023: final report presented to the Minister of Local Government and Local Government New Zealand.

## Three waters, resource management, and the Future for Local Government review are big issues for local government, but this is far from all that is happening

29. Climate change, natural hazards, governance issues, and funding are among the other significant issues that councils are facing. There are resourcing pressures and competing priorities arising from the scale of work underway in the local government portfolio.

## Improving community resilience to natural hazards and the effects of climate change is a key issue for the portfolio

30. Local government has consistently identified natural hazards and the effects of climate change as a critical area requiring collaboration and support from central government.
31. Statutory responsibility for managing risks from natural hazards, and the effects of climate change, primarily falls on local government under the Local Government Act 2002 and the Resource Management Act 1991. Local government has a key role to play in building community resilience to natural hazards and climate change effects. The levers it has include land use and environmental planning, adaptive measures such as flood protection, and its role as a significant asset and infrastructure owner.
32. The Department plays a leadership role in working with local government to improve community resilience by reducing risks from natural hazards and climate change.

### *A new funding model for flood risk management is required*

*Local government has been responsible for funding flood protection infrastructure since the 1980s. However, flooding events are hitting communities harder and more often due to climate change. Some councils and their communities are struggling to adapt flood protection schemes in response.*

*Westport is highly vulnerable to flooding and has been impacted by three severe flood events in the last year. Buller District Council's low rating base creates challenges in funding adequate flood protection. DIA and NEMA are partnering with local councils and iwi to explore new funding and financing models for co-investing in flood risk reduction for Westport. DIA is also conducting research on how many other vulnerable communities are struggling to fund flood protection.*

33. Since 2018, the Department has led a cross-government community resilience work programme, overseen by the Community Resilience Ministers' Group that is convened by the Minister of Local Government. The initial focus of the programme was on improving community resilience to flood risk – New Zealand's most frequent natural hazard. Since 2021 the primary focus of the work programme has been on:
  - a) reforming the Land Information Memoranda (LIM) system to better communicate natural hazard information, and
  - b) work to support the Buller flood recovery.
34. In November 2021, Cabinet agreed to a package of changes to improve natural hazard information included in LIMs to support property buyers' understanding of natural hazards and provide greater certainty to councils when preparing LIMs. Officials are currently working with the Parliamentary Counsel Office on legislative amendments to be introduced into the House before the end of 2022.
35. The Department and National Emergency Management Agency officials have been working with Buller District Council and West Coast Regional Council to support the recovery from severe flood events in Westport in July 2021 and February 2022. Currently, officials are working with the Buller Flood Recovery Steering Group to develop an integrated package of options to increase the resilience of the Buller district to future flood events including a business case for government co-investment in flood protection. We expect the business case will be submitted to the Minister of Local Government around the end of June 2022.



Westport Township and Buller River

36. The Government is undertaking significant reforms that will increase the resilience of communities to the impacts of natural hazard events and climate change. These include resource management system reform, three waters reform, the emergency management reforms, as well as the development of the first National Adaptation Plan. The Department is working with the Ministry for the Environment to ensure the Natural and Built Environment Act, Spatial Planning Act and Climate Adaptation Act enable local government to take action to reduce natural hazard risk and build community resilience. The Department is also providing ongoing advice on the National Adaptation Plan and Emissions Reduction Plan from a local government perspective.
37. Local government also has a strong interest in the new Emergency Management Bill which is being led by the National Emergency Management Agency. Local authorities play a key role in emergency management planning, and the frontline response and recovery. The Bill will introduce changes that clarify emergency management roles and responsibilities at the national, regional, and local levels, including how iwi and Māori participation is recognised.

There are a number of governance issues that will need to be considered together with the recommendations from the Future for Local Government Review

38. The governance system across local government is under increasing pressure.
39. The legislation relevant to the governance system of local government is becoming increasingly inadequate in supporting robust and transparent community representation and decision-making. The roles and responsibilities of councils have and will continue to change. As such, governance requirements need to be updated too. This includes the Local Authorities (Members' Interests) Act 1968, obligations related to meetings and long-term planning requirements under the Local Government Act 2002, as well as the Local Government Official Information and Meetings Act 1987 requirements.

40. The system of funding and financing for local government, a key component of the local government governance arrangements, is under pressure. New legislation such as the Infrastructure Funding and Financing Act 2020 and the Urban Development Act 2020 create more work and opportunities for local government. Many local authorities are struggling with the historical legacy of significant underinvestment in infrastructure. The three waters reforms are also likely to have an impact on funding and financing for councils.
41. Local democracy is affected by the fact that the legislation that governs local elections is no longer fit-for-purpose in a number of areas. In the nearly 20 years since the Local Electoral Act was enacted, the landscape in which elections occur has changed significantly, as have public expectations about how, when and where people can vote. The reduction in postal services and growth in online advertising and campaigning are two examples of how significantly the landscape has changed, but there are many others. The devolved responsibilities for delivering local elections mean that the level of service offered to electors differs significantly across the country.
42. The Local Government Commission is an independent statutory body empowered by the Local Government Act 2002. The Commission's main task is to make decisions on the structure of local government. Amendments in 2019 to the Local Government Act 2002 put in place interim measures for stage one of reforms to constrain the role of the Commission in amalgamations and large-scale reorganisations, and to create space to reshape its role. Its current focus is on hearing appeals on local authority representation reviews.
43. Any further reform of the Local Government Commission structure, and the other governance issues mentioned here, will need to be considered after the Future for Local Government review is complete.

In the meantime, some targeted changes to electoral process are progressing

- 44. The Local Electoral (Advertising) Amendment Bill proposes to remove the requirement to list a physical address on campaign advertising for the upcoming local government elections and onwards. The Bill is currently before the Justice Committee and due to be enacted by the end of June 2022.
- 45. Two local Bills are currently before Parliament. The Canterbury Regional Council (Ngāi Tahu Representation) Bill is awaiting second reading. The Rotorua District Council (Representation Arrangements) Bill is before the Māori Affairs Committee. Department officials, together with officials from the Rotorua Lakes District Council, are supporting the Committee.
- 46. The Department is also developing a Bill to complete the legislative changes to the process for establishing Māori wards. This is the second stage in the work which began in early 2021 with legislation removing the poll mechanism for Māori wards.

## Working with tangata whenua

- 47. The three-way relationship between local government, Māori and the Crown is a powerful one. New governance arrangements between iwi and local authorities have been established through the Treaty of Waitangi settlement process. Beyond formal Treaty settlement arrangements, partnerships with iwi and other Māori groups are an increasingly important component of regional development, decision-making and environmental management.

48. Councils have obligations under the Local Government Act 2002 and the Resource Management Act 1991 to work with Māori communities, to recognise Māori connection to te taiao/natural resources/taonga and to help the Crown comply with its Treaty obligations. Central government has an important role in supporting local government to understand and implement settlement agreements and to encourage successful collaboration between iwi, hapū, or other collectives/subgroups and local authorities for the benefit of communities.
49. The Minister of Local Government and the Department have responsibilities to Waikato River iwi under the Local Government Accord, part of the Waikato River Treaty settlement. This includes an annual Ministerial forum led by the Prime Minister. The Department also works with Te Arawhiti and other departments on Treaty settlement redress negotiations involving local government.
50. We are also providing support, as needed, to the Crown's participation in Waitangi Tribunal kaupapa inquiries into Housing Policy and Services (regarding local government and Māori housing and Māori homelessness) and Mana Wāhine.

## We are supporting the enhancement of relationships between iwi and local government through place-based initiatives

51. Supporting and enhancing the participation of Māori communities in local government issues is vital to the success of all work within the local government portfolio.
52. The Department has developed Aotearoa Reorua/Bilingual Towns and Cities, a programme that supports mana whenua ropū and councils to partner to co-develop a bilingual rautaki (strategy). Key components of the programme include access to a website with tools, examples and case studies, funding the ropū \$0.225 million over two years to participate meaningfully, and guidance from experienced practitioners and other centres. Centres enrolled include Rotorua, Te Wairoa, Napier, Ōtaki, Whakatane, Tokoroa and Porirua. The next groups of centres will be determined in mid-July 2022.

53. We have also developed a co-governance data portal, Tātai Aronga, that captures datasets over taonga/natural resources governed by co-governance entities enabled through Treaty settlement legislation. The intent is to democratise and improve equitable access to publicly available data for co-governance partners (iwi and councils) to improve decision-making over natural resources. This tool also has the potential to improve iwi capability in using data, and support iwi working together to have a strategic long-term impact in improving environmental outcomes.
54. Alongside these place-based initiatives, we have worked directly with several councils and mana whenua to move into a more strategic relationship, undertaken a comprehensive literature review of the relationship between local government and Māori over the last 25 years. We have used this, along with lessons learned and experience, to identify the five key barriers faced in this relationship. We have provided this framework to the Future for Local Government Panel and consider their recommendations have potential to address these long-standing barriers.

## Current local government bills

55. The table below outlines all local government portfolio and local Bills that are currently before Parliament or near to introduction.

Bill/regulation name	Status
Canterbury Regional Council (Ngāi Tahu Representation) Bill (local Bill)	Awaiting Committee of the whole House stage
Water Services Entities Bill	Currently before the Finance and Expenditure Committee, report back due by 11 November
Local Electoral (Advertising) Amendment Bill	Currently before the Justice Committee, report back due by 22 June
Rotorua District Council (Representation Arrangements) Bill (local Bill)	Currently before the Māori Affairs Committee, report back due by 6 October
Local Government Electoral Legislation Bill	Due to be considered by the Cabinet Legislation Committee on 30 June
Local Government Official Information and Meetings Amendment Act	Draft bill currently being prepared
Water Services Entities Amendment Bill	Draft bill currently being prepared

## Part Two: Roles and responsibilities | Wāhanga Tuarua: Ngā mahi me ngā kawenga

### The role of the Minister of Local Government

56. The Minister of Local Government is responsible for the system of local government overall. This includes ensuring the system performs well and is “fit-for-purpose” to meet long-term challenges. Within your delegations you will have a leadership role within central government across portfolios that impact and rely on local government.
57. You and the Minister of Local Government will lead the Government’s relationship with local government, including attending regular engagements with the sector at events such as the annual Central Government and Local Government Forum.
58. Under Part 10 of the Local Government Act 2002 the Minister of Local Government is able to intervene with local authorities where they have reasonable grounds to believe there is a significant problem that the local authority is failing to adequately address.

### Other roles

59. The Minister of Local Government has a range of statutory responsibilities relating to:
  - administering Crown harbours and facilities and being the harbour authority for Lake Taupō/Taupō Moana;
  - administering the Rates Rebate Scheme;
  - being a shareholder, with the Minister of Finance, in the Local Government Funding Agency;

- appointing development contributions commissioners; and
- appointing members of the Local Government Commission.

## Lake Taupō/Taupō Moana

60. Under the Maritime Transport Act 1994, the Minister of Local Government is the harbour authority for Lake Taupō.
61. The Minister is empowered to appoint a Harbourmaster, with the powers of a regional council to regulate and control activities on the Lake. There is currently a Harbourmaster in place.

## Administering the Rates Rebate Scheme

62. The Department administers the Rates Rebates Scheme (the Scheme) that assists some low-income homeowners to pay their rates.
63. Adjustments to the Scheme's two key settings (the maximum rebate available and the income abatement threshold) are made annually to account for the increase of the Consumer Price Index. The adjustments are made by Order in Council and the 2022 adjustments have been completed.
64. The Department is currently undertaking further work in assessing potential strategic issues facing the Scheme and options to address these issues.

## Local Government Funding Agency

65. The Local Government Funding Agency (LGFA) was established under the Local Government Borrowing Act 2011 to raise debt on behalf of local authorities, on terms that are more favourable than if individual councils raised the debt directly. The LGFA provides an effective, cost-efficient service for local government borrowing.

66. The performance of the LGFA is monitored by the Shareholders' Council, consisting of representatives of shareholding local authorities and officials from the Treasury and the Department on behalf of the shareholding Ministers (the Minister of Local Government and the Minister of Finance). The Shareholders' Council provides advice to shareholders on LGFA resolutions and can commission independent reviews on aspects of the LGFA's operation as required.
67. When decisions are required, such as voting at the Annual General Meeting, the Department provides advice to the shareholding Ministers on decisions requiring the Crown's vote.

### Appointing Development Contributions Commissioners

68. Development Contributions Commissioners are appointed pursuant to section 199F of the Local Government Act 2002. It is the role of Commissioners to decide on objections lodged against territorial authorities' decisions on development contributions.
69. The Minister of Local Government appoints suitable persons as approved Commissioners to the Register of Development Contributions Commissioners. There are currently 22 Commissioners. The Department provides advice on appointments when required.

### Appointing members of the Local Government Commission

70. The Department is currently supporting the Minister of Local Government to appoint Commissioners to the Local Government Commission. The Minister has completed consultation with her Ministerial colleagues and Local Government New Zealand (LGNZ) on the proposed appointment to the Local Government Commission. No objections were received. We recommend that the appointments be considered by the Cabinet Appointments and Honours Committee on 29 June 2022.

## Responsibilities as the Territorial Authority for Offshore Islands

71. Under section 22 of the Local Government Act 2002, the Minister of Local Government is the territorial authority for a number of offshore islands that are not included in the boundaries of an established territorial authority.
72. The Department supports the Minister of Local Government to fulfil their responsibilities as the territorial authority for offshore islands. These responsibilities include the processing of resource consent applications in accordance with the Resource Management Act 1991, participation in the Bay of Plenty Civil Defence and Emergency Management Group, and enhancing relationships with mana whenua and residents of Motiti and Tuhua Islands in the Bay of Plenty.

## The Department's role in supporting you

73. Once your areas of delegated responsibility are confirmed we will provide you with more detailed information about your responsibility areas including any upcoming decisions required.
74. We support you as Associate Minister of Local Government by:
  - a) providing high quality advice to inform your decisions,
  - b) providing support during the legislative process for various Bills in the House,
  - c) provide portfolio Private Secretary resource to assist you in your Ministerial office,
  - d) drafting replies to public correspondence, Official Information Act requests, parliamentary questions and media enquiries, and
  - e) assisting you in your statutory responsibilities.



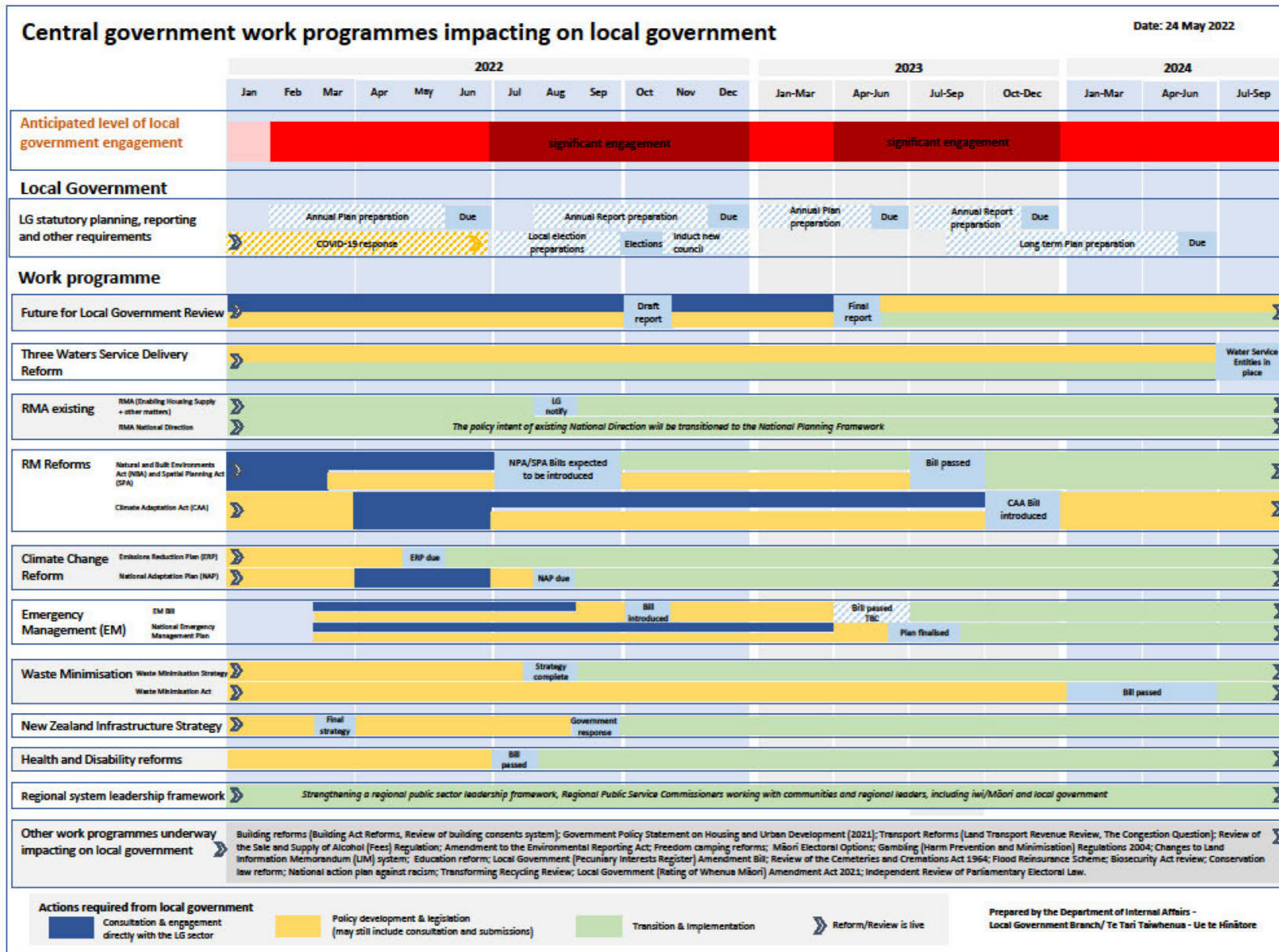
75. The Chief Executive of the Department is also the Secretary for Local Government. The statutory responsibilities for this role sit across several pieces of legislation and include:
- a) providing advice to chief executives of territorial authorities on matters related to applications for the rebate or refund of rates
  - b) and maintaining a National Dog Control Information Database.

## Part Three: Introductory briefings | Wāhanga Tuatoru: Ngā whakamārama

76. The following table is a list of introductory briefings that, subject to your approval, we will provide you in the next few weeks. These will give you an overview of projects across the portfolio. We will work with your office on the delivery of these briefings.

Date with Minister	Title	Detail
June 2022	Resource management reforms	Overview of the various components of this reform package, decision-making structure and key timeframes
June 2022	Three waters work programme	Introduction to and overview of the components of the full work programme and key timeframes
June 2022	Three waters: rural water supplies	More detailed information about the specific rural water services matters within your delegation
June 2022	Three waters: Taumata Arowai	Introduction to the structure and work programme of Taumata Arowai (water services regulator)
June 2022	Monitoring council performance	Outlining the scope of intervention powers delegated to you and the Department's work to support councils where issues have been identified
July 2022	Resilience and climate change	Outlining the various overlapping projects underway across government and the challenges faced by local government
July 2022	Urban growth matters	Outlining the various overlapping projects underway across government and the particular interests of local government
July 2022	Local government operational matters	Overview of some of the local government administrative and operational matters within your delegations such as the Dog Control Act, Chathams Islands, offshore islands, and the Taupō Harbourmaster function.

# Appendix A: Central government work programmes impacting on local government



## Appendix B: Legislation we administer | Āpitihanga B: Te ture e whakahaerehia ana e tātau

The following are the statutory responsibilities for the local government portfolio.

### Dog Control Act 1996

**Purpose:** This Act makes provision for the care and control of dogs. It sets out dog owners' obligations and local authorities' enforcement powers and policy responsibilities. It also regulates dangerous and menacing dogs.

**Minister's responsibilities:** The Minister may recommend regulations to add a breed or type of dog to those listed in the Act as subject to a ban on importation and muzzling. The Minister may also recommend regulations to add or remove the name of an organisation that has been authorised to certify a dog has been trained to assist a person with a disability (after consulting with the Minister for Disability Issues).

### Freedom Camping Act 2011 (administered jointly with the Department of Conservation)

**Purpose:** This Act gives local authorities and the Department of Conservation the flexibility to decide where freedom camping is prohibited or restricted. It contains a nationwide, consistent infringement regime that gives local authorities and the Department of Conservation the ability to issue on-the-spot infringement notices to people or vehicles for freedom camping offences.



**Minister's responsibilities:** The Minister of Conservation and the Minister of Local Government may recommend regulations prescribing the infringement fees.

## Local Electoral Act 2001

**Purpose:** This Act governs the conduct of local elections and polls. Among other things, it sets out the rights of individuals to vote, stand for election, and nominate candidates for election. The Act limits candidates' electoral expenses and includes an offence regime. It also allows local authorities to choose the electoral system and voting method for local elections and polls, and to regularly review representation arrangements (with oversight from the Local Government Commission when disputes occur).

**Minister's responsibilities:** The Minister may recommend regulations setting out various technical requirements, powers, penalties or fees for elections, or may recommend to the Governor-General that certain electoral processes be adjourned in emergency situations.

## Local Government Act 2002

**Purpose:** This Act provides the general framework and powers under which New Zealand's local authorities operate. It enables democratic and effective local government that recognises the diversity of New Zealand communities. The Act promotes accountability to communities and allows local authorities to decide which activities they undertake and the manner in which they are undertaken.

**Minister's responsibilities:** The Minister has various responsibilities under the Act, including using powers of assistance and deciding intervention measures in certain circumstances of poor council performance. The Minister is responsible for appointing Development Contributions Commissioners. The Minister also acts as the territorial authority for several offshore islands.

## Local Government (Auckland Council) Act 2009

**Purpose:** This Act establishes the Auckland Council as the unitary authority for Auckland. Amongst other things, it establishes arrangements for the management of transport and water supply and wastewater services for Auckland and requires the Council to adopt a spatial plan for Auckland.

**Minister's responsibilities:** The Minister has no specific responsibilities under this Act.

## Local Government (Rating) Act 2002

**Purpose:** This Act promotes the purpose of local government as set out in the Local Government Act 2002 by providing local authorities with flexible powers to set, assess, and collect rates to fund local government activities. It ensures that rates are set in accordance with decisions that are made in a transparent and consultative manner, and that ratepayers are able to identify and understand their liability for rates.

**Minister's responsibilities:** The Minister has regulation making powers relating to the rating of educational establishments.

## Rates Rebate Act 1973

**Purpose:** The Rates Rebate Scheme was established under this Act to provide a subsidy to low-income homeowners on the cost of their rates.

**Minister's responsibilities:** The Minister is responsible for administering the Rates Rebate Scheme and adjusting the rebate levels (which is currently done annually in line with changes to the consumer price index).

## Other Acts

We administer other Acts relevant to this portfolio that do not involve significant ministerial responsibilities or activities. These are the:

- Bylaws Act 1910
- Chatham Islands Council Act 1995
- Impounding Act 1955
- Local Authorities (Members' Interests) Act 1968
- Local Government Borrowing Act 2011
- Land Drainage Act 1908
- Libraries and Mechanics Institutes Act 1908
- Local Government Act 1974
- Local Government Official Information and Meetings Act 1987
- Public Authorities (Party Wall) Empowering Act 1919
- Public Bodies Contracts Act 1959
- Public Bodies Leases Act 1969
- Public Records Act 2005
- Rangitaiki Land Drainage Act 1956
- River Boards Act 1908

The Minister of Local Government also has a statutory responsibility under the Maritime Transport Act 1994 being the harbour authority for Lake Taupō/Taupō Moana.

## Appendix C: Appropriations | Āpitihanga C: Ngā pūtea tauwhāiti

### Vote Internal Affairs

funding for the Local Government portfolio is appropriated within Vote Internal Affairs.

### Local Government Portfolio Funding

The Minister of Local Government is responsible for all expenditure and services received under appropriations relevant to the Local Government portfolio. The Local Government portfolio appropriations for 2022/23 are \$204 million (\$74 million departmental operating and \$130 million non-departmental (operating and capital)).

## Departmental operating

The Minister of Local Government is responsible for \$74.4 million of departmental operating appropriations for 2022/23

\$million	Departmental appropriations based on 2022 Budget Economic and Fiscal Update <sup>1</sup>
69.047	Provision of policy advice, system stewardship and leadership, and services to support Ministers to discharge their responsibilities relating to the local government portfolio <sup>2</sup>
3.920	Administering the local government-related legislations and regulations, including the Rates Rebate Scheme, providing regulatory and boating services for Lake Taupō (including providing the Harbourmaster and managing the Lake Taupō Landing Reserve) and governance and management of the National Dog Control Information Database
1.394	Provision of advisory and support services to the Local Government Commission in respect of its statutory functions
<b>74.361</b>	<b>Total Departmental Operating</b>

<sup>1</sup> These lines represent an output expense and categories within Multi-Category Appropriations. Multi-Category Appropriations are appropriations that are made up of multiple categories (which can be different types of expenditure, including output expenses, non-departmental other expenses, and non-departmental capital expenditure) that all contribute to the same overarching purpose.

<sup>2</sup> This appropriation includes:

- \$51.742 million for the Three Waters Reform Programme
- \$6.065 million for the Future for Local Government Review
- \$11.240 million for policy advice and ministerial support.

## Non-departmental (operating and capital)

The Minister of Local Government is also responsible for non-departmental (operating and capital) appropriations

\$million	Non-departmental operating appropriations based on 2022 Budget Economic and Fiscal Update
58.000	Assistance with rates for low-income residential ratepayers, as authorised by the Rates Rebate Act 1973
20.000	Grants to organisations, including councils, to assist them to strengthen water infrastructure and service delivery, including through service delivery changes <sup>3</sup>
20.000	Supporting the improvement and maintenance of drinking water supplies in areas that are not urban areas <sup>4</sup>
19.290	Supporting Taumata Arowai in meeting its statutory responsibilities as New Zealand's water services regulator <sup>5</sup>
4.373	Contribution to the cost of the Chatham Islands Council meeting its statutory responsibilities
2.597	Providing financial support to iwi/Māori to enable participation and engagement in the reform of three waters service delivery
2.285	Providing financial support to territorial authorities and sector organisations to enable participation and engagement in the reform of three waters service delivery
1.500	Payment to Tūwharetoa Māori Trust Board to provide for continued public access to Lake Taupō, based upon a 2007 agreement between the Crown and the Tūwharetoa Māori Trust Board and in accordance with section 10(2) of the Māori Trust Boards Act 1955

<sup>3</sup> Part of the \$710 million Three Waters Infrastructure Investment and Service Delivery Reform Programme stimulus funding approved by Cabinet as part of the COVID-19 Response and Recovery (CRRF) July Package.

<sup>4</sup> Part of the \$710 million Three Waters Infrastructure Investment and Service Delivery Reform Programme stimulus funding approved by Cabinet as part of the COVID-19 Response and Recovery (CRRF) July Package.

<sup>5</sup> Funding for Taumata Arowai, the new Crown Agent Regulator for Water Services.

\$million	Non-departmental operating appropriations based on 2022 Budget Economic and Fiscal Update
1.100	Enhancing relationships between Local Government and Iwi/Māori to improve partnerships <sup>6</sup>
0.694	Depreciation and maintenance costs associated with Crown-owned assets at Lake Taupō
<b>129.839</b>	<b>Total Non-Departmental Operating</b>

\$million	Non-departmental capital appropriations based on 2022 Budget Economic and Fiscal Update
0.080	Upgrading of boating facilities at Lake Taupō
<b>0.080</b>	<b>Total Non-Department Capital</b>

<sup>6</sup> Please note that this funding is recognised under the appropriation 'Miscellaneous Grants – Internal Affairs' and falls under the Internal Affairs portfolio. This appropriation is the responsibility of the Minister for Internal Affairs.

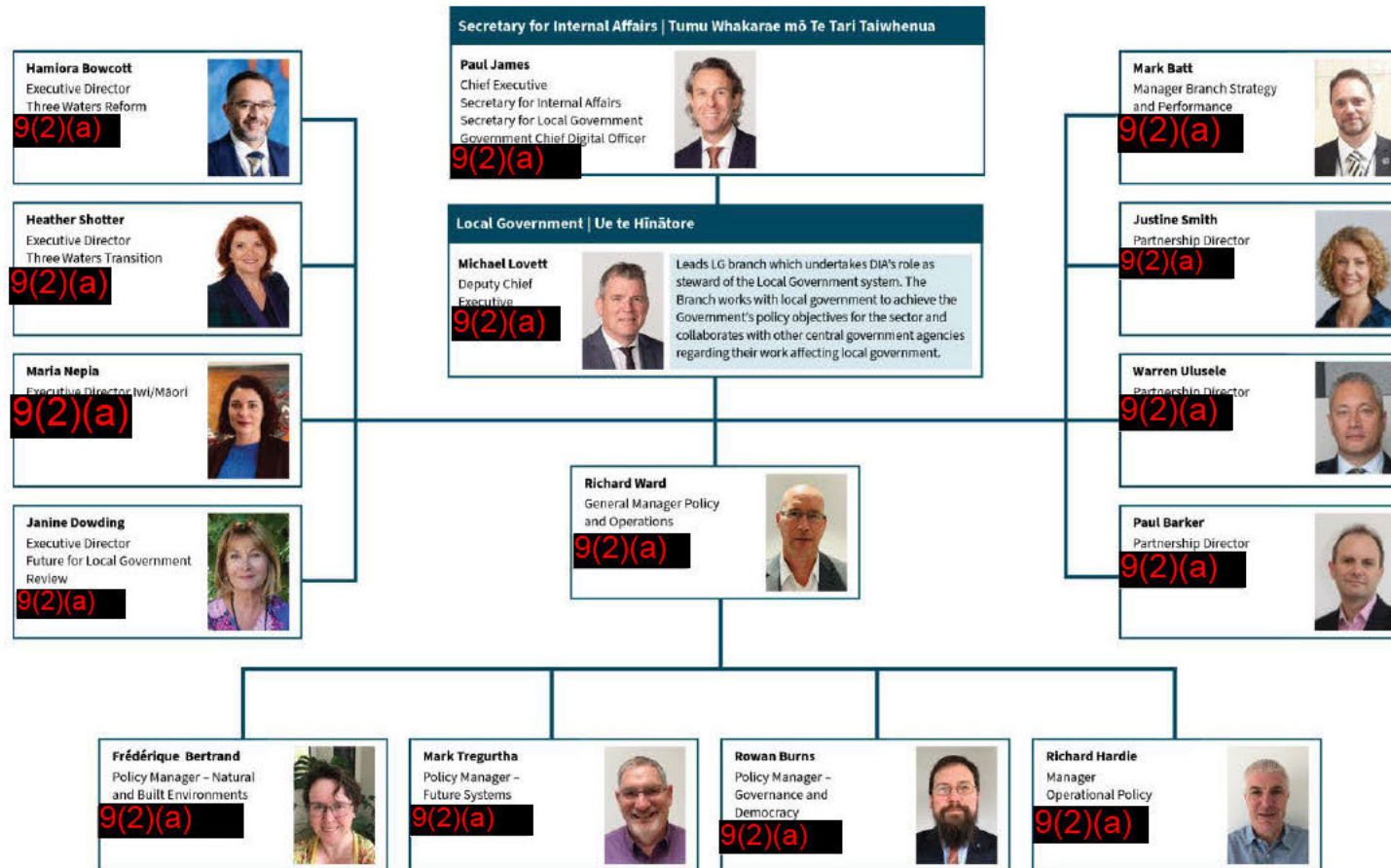
## Tagged Contingencies

The following tagged operating contingencies have been agreed by Cabinet, and the Minister of Finance and the Minister of Local Government are authorised to approve drawdowns

\$million	Tagged Operating Contingencies
270.561	Transforming Three Waters Service Delivery for New Zealanders: Transition and Implementation Expiry date: 1/02/2023 Original amount: \$296 million
23.260	Taumata Arowai, New Crown Agent Regulator for Water Services <sup>7</sup> Expiry date: 31/03/2023 Original amount: \$36.070 million
1,000.000	Three Waters Reform Support Package Expiry date: 1/03/2024
<b>1,293.821</b>	<b>Total Tagged Contingencies</b>

<sup>7</sup> \$11.630 million phased in 2023/24 and \$11.630 million in 2024/25 and outyears.

# Appendix D: Key contacts in the Department of Internal Affairs | Āpiti hanga D: Ngā tino whakapā i roto i Te Tari Taiwhenua



## Appendix E: Key stakeholders | Āpitihanga E: Te hunga whai pānga hira

The following tables list the key statutory bodies with a formal role in the local government system, as well as the key stakeholders in the sector. We will provide contact details to your office.

It is standard practice for us to support you in meetings with stakeholders. We will provide briefings before you meet with stakeholders including biographies and can attend meetings if you wish.

### Statutory Bodies (as described in Appendix A)

Organisation	Contact	Role
Local Government Funding Agency (LGFA)	<b>Chair:</b> Craig Stobo  <b>Chief Executive:</b> Mark Butcher	<p>The LGFA is a Council-Controlled Organisation that operates under the Local Government Act 2002. The LGFA is owned by 30 local authorities (80%) and the Crown (20%). LGFA specialises in financing the New Zealand Local Government Sector, the primary purpose being to provide more efficient funding costs and diversified funding sources for New Zealand local authorities. The LGFA is the second largest issuer of New Zealand dollar bonds.</p> <p>The Department is the Crown's delegated representative on the LGFA's Shareholders Council, which meets quarterly. From time to time the shareholding Ministers (Minister of Local Government and Minister of Finance) will be asked to vote on LGFA matters including membership and remuneration.</p>

Local Government Commission	<b>Chair:</b> Brendan J Duffy ONZM, JP  <b>Chief Executive:</b> Penny Langley	<p>The Local Government Commission is an independent statutory body that makes decisions on the structure of local authorities and their electoral representation, for fair and effective representation for communities. Before the Commission makes any recommendation for change, it must be satisfied that a new structure would promote good local government. Good local government is defined in law. It must enable democratic local decision-making by and on behalf of communities.</p>
The Office of the Auditor-General	<b>Controller and Auditor-General:</b> John Ryan  <b>Assistant Auditor-General, Local Government:</b> Mark Maloney	<p>The Controller and Auditor-General (the Auditor-General) is an Officer of Parliament who provides independent assurance to Parliament and the public that local authorities are operating in accordance with Parliament's intentions and accounting for their performance. The Auditor-General is independent of the executive government and Parliament in discharging the functions of the statutory office but is answerable to Parliament for the stewardship of the public resources entrusted to them. The Auditor-General's mandate and responsibilities are set out in the Public Audit Act 2001.</p>
Taumata Arowai (Water Services Regulator)	<b>Board Chair:</b> Dame Karen Poutasi <b>Chief Executive Officer:</b> Bill Bayfield	<p>Taumata Arowai is the water services regulator for Aotearoa to provide safe and reliable drinking water and improved delivery of waste and storm water. Taumata Arowai is a Crown entity with a board appointed by the Minister of Local Government.</p> <p>Alongside the independent board is a Māori Advisory Group, Te Puna. Te Puna advises on Māori interests and knowledge as they relate to the objectives, functions and operating principles of Taumata Arowai and the Board's collective duties. Te Puna members are also appointed by the Minister of Local Government (in consultation with the Ministers with portfolio responsibilities that relate to Māori Development and Māori Crown Relations).</p>

## Local government representative stakeholders

Organisation	Contact	Role
Local Government New Zealand (LGNZ)	<p><b>President:</b> Stuart Crosby (Councillor, Bay of Plenty Regional Council)</p> <p><b>Vice President:</b> Hamish McDouall, Mayor, Whanganui District Council</p> <p><b>Chief Executive:</b> Susan Freeman-Greene</p>	LGNZ represents the national interest of local authorities in New Zealand and leads best practice in the local government sector. It provides advocacy and policy services, business support, advice and training to members to assist them to build successful communities throughout New Zealand. LGNZ is governed by a National Council made up of 20 elected members from throughout New Zealand. Most local authorities are members of LGNZ, however, some have withdrawn or indicated they may withdraw due to concerns about LGNZ's position on the three waters reforms.
Taituarā – Local Government Professionals Aotearoa	<p><b>President:</b> Sanchia Jacobs (Chief Executive, Central Otago District Council)</p> <p><b>Chief Executive:</b> Karen Thomas</p>	Taituarā is a national membership organisation for local government professionals. Its role is to promote and support professional management in local government. It focuses on providing professional leadership, promoting innovation and excellence in management practice and developing the sector's capability to enhance service delivery to local communities.
Joint Central/Local Government Three Waters Steering Committee	<b>Chair:</b> Brian Hanna	The Joint Central/Local Government Three Waters Steering Committee provides oversight and guidance to support progress towards reform, and to assist in engaging with local government, iwi/Māori and other water sector stakeholders on opinions and proposals.