



4 April 2022

Tēnā koutou i runga i ngā tini āhuatanga o te wā

The Minister of Local Government has announced that councils are now able to put forward proposals for the first \$500 million of Crown funding from the Three Waters reform better off support package. The funding is for local government to invest in local community wellbeing and may be applied to capital or operating initiatives. The remaining \$1.5 billion is available from 1 July 2024.

Funding allocation

The [Heads of Agreement](#) allocated the package with a 75% allocation based on population, a 20% allocation based on the deprivation index, and a 5% allocation based on land area and established some simple funding criteria:

- Supporting communities to transition to a sustainable and low-emissions economy, including **by building resilience to climate change and natural hazards.**
- Delivery of infrastructure and/or services that **enable housing development and growth**, with a focus on brownfield and infill development opportunities where those are available.
- Delivery of infrastructure and/or services that **support local place-making and improvements in community well-being.**

Funding proposals

We heard that councils wanted a simple process for accessing the better off package. To access your council's share of the first \$500 million of the package your council will need to submit an online Funding Proposal by 30 September 2022.

The Funding Proposal will set out key information including proposed projects, milestones and expected completion date. It will also need to provide a wellbeing assessment and outline iwi/Māori engagement. The online form via [Community Matters online grants management system](#) is live from today. Councils can also view a pro-forma copy of the Funding Proposal on the Department's website: [here](#).

To streamline the funding application and approval process, your council will have access to a Relationship Manager if needed to support the development of your Funding Proposal. The relationship managers will be available to provide additional guidance on an as-required basis. CIP has been appointed to this fulfil this function and will be supported by the Department of Internal Affairs.

Guidance is available on the Department's website and includes detailed information on how you can contact your relationship manager: [Three waters reform programme reform support package - dia.govt.nz](#)

Supporting transition

As set out in the Heads of Agreement, councils receiving this package will help support the transition to the new entities by meeting any reasonable request for information and assistance.

Next steps

We encourage you to take a look at the [Funding Proposal guidance](#) and contact your relationship manager. From today you will be able to submit your Funding Proposal online. The Department will work with cross government (including local government) representatives to consider funding proposals. We will endeavour to approve proposals within six weeks.

Following approval of a Funding Proposal and an executed Funding Agreement, an initial disbursement of 10% of your requested amount will be released (no earlier than 1 July 2022). The remainder will be disbursed on receipt of a progress payment request which you may submit on a monthly basis online. You will also need to submit a progress report online every six months. We will provide pro-forma copies of the payment request and six-monthly progress report by 30 April 2022.

FAQs

When is our council's funding available?

- ▶ Funding Proposal submissions close **30 September 2022**
- ▶ Tranche 1 funding (\$500 million) is available for use from **1 July 2022**. The remaining \$1.5 billion of funding is available for use from 1 July 2024.

How does my council access the better off package?

- ▶ There are **two key documents** to apply for and access the funding:
 - The Funding Proposal
 - The Funding Agreement
- ▶ You may only submit **one** Funding Proposal to access your council's share of the first \$500 million of the Package, but it can cover more than one project or initiative.
- ▶ Funding may cover projects for a period up to **five years** in duration (through to 30 June 2027)
- ▶ You have a **relationship manager** assigned to your council to help you complete your Funding Proposal

Nāku noa, nā



Hamiora Bowkett

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