

Reforms Programme Update

31 January 2024

Introduction - a new Government brings a change in direction:

As the following updates describe - with the October 2023 general election resulting in a change in central government, the reform programmes for three waters and resource management are being repealed. While the repeals largely indicate a return to the pre-existing legislation, the challenges that the reforms were responding to still need to be addressed and require long-term solutions. As such, change is necessary and further reform is expected thereby resulting in continued uncertainty. Until more direction and clarity is available, our internal reform programme and steering group will stand down. Council will maintain a watching brief to ensure we are ready to respond as the momentum and direction for reform continues to take shape under the new Government.

Water Services Reform

- **Water Services Reform to be repealed:** With the 2023 general election resulting in a change in central government, the waters services reform programme will undergo a significant change in direction. The newly elected government intends to repeal the water reform legislation within their first 100 days in office with the intention that these services remain with councils. The legislation to make this change is signalled for late February 2024. This is a big change for Council to adjust to noting that we have been implementing a substantial project to transition Council's three waters services to a new delivery framework, and that we have been progressing our Long Term Planning on the assumption of the new service model going ahead. With a number of significant challenges and funding hurdles facing the future of these services, solutions are still needed for our District and across Aotearoa. With the reforms being repealed it is currently unclear as to what the alternative long-term solutions might look like. In the meantime Council is urgently working to reinstate three waters within our planning, funding, and service responsibilities.

Resource Management Reform

- **New resource management legislation repealed:** In December 2023, the newly elected government passed the Resource Management (Natural and Built Environment and Spatial Planning Repeal and Interim Fast-track Consenting) Bill. This legislation effectively repeals the Natural and Built Environment Act and the Spatial Planning Act developed and introduced under the previous government. While the new bill largely means an interim reversion to the RMA 1991, there are second and third phases of reform that have been signalled by central government and we will need to respond to these as and when they are progressed. Because the transition to the new resource management framework was to be over a longer period (up to ten years), the repeal does not have a significant impact on the services of Council (compared to three waters).

Future for Local Government Review

- Future for local government review is now completed: The Future For Local Government ‘review’ has now concluded with the final recommendations report “He piki tūranga, he piki kotuku” released on 20 June 2023. Notwithstanding the above reforms, this comprehensive review sought to make sense of the substantial challenges and opportunities facing the future of local government sector, and to make recommendations to both central and local government. As a next step, central government would need to decide if and when to pick up any of the recommendations and translate these through to reform. The Future for Local Government recommendations are not currently signalled as a priority consideration for the incoming government. Recent conversations within the local government sector are exploring the concept of city and regional ‘deals’ (partnerships) between local and central government, as an alternative to what are often ad hoc single project based partnership arrangements. We will follow any progress with interest.

Post Reform Organisation Design

- WDC post-reform planning for organisational design is on hold: Prior to the general election held in October 2023, WDC had established a project to consider post-reform design of the Council organisation. This acknowledged that the reforms would have substantial impacts on the functions and capacity of WDC and on the longer-term future of the local government sector. With the new incoming government taking a significantly different direction with the reforms, the urgency for change is not immediate and the WDC Post Reform Organisation Design project has been put on hold.