

# Reforms Programme Update #7

01 August 2023

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*This report provides a regular update on the Council's programme of work to navigate the three main reforms of the local government sector (led by central government). This includes Water Services Reform (formerly Three Waters Reform), Resource Management Reform, and the Future For Local Government Review. This report includes key highlights from the past reporting period (monthly) and key areas of focus for the period ahead.*

For more information on each reform:

- [Department of Internal Affairs - Water Services Reform](#)
- [Ministry for the Environment - RMA Reform](#)
- [FFLG Review Panel – Review into the Future for Local Government](#)

## Water Services Reform

- Water services reform legislation expected to pass this month (August): The Government continues to aim for all required water services reform legislation to be enacted before the end of August when the House rises ahead of the general election. Under tight timeframes Council recently made a submission to Water Services Entities Amendment Bill (Bill#4) - the new legislation to support the "reset" by updating the Water Services Entities Act (Bill #1). Earlier in the year Council also provided feedback to Bill#2 - the Water Services Legislation Bill, and Bill#3 - the Water Services Economic Efficiency and Consumer Protection Bill. These two Bills were delayed by the reset and are expected to be enacted in August following Bill#4. Some uncertainty remains with regards to the outcome of the general election.
- We are awaiting sequencing to know when our entity will be established: Following the reset of the Three Waters Reform, Whakatāne District will be part of the new water service entity C. This is roughly the area covering the Bay of Plenty region also encompassing Tauranga City Council, Western Bay District Council, Rotorua Lakes Council, Kawerau District Council and Ōpōtiki District Council. At the time of drafting this update we continue to await information for the sequencing of when each entity will be established and commence. Only Entity A (Auckland, Northland) has been set at this time with a planned 'go live' date of 1 July 2024. We expect to have insight to scheduling before the end of this calendar year. The National Transition Unit (NTU) has released the criteria it will be using to determine entity sequencing and has committed to continuing discussions about timeframes with councils. The NTU has also indicated that it will be supporting groups of entities to 'go live' at the end of each financial quarter starting September 2024. Transition must be completed no later than 30 June 2026
- WDC transition project is largely on a watching brief for the moment: Our transition project comprises six key work streams aligned to the NTU transition plan. The latest Project Status Report (end July 2023) signals that all commitments to the NTU transition programme have largely been met. At this time, much of our transition project is in a holding pattern until we gain insight to the sequencing of entities as well as more detailed transition information from the NTU. Further transition funding to is

also expected to be announced alongside the sequencing process. As noted in the previous update, a number of staff who were seconded to the transition work have moved back to their other (non-transition) roles, workloads and projects.

- Supporting staff through this uncertain time is a key focus: Council continues to have a dedicated programme underway to support staff who have roles involving three waters service delivery. ‘People and work force’ activity is ongoing as the NTU continue with its position and pathway review process. However, detailed transition activity is on pause as we await sequencing of entities and more detailed transition information. We acknowledge the lack of clarity provides uncertainty for staff and project communication will continue to share information when available.

### Resource Management Reform

- New legislation currently before Parliament: The Government continues to aim for resource management reform legislation to be enacted before the end of August when the House rises ahead of the general election. The Natural and Built Environment Bill and Spatial Planning Bill were reported back to the House from the Environment Select Committee on 27 June 2023. A brief overview of the Environment Committee Reports from Environment Minister David Parker can be found here - [Resource Management reform report-back makes useful changes](#). At the time of drafting this update the above two Bills are currently before Parliament for their final reading and expected to be enacted in line with the August timeframe noted above. Some uncertainty remains around the reform in relation to the outcome of the upcoming general election, noting that the National Party has indicated it would repeal the new legislation if elected.
- We continue to await the Climate Adaptation Act: The third major component of Resource Management reform – the development of a Climate Adaptation Act (CAA) to address complex issues associated with managed retreat, funding and financing adaptation – continues to be progressed behind the Natural and Built Environment Bill and Spatial Planning Bill. We continue to await a draft Bill which was expected to be available before the end of this August.

### Future for Local Government Review

- Final recommendations now available: [no change from previous update] 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. A summary of the key recommendations can be found here - [Tompkins | Wake, Insights, Future for Local Government Final Report](#) and the full ‘Final Recommendations Report’ can be found here - [He piki tūranga, he piki kōtuku](#). As a next step, central government needs to decide if and when to pick up the recommendations and translate these through to reform. Any significant decisions are very unlikely to happen before the general election later this year.

## Post Reform Organisational Design

- Post-reform planning for organisational design: [no change from previous update] The reforms stand to have substantial impacts on the functions and capacity of councils while also triggering consideration of the longer-term future of the local government sector. Alongside Council's response to each specific reform, a project has been established to consider post-reform design of the organisation. This project is at the early stages currently working with the Council Chief Executive to scope project plan options and timing. This project will also need to remain agile to the respective direction and pathway of each reform programme, noting the current uncertainty.