

House of Representatives

Supplementary Order Paper

Tuesday, 22 November 2022

Water Services Entities Bill

Proposed amendments

Hon Nanaia Mahuta, in Committee, to move the following amendments:

Preliminary clauses

Clause 2

After *clause 2(1)(c)* (page 11, after line 13), insert:

- (ca) **sections 129 to 134** (which relate to a Government policy statement on water services), and **section 202** so far as it relates to a Government policy statement issued under **clause 6A of Schedule 1**:

Delete *clause 2(1)(d)* (page 11, lines 14 and 15).

Part 1

Clause 4

Delete *clause 4(4)* and the heading above *clause 4(4)* (page 13, lines 18 to 21).

Clause 6: definition of Te Mana o te Wai

In *clause 6*, replace the definition of **Te Mana o te Wai** (page 17, lines 20 to 23) with:

Te Mana o te Wai—

- (a) has the meaning set out in the National Policy Statement for Freshwater Management issued in 2020 under section 52 of the Resource Management Act 1991 and any statement issued under that section that amends or replaces the 2020

statement (and *see also* **sections 4, 5, and 13** of this Act);
and

- (b) applies, for the purposes of this Act, to water (as that term is defined in section 2(1) of the Resource Management Act 1991)

Part 2

Clause 10

In *clause 10(2)*, after “limit” (page 20, line 12), insert “**section 206(1)(d)** of this Act or”.

New clause 43A and cross-heading

After *clause 43* (page 32, after line 34), insert:

*Obligation for regional representative group to hold
at least 2 public meetings each financial year*

43A Regional representative group must hold at least 2 public meetings each financial year

- (1) The regional representative group of a water services entity must hold at least 2 meetings during each financial year that are open to members of the public (the **group public meetings**).
- (2) The group must—
 - (a) give public notice of the details of a group public meeting at least 1 month before the meeting; and
 - (b) allocate a reasonable amount of time for members of the public attending a group public meeting to address the group in relation to the subject matter of the meeting.
- (3) Part 7 of the Local Government Official Information and Meetings Act 1987 applies to the group public meetings (*see* **section 44**).

Clause 44

Before *clause 44(2)(a)* (page 33, before line 7), insert:

- (aaa) **section 43A** (which requires the group to hold 2 public meetings each financial year to which Part 7 of that Act applies); or
- (aab) **section 44A** (which requires the entity’s shareholders to hold at least 1 public meeting each financial year to which Part 7 of that Act applies); or

New clause 44A and cross-heading

After *clause 44* (page 33, after line 12), insert:

*Obligation for entity's shareholders to hold at least 1 public meeting
each financial year*

**44A Shareholders must hold at least 1 public meeting
each financial year**

- (1) The territorial authority owners of a water services entity that are shareholders of the entity (*see sections 15 and 16*) must hold at least 1 shareholders' meeting during each financial year that is open to members of the public (the **shareholders' public meeting**).
- (2) The territorial authority owners must—
 - (a) give public notice of the details of the shareholders' public meeting at least 1 month before the meeting; and
 - (b) allocate a reasonable amount of time for members of the public attending a shareholders' public meeting to address the shareholders in relation to the subject matter of the meeting.
- (3) Part 7 of the Local Government Official Information and Meetings Act 1987 applies to the shareholders' public meeting (*see section 44*).

Clause 91

After *clause 91(j)* (page 50, after line 7), insert:

- (ja) procedures for the entity to perform its duty under **section 114(1A)** to provide funding to mana whenua to—
 - (i) support and enable mana whenua to provide Te Mana o te Wai statements for water services; and
 - (ii) monitor any plan of the entity, or actions that the entity takes, as part of the entity's response to a Te Mana o te Wai statement for water services:

Delete *clause 91(na)* and the heading above *clause 91(na)* (page 51, lines 1 to 6).

Clause 95(9)

In *clause 95(9)*, after "This section" (page 53, line 21), insert "applies, without limitation, to an amendment or new constitution increasing the number of regional representatives (*see section 206(2B)(b)*), but".

Clause 114

In *clause 114(1)*, after "funding" (page 63, line 4), insert ", in accordance with the procedures specified in its constitution (*see section 91(j)*)".

After *clause 114(1)* (page 63, after line 7), insert:

Duty to provide funding for Te Mana o te Wai statements for water services

- (1A) A water services entity must provide funding, in accordance with the procedures specified in its constitution (*see* **section 91(ja)**), to mana whenua to—
- (a) support and enable mana whenua to provide Te Mana o te Wai statements for water services; and
 - (b) monitor any plan of the entity, or actions that the entity takes, as part of the entity’s response to a Te Mana o te Wai statement for water services.

Part 4

Clause 136

After *clause 136(2)(a)(ii)* (page 74, after line 36), insert:

- (iia) how the group expects the water services entity to respond to any advice—
 - (A) provided to the group by a regional advisory panel; and
 - (B) about how the entity should perform or exercise its duties, functions, or powers in a particular geographic area (*see* **section 46**):

Clause 145

After *clause 145(2)(b)* (page 79, after line 6), insert:

- (ba) any actions the entity intends to take in a particular geographic area (consistent with the statement of strategic and performance expectations) in response to advice provided (to the entity’s regional representative group) by a regional advisory panel; and

Clause 148

After *clause 148(c)* (page 80, after line 17), insert:

- (ca) any actions the entity intends to take in a particular geographic area (consistent with its statement of intent) in response to advice provided (to the entity’s regional representative group) by a regional advisory panel; and

Clause 151

After *clause 151(2)(a)(i)* (page 81, after line 19), insert:

- (ia) any actions the entity intends to take in a particular geographic area (consistent with its statement of

intent) in response to advice provided (to the entity's regional representative group) by a regional advisory panel; and

Clause 154

After *clause 154(2)* (page 82, after line 26), insert:

- (2AAA) An infrastructure strategy must also set out any actions the entity intends to take in a particular geographic area (consistent with its statement of intent) in response to advice provided (to the entity's regional representative group) by a regional advisory panel.

Clause 157

After *clause 157(2)* (page 85, after line 36), insert:

- (2A) The annual report must also set out any actions the entity has taken in a particular geographic area (consistent with its statement of intent) in response to advice provided (to the entity's regional representative group) by a regional advisory panel.

Clause 161

In *clause 161(2)*, replace "4 months" (page 87, line 36) with "3 months".

Part 6

Clause 203

In *clause 203(1)*, replace "a consumer forum" (page 111, line 24) with "1 or more consumer forums".

After *clause 203(3)* (page 111, after line 35), insert:

- (3A) The chief executive of a water services entity must ensure that each of its consumer forums achieves equitable and reasonable representation of metropolitan, provincial, and rural communities in its service area.

Clause 206

Replace *clause 206(2A)* (page 114, lines 3 to 5) with:

- (2A) Regulations made under **subsection (1)(a)** in relation to a water services entity must, despite **sections 27(2) and 91(a)(i)**, provide that the entity's regional representative group consists of a number of regional representatives that is—
- (a) at least 12; and
 - (b) no more than 18.

New clauses 223 and 224: Taumata Arowai—the Water Services 30 Regulator Act 2020: section 4

Replace *clauses 223 to 225* (page 118, line 29 to page 119, line 9) with:

223 Principal Act

Section 224 amends the Taumata Arowai—the Water Services Regulator Act 2020.

224 Section 4 amended (Interpretation)

In section 4, replace the definition of Te Mana o te Wai with:

Te Mana o te Wai—

- (a) has the meaning set out in the National Policy Statement for Freshwater Management issued in 2020 under section 52 of the Resource Management Act 1991 and any statement issued under that section that amends or replaces the 2020 statement (and *see also* sections 5, 10, 17, and 18 of this Act)
- (b) applies, for the purposes of this Act, to water (as that term is defined in section 2(1) of the Resource Management Act 1991)

Clause 227: Water Services Act 2021: new section 14

In *clause 227*, the heading to *new section 14*, replace “**effect, application**” (page 119, line 15) with “**application, effect**”.

In *clause 227*, replace *new section 14(1)* and the heading above *new section 14(1)* (page 119, lines 16 to 19) with:

Meaning and application

- (1) In this Act, **Te Mana o te Wai—**
 - (a) has the meaning set out in the National Policy Statement for Freshwater Management (as that term is defined in section 5 of this Act); and
 - (b) applies, for the purposes of this Act, to water (as that term is defined in section 2(1) of the Resource Management Act 1991).

In *clause 227*, delete *new section 14(3)* and the heading above *new section 14(3)* (page 119, lines 24 to 27).

Schedule 1

Schedule 1: clause 1

In *Schedule 1, clause 1*, definition of **establishment period**, *paragraph (a)*, replace “the Act” (page 123, line 28) with “this Act”.

Schedule 1: clause 5

In *Schedule 1, clause 5(4)(b)*, after “should not transfer to the entity” (page 127, lines 5 and 6), insert “(see also **clause 5A**).”

In *Schedule 1, clause 5(7)*, after “**subclauses (1) to (5)**” (page 127, line 14), insert “ and **clause 5A**”.

Schedule 1: new clause 5A

In *Schedule 1*, after *clause 5* (page 127, after line 14), insert:

5A Guiding principle for treatment in allocation schedule of secondary water services assets or property

- (1) The establishment chief executive of a water services entity must, in preparing or updating the entity’s allocation schedule, have regard to the principle stated in this clause.
- (2) The principle is that secondary water services assets or property of a local government organisation should be specified in the should-not-transfer part of the entity’s allocation schedule, unless the organisation and the establishment chief executive agree otherwise.
- (3) In this clause,—

allocation schedule, of a water services entity, means the allocation schedule prepared or updated for the entity under **clause 5**

secondary water services assets or property, for a local government organisation, means any assets or property—

- (a) of the local government organisation; and
- (b) that have or has more than 1 purpose or use (*see also clause 5(3)(b)*); and
- (c) whose primary purpose or predominant use is not the delivery of water services

should-not-transfer part, of a water services entity’s allocation schedule, means the part of that schedule that—

- (a) is prepared under **clause 5(4)**; and
- (b) specifies assets, liabilities, or other matters that, in the opinion of establishment chief executive of the entity, should not transfer to the entity.

Schedule 1, clause 6

After *clause 6(2)* (page 127, after line 20), insert:

- (3) The Minister’s additional role also includes issuing, amending, and replacing Government policy statements under **clause 6A**.

Schedule 1: new clause 6A

In *Schedule 1, Part 1*, before the *subpart 2* heading (page 127, before line 21), insert:

6A Government policy statement during establishment period

- (1) The purpose of a Government policy statement on water services issued during the establishment period (despite **section 130(1)**) is to—
 - (a) state the Government’s overall direction and priorities for water services during the establishment period; and
 - (b) inform and guide the activities involved in establishing the water services entities and preparing them for operation.
- (2) During the establishment period, the Minister may issue a Government policy statement on water services—
 - (a) with any content that the Minister considers necessary or desirable in the establishment period, after having had regard to—
 - (i) the Minister’s additional role under **clause 6**; and
 - (ii) the statement’s purpose (as stated in **subclause (1)**); and
 - (iii) content required or permitted by **section 130(2) and (3)**, so far as that content is relevant to that purpose; and
 - (b) if the statement is consistent with the objectives of water services entities under **section 11**; and
 - (c) if the Minister has complied with **section 131(a)**.
- (3) When preparing or reviewing a Government policy statement during the establishment period, the Minister is not required to comply with **section 131(b)**, but must instead engage in accordance with **section 202** in relation to the statement with—
 - (a) establishment boards of water services entities; and
 - (b) Taumata Arowai—the Water Services Regulator.
- (4) **Section 132**, without limiting the generality of that section,—
 - (a) applies to a Government policy statement issued during the establishment period; and
 - (b) requires a water services entity, when performing its functions during that period, to give effect to that statement.
- (5) A Government policy statement issued during the establishment period—
 - (a) may be amended or replaced under **section 133**; and

- (b) must be presented and published under **section 134**; and
- (c) is not required to be reviewed under **section 129(2)**; and
- (d) and that is in force immediately before the end of that period, is revoked at the end of that period.

Schedule 1: clause 7

In *Schedule 1, clause 7(1A)*, delete “(and so the entity’s board is, despite **sections 143 to 146**, not required to prepare a statement of intent until after)” (page 127, lines 27 and 28).

In *Schedule 1*, after *clause 7(3)(b)* (page 128, after line 5), insert:

- (baaa) the processes, and required timing, for preparing and adopting for the entity, under **clauses 8 to 8B** of this schedule, the following:
 - (i) an initial asset management plan; and
 - (ii) an initial funding and pricing plan; and

In *Schedule 1*, delete *clause 7(5)* (page 128, lines 11 and 12).

Schedule 1: clauses 8 to 8B

In *Schedule 1*, replace *clauses 8 to 8B* (page 128, line 16 to page 130, line 23) with:

- 8 Chief executive must prepare draft initial asset management plan and draft initial funding and pricing plan**
- (1) During the establishment period, the chief executive of the department must prepare, for each water services entity,—
 - (a) a draft initial asset management plan; and
 - (b) a draft initial funding and pricing plan.
 - (2) Each draft initial plan must—
 - (a) cover a period of not less than 10 consecutive financial years; and
 - (b) if it is a draft initial asset management plan, be prepared as required by **clause 8A**.
 - (3) The chief executive of the department must—
 - (a) send each draft initial plan to relevant local government organisations and the Commission; and
 - (b) give them a reasonable time within the establishment period to review, and provide comment to the chief executive of the department on, the draft initial plan; and
 - (c) have regard to any comments they provide in response, and make any changes to the draft initial plan; and

- (d) forward the draft initial plan to the entity's establishment board.

8AA Role of entity's establishment board in respect of initial asset management plan and initial funding and pricing plan

- (1) A water services entity's establishment board must, in accordance with the processes and required timing in the entity's establishment water services plan (*see* **clause 7(3)(baaa)**),—
 - (a) review the draft initial plans forwarded under **clause 8** to the establishment board and the Commission; and
 - (b) before adopting for the entity a final initial asset management plan or final initial funding and pricing plan,—
 - (i) send to the Commission a draft of the plan (being a draft of the plan that reflects any changes the chief executive of the department has made in response to comment on the draft plan provided by the Commission under **clause 8B(2)**); and
 - (ii) give the Commission a reasonable time within the establishment period to scrutinise, and report to the entity, the Minister, and the public on, the draft of the plan, under **clause 8B(3)**; and
 - (iii) have regard to any report under **clause 8B(3)** of the Commission, and to any recommendations made to the establishment board in the report; and
 - (c) adopt for the entity, with or without modifications from the draft initial plans forwarded under **clause 8** to the establishment board, and in accordance with **clause 8A** (if applicable), the entity's—
 - (i) final initial asset management plan; and
 - (ii) final initial funding and pricing plan.
- (2) A final initial asset management plan, or final initial funding and pricing plan, adopted under this clause—
 - (a) is, after the commencement of **section 147 or 150**, as applicable, taken to be the entity's asset management plan or funding and pricing plan prepared and provided in accordance with that section and with **Part 2 or 3 of Schedule 3**; and
 - (b) must, as soon as practicable after the commencement of **section 149(a) or 152(a)**, as applicable, be made publicly available in accordance with that section; and

- (c) must be replaced under **section 147 or 150**, as applicable, within 3 years after the commencement of that section.

8A Additional requirements for draft and final initial asset management plans

- (1) This clause applies to a plan that is—
 - (a) a draft initial asset management plan prepared for a water services entity by the chief executive of the department under **clause 8**; or
 - (b) a final initial asset management plan to be adopted for the water services entity by its establishment board under **clause 8AA**.
- (2) The plan must indicate—
 - (a) the investment priorities for the entity’s infrastructure assets;
 - (b) how the entity will operate, maintain, and renew its infrastructure assets;
 - (c) how it incorporates any commitments that relevant local government organisations have made to mana whenua relating to water services infrastructure;
 - (d) how the entity will provide new infrastructure assets.
- (3) The chief executive of the department when preparing the plan under **clause 8**, and the entity’s establishment board when adopting the plan under **clause 8AA**, must also have regard to—
 - (a) information that local government organisations provide to the chief executive of the department or to the water services entity in response to requests for information made under **clause 11**; and
 - (b) the initial funding and pricing plan being prepared or, as the case requires, that has been adopted, for the entity; and
 - (c) the entity’s ability to deliver the matters proposed for inclusion in the initial asset management plan.

8B Commission’s functions and powers in establishment period

- (1) During the establishment period, the Commission has, in respect of the preparation of an initial asset management plan or an initial funding and pricing plan, the functions and powers in this clause.
- (2) The Commission may review, and provide comments to the chief executive of the department on, the draft of the plan sent under **clause 8** to the Commission.

- (3) The Commission may scrutinise, and report to the entity, the Minister, and the public on, the draft of the plan sent under **clause 8AA** to the Commission.
- (4) The purpose of the Commission’s review and provision of comments, or scrutiny and reporting, under **subclause (2) or (3)** is to help to optimise—
 - (a) the plan; and
 - (b) decisions covered by the plan.
- (5) During the establishment period, a local government organisation, or an establishment chief executive or establishment board of a water services entity, must co-operate with the Commission to facilitate the Commission’s review and provision of comments, or scrutiny and reporting, under this clause.
- (6) In particular, a local government organisation, or an establishment chief executive or establishment board of a water services entity, must comply with any reasonable request by the Commission for information that the local government organisation or the water services entity holds (for example, information about current or indicative water charges).
- (7) The obligation to comply with a request under **subclause (6)** includes a requirement to comply with any reasonable request to—
 - (a) collate information; or
 - (b) provide information in a particular format.
- (8) **Subclause (6)** does not limit the generality of **subclause (5)**, and **subclause (7)** does not limit the generality of **subclause (6)**.

Schedule 1: clause 11

In *Schedule 1, clause 11(2)(a)*, after “seconded to” (page 132, line 9), insert “the department or”.

In *Schedule 1, clause 11(2)(b)*, after “in **clause 5(2)**” (page 132, line 16), insert “, or information about current or indicative water charges, or both”.

Schedule 1: clause 16

In *Schedule 1, clause 16(4A)*, replace “terms and conditions of the position offered” (page 136, line 7) with “position offered or, as the case requires, its terms and conditions”.

In *Schedule 1, clause 16(4B)*, replace “in substantially the same general locality” (page 136, line 12) with “within a reasonable commuting distance”.

Schedule 1: clause 21

In *Schedule 1*, replace *clause 21* (page 141, line 9, to page 142, line 4) with:

21 Decisions subject to department's oversight powers

Definition

- (1) In this subpart, **decision** means a decision that—
 - (a) relates to, or may affect, the provision of water services; and
 - (b) is not excluded by **subclause (4)**.

Examples

- (2) Examples of a decision that complies with **subclause (1)(a)** include a decision that relates to, or may affect, the provision of water services, and that is a decision—
 - (a) by a local authority to adopt an annual plan or to adopt or amend a long-term plan; or
 - (b) by a local authority to adopt a policy required by the Local Government Act 2002; or
 - (c) by a local authority that is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, a policy or plan adopted by the local authority under the Local Government Act 2002; or
 - (d) by a local authority to purchase or dispose of assets other than in accordance with its long-term plan; or
 - (e) by a local government organisation to purchase or dispose of an asset; or
 - (f) by any local government organisation to enter into a contract.
- (3) In **subclause (2)**, **annual plan** and **long-term plan**, of a local authority, have the meanings given to those terms in section 5(1) of the Local Government Act 2002.

Exclusion of certain decisions by local government organisations

- (4) However, in this subpart, a **decision** excludes (*see* **subclause (1)(b)**) a decision that complies with **subclause (1)(a)** and that is a decision by a local government organisation to enter into an excluded contract.
- (5) An **excluded contract**, in **subclause (4)**, means a contract—
 - (a) that is an employment agreement; or
 - (b) that is not an employment agreement, and that imposes an obligation on a local government organisation only before a date determined by the chief executive of the department for the purposes of this paragraph; or
 - (c) that is not an employment agreement, and that is a contract for which the consideration is less than an amount set by the

chief executive of the department for the purposes of this paragraph.

Compare: 2009 No 13 s 31(4), (5)

Schedule 1: clause 25

In *Schedule 1, clause 25*, after “Income Tax” (page 143, line 19), insert “Act”.

Schedule 1: new subpart 7 of Part 1

In *Schedule 1, Part 1*, after *subpart 6* (page 144, after line 18), insert:

Subpart 7—Treaty settlement obligations

26B Treaty settlement obligations

- (1) This clause applies to a person who performs or exercises a duty, function, or power under this Part.
- (2) The person must, in performing or exercising the duty, function, or power, uphold the integrity, intent, and effect of Treaty settlement obligations.
- (3) This clause does not affect or limit how **section 9** (Treaty settlement obligations prevail) applies to this Part.

Schedule 5

Schedule 5

In *Schedule 5*, item relating to *Schedule IAA, new clause 27(4)*, after “**subpart 2 of**” (page 164, line 22), insert “**Part 1 of**”.

Explanatory note

This Supplementary Order Paper sets out amendments to the Water Services Entities Bill. The amendments are as follows:

Preliminary clauses

- *new clause 2(1)(ca)* ensures that *clauses 129 to 134*, about a Government policy statement on water services, commence on the day after the date of Royal assent (*see also new clause 6A of Schedule 1*, discussed below):
- *clause 2(1)(d)* is deleted as redundant, because *clauses 147 to 152* are to commence under *clause 2(2)*—*see also Schedule 1, new clauses 8 to 8B*, discussed below:

Part 1

- *clause 4(4)*, which is about the application, for the purposes of the Bill, of the term Te Mana o te Wai, is deleted, because that application is included in the replacement definition of that term inserted in *clause 6*:
- in *clause 6*, the definition of the term Te Mana o te Wai is replaced, to ensure that the replacement definition includes the application, for the purposes of the Bill, of that term:

Part 2

- *clause 10(2)* is amended to confirm that *clause 10* does not limit *clause 206(1)(d)* (which authorises regulations changing the name of a water services entity):
- *new clause 43A* requires the regional representative group of a water services entity to hold at least 2 meetings during each financial year that are open to members of the public:
- *clause 44*, which is about the application of the Local Government Official Information and Meetings Act 1987 to a regional representative group, is amended to reflect the effect of *new clauses 43A and 44A*:
- *new clause 44A* requires the territorial authority owners of a water services entity that are shareholders of the entity (*see clauses 15 and 16*) to hold at least 1 shareholders' meeting during each financial year that is open to members of the public:
- *new clauses 91(ja) and 114(1A)* require a water services entity to provide funding, in accordance with the procedures specified in its constitution, to mana whenua to—
 - support and enable mana whenua to provide Te Mana o te Wai statements for water services; and
 - monitor any plan of the entity, or actions that the entity takes, as part of the entity's response to a Te Mana o te Wai statement for water services:

- *clause 91(na)*, which requires the constitution of a water services entity to provide for procedures for 1 or more meetings each year of territorial authority owners, is deleted because it is replaced by *new clause 44A*:
- *clause 114(1)* is amended to add a cross-reference to related procedures in an entity's constitution under *clause 91(j)*:

Part 4

- *clauses 136, 145, 148, 151, 154, and 157* are amended so that a water services entity's planning and reporting must show its responses to advice provided (to the entity's regional representative group) by a regional advisory panel:
- *clause 161(2)* is amended so that the Auditor-General's audit report must be provided not later than 3 months (rather than 4 months) after the end of the financial year:

Part 6

- *clause 203(1)* is amended to ensure that the chief executive of a water services entity must establish 1 or more consumer forums:
- *new clause 203(3A)* requires the chief executive of a water services entity to ensure that each of its consumer forums achieves equitable and reasonable representation of metropolitan, provincial, and rural communities in its service area:
- *clause 206(2A)* is replaced to ensure that regulations made under *clause 206(1)(a)* providing for a water service entity's model constitution must, despite *clauses 27(2) and 91(a)(i)*, provide that the entity's regional representative group consists of a number of regional representatives that is—
 - at least 12; and
 - no more than 18:
- *new clauses 223 and 224* replace the definition of the term Te Mana o te Wai, for the purposes of the Taumata Arowai—the Water Services Regulator Act 2020, to ensure that the replacement definition includes the application, for the purposes of that Act, of that term:
- in *clause 227, new section 14* of the Water Services Act 2021 is amended to ensure that the definition of the term Te Mana o te Wai, for the purposes of that Act, includes the application, for the purposes of that Act, of that term:

Schedule 1

- in *Schedule 1, clause 1*, definition of establishment period, *paragraph (a)* is amended to clarify its wording:
- in *Schedule 1, new clause 5A* requires the establishment chief executive of a water services entity, in preparing or updating the entity's allocation schedule, to have regard to a guiding principle. The guiding principle is that secondary water services assets or property of a local government organisation should be

specified in the should-not-transfer part of the entity's allocation schedule, unless the organisation and the establishment chief executive agree otherwise. Secondary water services assets or property, for a local government organisation, means any assets or property—

- of the local government organisation; and
 - that have or has more than 1 purpose or use (*see also clause 5(3)(b) of Schedule 1*); and
 - whose primary purpose or predominant use is not the delivery of water services:
- in *Schedule 1, new clause 6(3)* ensures that the Minister's role during the establishment period also includes issuing Government policy statements under *new clause 6A of Schedule 1* (discussed below):
 - in *Schedule 1, new clause 6A* is inserted to make clear that in the establishment period the Minister may issue a Government policy statement on water services, and how the Minister may in that period issue the statement (*see also new clause 2(1)(ca)*, discussed above):
 - in *Schedule 1, clause 7(1A)* is amended to simplify its wording:
 - in *Schedule 1, new clause 7(3)(baaa)* is inserted to require an establishment water services plan for a water services entity to include the processes, and required timing, for preparing and adopting for the entity, under *new clauses 8 to 8B of Schedule 1*, the following:
 - an initial asset management plan; and
 - an initial funding and pricing plan:
 - in *Schedule 1, clause 7(5)* is deleted as redundant. It requires an establishment water services plan to be consistent with initial plans prepared under *clause 8*. But those initial plans are prepared and adopted only after an establishment water services plan is prepared and approved:
 - in *Schedule 1, new clauses 8 to 8B* make clearer the processes, required timing, and roles in preparing and adopting, for a water services entity,—
 - an initial asset management plan; and
 - an initial funding and pricing plan.
 - in *Schedule 1, new clause 8AA(2)* also makes clear how *clauses 147 to 152* apply to a final initial asset management plan, or final initial funding and pricing plan, adopted under *new clause 8AA(1) of Schedule 1*:
 - in *Schedule 1, clause 11(2)(a)* is amended to ensure that a local government organisation must comply with any reasonable request by the chief executive of the department or the water services entity for employees of the local government organisation to be seconded to the department or the water services entity:

- in *Schedule 1, clause 11(2)(b)* is amended to include information about current or indicative water charges in the example of kinds of information that a local government organisation holds and must provide if reasonably requested to do so by the chief executive of the department or the water services entity:
- in *Schedule 1, clause 16(4A) and (4B)* is amended to ensure that *clause 16(4B)* is about relevant factors for whether the position offered is “within a reasonable commuting distance” under *clause 16(4A)(b)* (not whether the position offered is “in substantially the same general locality” under *clause 16(4A)(a)*):
- in *Schedule 1, clause 21*, which defines decisions subject to the department’s oversight powers, is replaced to clarify its effect:
- in *Schedule 1, clause 25* is amended to correct a reference to the Income Tax Act 2007:
- in *Schedule 1, Part 1* is amended by inserting a *new subpart 7* that contains *new clause 26B*, which—
 - applies to a person who performs or exercises a duty, function, or power under that Part; and
 - requires the person, in performing or exercising the duty, function, or power, to uphold the integrity, intent, and effect of Treaty settlement obligations (as defined in *clause 6* of the Bill); and
 - does not affect or limit how *clause 9* of the Bill (Treaty settlement obligations prevail) applies to that Part:

Schedule 5

- *Schedule 5* is amended to correct a cross-reference.