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# Infrastructure New Zealand Submission to the Finance and Expenditure Committee - Water Services Legislation Bill

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## 1. Introduction

- 1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to submit to the Finance and Expenditure Committee on the Water Services Legislation Bill.
- 1.2 INZ is New Zealand's membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy and public and private sector collaboration. Our members come from diverse sectors across New Zealand and include infrastructure service providers, investors, and operators.

## 2. General Remarks

- 2.1 As we have outlined previously, INZ is a key proponent for reform to New Zealand's three waters sector. We consider that the status quo is failing well short of meeting community expectations and that the case for reform has been made.

- 2.2 However, we do have concerns with the legislation proposed, particularly with the introduction of a large omnibus amendment bill before the Water Services Entity Act had even received Royal assent last December.
- 2.3 This is complex legislation, and a rushed process is not good legislation making. It is obvious that robust policy debate and final decision making around some aspects is still needed. There is a significant risk that unsupported and problematic law will create more issues than it potentially resolves.
3. While supportive of the intent of many of the changes proposed, Infrastructure New Zealand is concerned about how these provisions will be implemented in practice and how these reforms will interact with the Resource Management Reforms and Local Government review, in particular.

## **4. Amendments to Water Services Entities Act 2022 (Part 1)**

- 4.1 The following comments are made on this omnibus bill. The very nature of this bill which amends recently passed legislation, means it is difficult to interpret in places and fully understand the extent of the changes being made.

### **Section 133 amended (Purpose and content of Government policy statement (Clause 13))**

- 4.2 INZ supports these additions but it is unclear whether the existing provision S133 (3)(a) (vii) *local procurement, employment, joint arrangements, and joint water services entity arrangements*: remains or has been replaced with these additions.

#### **Recommendation 1**

- 4.3 INZ recommends there is the additional provisions identified in clause 13 are supplementary to S133 (3)(a) provisions.

### **Water Entity Services must respond to Te Mana o te Wai Statements for Water services (Clause 16)**

- 4.4 Clause 16 requires the Water Service Entity must respond to a Te Mana o te Wai Statement a with a plan of how the Water Entity will give effect to Te Mana o te Wai. The scope of these statements could be very wide ranging. The Water Entity should be required to consider the statement and respond but this may not go as far as a plan in all situations.

## **Recommendation 2**

- 4.5 INZ recommends that clause 16 is amended so that there is a requirement to consider and respond the Te Mana o te Wai Statement.

## **Obligation to publish various documents (clauses 17-20)**

- 4.6 Clauses 17-20 require the Water Service Entities to publish asset management plan, content of funding and pricing plan, Infrastructure Strategy as soon as practicable. INZ supports the timely transparency of these critical documents allowing them to be publicly scrutinised.

## **5. Provisions in other parts**

- 5.1 INZ is aware of concern around the transfer of existing councils assets and service providers to the new entity, particularly where these assets and service providers perform roles wider than just the three waters. We are concerned that key elements of the Water Reform are missing the benefit of engagement with the sector stakeholders and the introduction of the legislation as is , could result in wider unintended impacts, particularly around the transfer of assets.

## **6. Conclusion and recommendations**

- 6.1 We thank the Finance and Expenditure Committee for the opportunity to submit on Water Services Legislation Bill and wish to appear before the Committee to present our submission.

Michelle McCormick  
Policy Director  
Infrastructure New Zealand

### Annex 1: Full summary of recommendations

#	Reference	Recommendation
1	Clause 13	INZ recommends there is the additional provisions identified in clause 13 are supplementary to S133 (3)(a) provisions
2	Clause 16	INZ recommends that clause 16 is amended so that there is a requirement to consider and respond the Te Mana o te Wai Statement.
3	Clauses 17-20	INZ Supports these provisions.