



# Local Government Act 2002 Amendment Act 2019

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Commencement see section 2

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**The Parliament of New Zealand enacts as follows:**

**1 Title**

This Act is the Local Government Act 2002 Amendment Act 2019.

## 2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

# Part 1

## Amendments to Local Government Act 2002

## 3 Principal Act

This Act amends the Local Government Act 2002 (the **principal Act**).

## 4 Section 5 amended (Interpretation)

- (1) In section 5(1), insert in their appropriate alphabetical order:

**discretionary function** means any activity or service that a local authority is not specifically authorised or required to undertake or provide by or under an enactment but that is instead provided by the local authority in accordance with its discretionary power under section 12(2)

**permanent committee** means a committee of 1 or more local authorities that is established or continued by an enactment and that cannot be disestablished or discharged by the local authority or local authorities

**reorganisation implementation scheme** has the meaning set out in clause 2 of Schedule 3

**reorganisation plan** has the meaning set out in clause 2 of Schedule 3

- (2) In section 5(1), definition of **unitary authority**, paragraph (b), replace “reorganisation scheme” with “reorganisation plan”.

## 5 Section 6 amended (Meaning of council-controlled organisation and council organisation)

Replace section 6(3)(c) with:

(c) shareholders include any persons with an interest or right in the entity that is comparable to the rights of a shareholder in a company, for example, partners, joint venture partners, members, or other persons holding equity securities in relation to that organisation; and

## 6 Section 16 amended (Significant new activities proposed by regional council)

- (1) In section 16(1)(c)(ii), delete “or their annual plans”.
- (2) In section 16(8)(d), delete “application”.
- (3) In section 16(9), definition of **affected territorial authority**, paragraph (b), delete “or annual plan”.
- (4) In section 16(9), repeal the definition of **annual plan**.

## 7 Section 17 amended (Transfer of responsibilities)

(1) After section 17(3), insert:

(3A) The terms and conditions agreed under subsection (3) must ensure effective provision for any affected co-governance or co-management arrangements that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations.

(2) After section 17(4), insert:

(4A) In assessing, for the purposes of subsection (4), the benefits and negative impacts of a proposed transfer, a local authority must have regard to the following matters:

- (a) whether the transfer will promote—
  - (i) better fulfilment of the purpose of local government:
  - (ii) productivity improvements within local authorities and districts or regions:
  - (iii) efficiencies and cost savings:
  - (iv) assurance that the local authorities concerned have the resources necessary to enable them to effectively perform or exercise their responsibilities, duties, and powers:
  - (v) effective responses to the opportunities, needs, and circumstances of the affected area:
  - (vi) enhanced effectiveness, efficiency, and sustainability of local government services:
  - (vii) better support for the ability of local and regional economies to develop and prosper:
  - (viii) enhanced ability of local government to meet the changing needs of communities for governance and services into the future:
- (b) the scale and probability of the potential benefits of the transfer to users of local government services:
- (c) the financial, disruption, and opportunity costs of implementing the proposed transfer at the proposed time:
- (d) the consequences and risks of not implementing the proposed transfer at the proposed time:
- (e) existing communities of interest, and the extent to which the proposed transfer will maintain linkages between communities (including iwi and hapū) and sites and resources of significance to them.

(3) Replace section 17(8) with:

(8) In this section, **responsibility**—

- (a) means any responsibility, duty, or legal obligation (including a responsibility, duty, or legal obligation that has previously been transferred under this section and a discretionary function), and any powers associated with that responsibility, duty, or legal obligation; but
- (b) does not include a responsibility, duty, or legal obligation conferred by or under any other Act, unless that Act provides that the responsibility, duty, or legal obligation may be transferred in accordance with this section.

## **8 Section 24AA replaced (Purpose of local government reorganisation)**

Replace section 24AA with:

### **24AA Purpose of local government reorganisation provisions**

The purpose of the local government reorganisation provisions of this Act is to promote good local government by enabling and facilitating improvements to local governance.

## **9 Section 24 replaced (Scope of local government reorganisation)**

Replace section 24 with:

### **24 Scope of local government reorganisation**

- (1) Local government reorganisation may provide for 1 or more of the following matters:
  - (a) the union of districts or regions:
  - (b) the constitution of a new district or region, including the constitution of a new local authority for that district or region:
  - (c) the abolition of a district or region, including the dissolution or abolition of the local authority for that district or region:
  - (d) the alteration of the boundaries of any district or region:
  - (e) the transfer from one local authority to another of—
    - (i) a responsibility, duty, or power conferred by an enactment; or
    - (ii) a discretionary function:
  - (f) the assumption by a territorial authority of the responsibilities, duties, and powers of a regional council as a unitary authority:
  - (g) the performance and exercise by a local authority of both—
    - (i) the responsibilities, duties, and powers of a regional council in respect of a region; and
    - (ii) the responsibilities, duties, and powers of a territorial authority in respect of a district that constitutes a part only of that region:
  - (h) the establishment of 1 or more joint committees and the delegation of responsibilities, duties, and powers to those committees:

- (i) the establishment of a local board area, including the establishment of a local board for that area:
  - (j) in relation to a local board, other than a local board established under the Local Government (Auckland Council) Act 2009,—
    - (i) the means by which the chairperson is elected; and
    - (ii) whether the local board may include appointed members:
  - (k) the abolition of a local board area:
  - (l) the alteration of the boundaries of a local board area:
  - (m) the union of 2 or more local board areas.
- (2) Schedule 3 applies in relation to local government reorganisation.

**10 Section 24A amended (Transitional modification or suspension of certain statutory requirements after issue of final proposal for reorganisation)**

- (1) In the heading to section 24A, replace “**final proposal for reorganisation**” with “**reorganisation plan**”.
- (2) Replace section 24A(1) with:
  - (1) The purpose of this section is to authorise the extension or postponement of certain statutory requirements after public notice of a reorganisation plan is given under clause 13 of Schedule 3 if a poll of electors on that plan is to be held under clause 25 of that schedule.
- (3) Replace section 24A(2) with:
  - (2) This section applies to a reorganisation plan only if the plan provides for any of the matters specified in clause 23(1) of Schedule 3.
- (4) In section 24A(6), replace the definition of **specified period** with:
  - specified period** means the period—
    - (a) beginning on the date on which public notice is given of the reorganisation plan under clause 13 of Schedule 3; and
    - (b) ending on the close of the date that is 6 months after the date on which that public notice is given.

**11 Section 25 replaced (Order in Council to give effect to final proposals and reorganisation schemes)**

Replace section 25 with:

**25 Order in Council to give effect to reorganisation plan**

- (1) A reorganisation plan to which clause 22C(5) or 33 of Schedule 3 applies—
  - (a) is given effect to by Order in Council made on the recommendation of the Minister; and
  - (b) has effect on and from the date or dates specified for that purpose by that Order in Council (as required by subsection (3)(a)).

- (2) The Minister must recommend the making of an Order in Council under subsection (1) unless the Minister is satisfied, on reasonable grounds, that—
  - (a) the process followed in developing the reorganisation plan was not in accordance with the requirements of this Act; or
  - (b) the development of the reorganisation plan failed to give proper weight to the relevant principles, considerations, and criteria set out in this Act.
- (3) An Order in Council made under subsection (1)—
  - (a) must specify the date or dates on which its provisions come into effect; and
  - (b) must establish and provide for 1 or more transition bodies in accordance with—
    - (i) clauses 33 to 40 of Schedule 3; and
    - (ii) the provisions in the reorganisation plan relating to transitional matters; and
  - (c) may, with the agreement of the Commission, suspend any statutory requirement that an affected local authority would otherwise be subject to if the reorganisation would make compliance with the statutory requirement unnecessary or inappropriate.
- (4) An Order in Council made under subsection (1) may, if appropriate, amend Part 1 or 2 of Schedule 2.
- (5) An Order in Council giving effect to a reorganisation plan is not invalid merely because it is inconsistent with the provisions of the reorganisation plan if the inconsistency relates to—
  - (a) corrections of clerical, grammatical, or typographical errors; or
  - (b) the inclusion of provisions that are necessary to give legal effect to the reorganisation plan; or
  - (c) the omission of explanatory material or other material that is not necessary to give legal effect to the reorganisation plan; or
  - (d) matters of a format or referential nature that do not alter the substance or effect of the reorganisation plan.

**25A Order in Council to give effect to reorganisation implementation scheme**

- (1) A reorganisation implementation scheme prepared and issued under clause 41(2) of Schedule 3—
  - (a) is given effect to by Order in Council made on the recommendation of the Minister; and
  - (b) has effect on and from the date or dates specified for that purpose by that Order in Council (as required by subsection (2)(a)).
- (2) An Order in Council made under subsection (1) must specify—



- (a) the date or dates on which its provisions come into effect; and
  - (b) the date on which the local government reorganisation described in the order takes effect (the **implementation date** for the purposes of the provisions of Schedule 3).
- (3) An Order in Council giving effect to a reorganisation implementation scheme is not invalid merely because it is inconsistent with the provisions of the reorganisation plan or the reorganisation implementation scheme if the inconsistency relates to—
- (a) corrections of clerical, grammatical, or typographical errors; or
  - (b) the inclusion of provisions that are necessary to give legal effect to the reorganisation implementation scheme; or
  - (c) the omission of explanatory material or other material that is not necessary to give legal effect to the reorganisation implementation scheme; or
  - (d) matters of a format or referential nature that do not alter the substance or effect of the reorganisation implementation scheme.
- (4) If a reorganisation implementation scheme does not specifically provide for a matter that the Secretary considers to be necessary, desirable, or incidental as a consequence of the scheme,—
- (a) the Secretary must consult the Commission, and each affected local authority, about the inclusion of the matter in the Order in Council under subsection (1); and
  - (b) the matter may be included in the Order in Council if the Minister considers the inclusion is appropriate.
- (5) Clauses 45 and 46 of Schedule 3 apply in respect of each reorganisation implementation scheme that is given effect to by Order in Council, except to the extent that the Order in Council provides that the clauses are—
- (a) amended in their application; or
  - (b) declared not to apply.
- (6) Clauses 47 to 60A of Schedule 3 apply to each reorganisation implementation scheme that is given effect to by Order in Council.

## 12 Section 26 replaced (Power to amend reorganisation schemes)

Replace section 26 with:

### 26 Power to amend reorganisation plans and reorganisation implementation schemes

- (1) A reorganisation plan may be amended by a further reorganisation plan that is developed and adopted in accordance with this Act and that is given effect by an Order in Council under section 25.

- (2) A reorganisation implementation scheme may be amended by a further reorganisation implementation scheme that is developed and adopted in accordance with this Act and that is given effect by an Order in Council under section 25A.

**13 Section 26A amended (Duties of local authorities in relation to local government reorganisation)**

- (1) In section 26A(2), replace “proposed reorganisation or to the development of a reorganisation scheme” with “reorganisation investigation or to the development of a reorganisation implementation scheme”.
- (2) In section 26A(3), replace “final proposal” with “reorganisation plan”.
- (3) In section 26A(4)(a), replace “final proposal” with “reorganisation plan”.
- (4) After section 26A(4), insert:
- (5) A local authority that receives a report or recommendation from the Commission under clause 9 of Schedule 3 must—
- (a) make the report or recommendation publicly available; and
  - (b) consider and respond to the Commission in relation to the report or recommendation; and
  - (c) make the response publicly available.
- (6) A local authority must comply with subsection (5)—
- (a) within 30 working days after receiving the report or recommendation; or
  - (b) by a later date specified by the Commission in the report or recommendation.
- (7) Nothing in this section requires a local authority to make publicly accessible any information that may be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987.

**14 Section 27 amended (Application to be called city council or district council)**

In section 27(1), delete “, instead of making a reorganisation application under Schedule 3,”.

**15 Section 29 amended (Commission is body corporate with full powers)**

After section 29(2), insert:

- (3) The Commission is a public office for the purposes of the Public Records Act 2005.

**16 Section 31 amended (Report to Minister on matters relating to local government)**

Repeal section 31(1A).

**17 Section 31A amended (Minister’s expectations of Commission in relation to local government reorganisation)**

- (1) In section 31A(1), (3), (4)(a) and (b), and (5), delete “measures and”.
- (2) After section 31A(1), insert:
  - (1A) The Minister must state in the notice the Minister’s objectives in respect of the expectations specified in the notice.

**18 Section 33 amended (Membership of Commission)**

- (1) In section 33(1), replace “3 members” with “a minimum of 1 member and a maximum of 3 members”.
- (2) Replace section 33(2) with:
  - (2) If the Commission consists of 2 members or 3 members,—
    - (a) 1 member—
      - (i) must have a knowledge of tikanga Māori; and
      - (ii) must be appointed by the Minister after consultation with the Minister for Māori Development; and
    - (b) 1 member—
      - (i) must have experience as an elected member or the chief executive of a local authority; and
      - (ii) must be appointed by the Minister after consultation with the New Zealand Local Government Association Incorporated.
  - (2A) If the Commission consists of 1 member, that member must be appointed by the Minister, who must—
    - (a) take into consideration whether the member has a knowledge of tikanga Māori or experience as an elected member or the chief executive of a local authority; and
    - (b) consult with—
      - (i) the Minister for Māori Development; and
      - (ii) the New Zealand Local Government Association Incorporated.

**19 Section 34 replaced (Commission is Commission of Inquiry)**

Replace section 34 with:

**34 Additional powers of Commission**

- (1) For the purposes of performing its functions under this Act, the Commission—
  - (a) has the powers of the District Court exercising its civil jurisdiction in respect of citing parties and conducting and maintaining order at any meeting or hearing; and

- (b) is to be treated as an inquiry for the purposes of sections 14, 19 to 27, 29, 30, and 34 of the Inquiries Act 2013.
- (2) The chairperson of the Commission, or any other person (being a member of the Commission or an officer of the Public Service) acting by direction or with the authority of the chairperson, may do any act preliminary or incidental to the investigation or consideration of any matter by the Commission.

**20 New section 35A inserted (Application of Official Information Act 1982)**

After section 35, insert:

**35A Application of Official Information Act 1982**

- (1) This section applies to information created or received by the Commission in the course of—
  - (a) the consideration of any matter under section 31:
  - (b) a reorganisation investigation under Part 1 of Schedule 3:
  - (c) the review of a local authority-led reorganisation application under clause 22C of Schedule 3:
  - (d) the resolution of a dispute by the Commission under this Act or another enactment:
  - (e) the determination of an appeal or objection under section 19R of the Local Electoral Act 2001.
- (2) Information to which this section applies is not official information for the purposes of the Official Information Act 1982 until the consideration, investigation, resolution, review, or determination has been completed.

**21 Section 57 amended (Appointment of directors)**

After section 57(2), insert:

- (3) When identifying the skills, knowledge, and experience required of directors of a council-controlled organisation, the local authority must consider whether knowledge of tikanga Māori may be relevant to the governance of that council-controlled organisation.

**22 New section 60A inserted (Significant decisions of council-controlled organisations affecting land or water)**

After section 60, insert:

**60A Significant decisions of council-controlled organisations affecting land or water**

Before a council-controlled organisation makes a decision that may significantly affect land or a body of water, it must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

**23 Section 64 and cross-heading replaced**

Replace section 64 and the cross-heading above section 64 with:

*Council-controlled organisation planning*

**64 Statements of intent for council-controlled organisations**

- (1) Every council-controlled organisation must prepare and adopt a statement of intent in accordance with Part 1 of Schedule 8.
- (2) The purpose of a statement of intent is to—
  - (a) state publicly the activities and intentions of the council-controlled organisation for the year and the objectives to which those activities will contribute; and
  - (b) provide an opportunity for shareholders to influence the direction of the organisation; and
  - (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.
- (3) The statement of intent—
  - (a) must not be inconsistent with the constitution of the council-controlled organisation; and
  - (b) may include and apply to 2 or more related council-controlled organisations.
- (4) Every statement of intent of a council-controlled organisation must comply with Part 2 of Schedule 8.
- (5) Every statement of intent of a council-controlled trading organisation must comply with Part 3 of Schedule 8.
- (6) Every statement of intent of a council-controlled organisation that is not a council-controlled trading organisation must comply with Part 4 of Schedule 8.
- (7) All information that is included in a statement of intent under this section must be prepared in accordance with generally accepted accounting practice if that information is of a form or nature for which generally accepted accounting practice has developed standards.
- (8) Despite this section, an organisation that becomes a council-controlled organisation not more than 6 months before the end of a financial year is not required to prepare a statement of intent for that financial year.
- (9) Each shareholding local authority must publish the adopted statement of intent on an Internet site maintained by or on behalf of the local authority within 1 month of adopting it, and must maintain the statement on that site for a period of no less than 7 years.
- (10) A failure by a council-controlled organisation to comply with any requirement of this section, or with any statement in the organisation's statement of intent,

does not affect the validity or enforceability of any deed, agreement, right, or obligation entered into, obtained, or incurred by that organisation.

#### **64A Shareholders may require additional plans**

- (1) The shareholders of a council-controlled organisation may require the organisation to prepare and deliver additional plans, including—
  - (a) an asset management plan;
  - (b) a long-term plan;
  - (c) 1 or more thematic plans (for example, a climate change mitigation plan).
- (2) A requirement to provide a plan must be notified to the council-controlled organisation in writing and must specify—
  - (a) the date by which the plan must be delivered to the shareholders; and
  - (b) the matters to be addressed in the plan; and
  - (c) the time period that the plan is to cover.
- (3) A requirement to provide a plan may also specify a date or dates by which, or intervals at which, the organisation must report on its progress against the plan.
- (4) The board of a council-controlled organisation must deliver plans, and reports against those plans, in accordance with the terms of the requirement.

#### **64B Statement of expectations**

- (1) The shareholders in a council-controlled organisation may prepare a statement of expectations that—
  - (a) specifies how the organisation is to conduct its relationships with—
    - (i) shareholding local authorities; and
    - (ii) the communities of those local authorities, including any specified stakeholders within those communities; and
    - (iii) iwi, hapū, and other Māori organisations; and
  - (b) requires the organisation to act consistently with—
    - (i) the statutory obligations of the shareholding local authorities; and
    - (ii) the shareholders' obligations pursuant to agreements with third parties (including with iwi, hapū, or other Māori organisations).
- (2) A statement of expectations may include other shareholder expectations, such as expectations in relation to community engagement and collaboration with shareholders and others in the delivery of services.
- (3) A statement of expectations must be published on an Internet site maintained by or on behalf of each local authority that is a shareholder of the organisation.

**24 Section 66 replaced (Half-yearly report)**

Replace section 66 with:

**66 Half-yearly or quarterly reports**

- (1) During each financial year, the board of a council-controlled organisation must report on the organisation's operations to—
  - (a) its shareholders; and
  - (b) in the case of an organisation that is indirectly controlled by 1 or more local authorities (for example, a subsidiary of a holding company owned by a local authority), to each local authority that indirectly controls the organisation.
- (2) A half-yearly report must be delivered within 2 months after the end of the first half of each financial year.
- (3) If the shareholders of the council-controlled organisation notify the organisation that they require quarterly reporting, quarterly reports must also be delivered within 2 months after the end of the first and third quarters of each financial year.
- (4) Each report must include the information required to be included by the council-controlled organisation's statement of intent.
- (5) Each local authority that receives a report under this section must publish the report on an Internet site maintained by or on behalf of the local authority within 1 month of receiving it and must maintain the report on that site for a period of no less than 7 years.

Compare: 1974 No 66 s 594Z

**25 Section 67 amended (Annual report)**

- (1) Replace section 67(1) with:
  - (1) Within 3 months after the end of each financial year, the board of a council-controlled organisation must—
    - (a) complete a report on the organisation's operations during that year; and
    - (b) deliver the report to its shareholders and, in the case of an organisation that is indirectly controlled by 1 or more local authorities (for example, a subsidiary of a holding company owned by a local authority), to each local authority that indirectly controls the organisation; and
    - (c) make the report available to the public.
  - (2) After section 67(2), insert:
  - (3) If a council-controlled organisation has undertaken to obtain or has obtained compensation from its shareholders in respect of any activity, the undertaking or the amount of compensation obtained must be recorded in the annual report of the council-controlled organisation.

- (4) Each local authority that receives an annual report under this section must publish the annual report on an Internet site maintained by or on behalf of the local authority within 1 month of receiving it, and must maintain the report on that site for a period of no less than 7 years.

**26 Section 71 amended (Protection from disclosure of sensitive information)**

In section 71, replace “or half-yearly report” with “half-yearly report, or quarterly report”.

**27 Section 71A amended (Application of Part to listed companies)**

In section 71A(2)(b), after “half-yearly report”, insert “or quarterly report”.

**28 Section 97 amended (Certain decisions to be taken only if provided for in long-term plan)**

Replace section 97(3) with:

- (3) Nothing in this section applies to a decision of a local authority—
- (a) to adopt a local authority-led reorganisation plan under clause 22A of Schedule 3; or
  - (b) that is required in order to implement a reorganisation in accordance with an Order in Council under section 25 or 25A; or
  - (c) to fund a capital project by lump sum contributions, if the local authority has complied with section 117B(3)(c)(i) of the Local Government (Rating) Act 2002.

**29 Section 259 amended (Regulations)**

In section 259(1)(d), replace “petitions and polls in relation to final proposals for local government reorganisation” with “polls in relation to reorganisation plans”.

**30 Schedule 1AA amended**

In Schedule 1AA, after clause 15, insert the Part 3 set out in Schedule 1 of this Act.

**31 Schedule 3 amended**

Amend Schedule 3 as set out in Schedule 2 of this Act.

**32 Schedule 4 amended**

Amend Schedule 4 as set out in Schedule 3 of this Act.

**33 Schedule 5 amended**

In Schedule 5, clause 1(2)(b), replace “section 10 of the Commissions of Inquiry Act 1908” with “section 34 of the Inquiries Act 2013”.



**34 Schedule 7 amended**

- (1) In Schedule 7, repeal clause 6(8).
- (2) In Schedule 7, after clause 30A(6), insert:
  - (6A) For the purposes of subclause (6)(b), a mayor who is a member of the committee solely by operation of section 41A(5) is not counted as a member of the committee for the purposes of determining—
    - (a) the number of members required to constitute a quorum; or
    - (b) whether a quorum exists at a meeting.
- (3) In Schedule 7, clause 30A(7), replace “this clause” with “subclauses (1) to (4)”.

**35 Schedule 8 replaced**

Replace Schedule 8 with the Schedule 8 set out in Schedule 4 of this Act.

**36 Schedule 10 amended**

Amend Schedule 10 as set out in Schedule 5 of this Act.

**Part 2****Amendments to other enactments***Amendment to Land Transport Act 1998***37 Amendment to Land Transport Act 1998**

Section 38 amends the Land Transport Act 1998.

**38 New section 210A inserted (Transfer of responsibilities between regional councils and territorial authorities)**

After section 210, insert:

**210A Transfer of responsibilities between regional councils and territorial authorities**

- (1) A regional council may transfer 1 or more of its responsibilities under this Act to a territorial authority under section 17 of the Local Government Act 2002.
- (2) A territorial authority may transfer 1 or more of its responsibilities under this Act to a regional council under section 17 of the Local Government Act 2002.
- (3) In this section, **responsibility** means any responsibility, duty, or legal obligation under this Act and includes—
  - (a) a responsibility that has previously been transferred under section 17 of the Local Government Act 2002; and
  - (b) any powers associated with the responsibility, duty, or legal obligation.

*Amendment to Land Transport Management Act 2003***39 Amendment to Land Transport Management Act 2003**

Section 40 amends the Land Transport Management Act 2003.

**40 New section 7B inserted (Transfer of responsibilities between regional councils and territorial authorities)**

After section 7A, insert:

**7B Transfer of responsibilities between regional councils and territorial authorities**

- (1) A regional council may transfer 1 or more of its responsibilities under this Act to a territorial authority under section 17 of the Local Government Act 2002.
- (2) A territorial authority may transfer 1 or more of its responsibilities under this Act to a regional council under section 17 of the Local Government Act 2002.
- (3) In this section, **responsibility** means any responsibility, duty, or legal obligation under this Act and includes—
  - (a) a responsibility that has previously been transferred under section 17 of the Local Government Act 2002; and
  - (b) any powers associated with the responsibility, duty, or legal obligation.

*Amendment to Local Government Act 1974***41 Amendment to Local Government Act 1974**

Section 42 amends the Local Government Act 1974.

**42 New section 318A inserted (Transfer of responsibilities between regional councils and territorial authorities)**

After section 318, insert:

**318A Transfer of responsibilities between regional councils and territorial authorities**

- (1) A regional council may transfer 1 or more of its responsibilities under this Part to a territorial authority under section 17 of the Local Government Act 2002.
- (2) A territorial authority may transfer 1 or more of its responsibilities under this Part to a regional council under section 17 of the Local Government Act 2002.
- (3) In this section, **responsibility** means any responsibility, duty, or legal obligation under this Act and includes—
  - (a) a responsibility that has previously been transferred under section 17 of the Local Government Act 2002; and
  - (b) any powers associated with the responsibility, duty, or legal obligation.

*Amendments to other enactments***43 Consequential amendments to other enactments**

Amend the enactments specified in Schedule 6 as set out in that schedule.

**Schedule 1**  
**New Part 3 inserted in Schedule 1AA**

s 30

**Part 3**  
**Provisions relating to Local Government Act 2002 Amendment Act 2019**

*Transitional provision relating to reporting and publication requirements*

**16 Delayed effective date for certain reporting and publication requirements**

- (1) Despite sections 64(9), 64B(3), 66(5), and 67(4), a local authority is not required to publish a council-controlled organisation's statement of intent, statement of expectations, half-yearly or quarterly report, or annual report on an Internet site maintained by the local authority before the date that is 3 months after the date of commencement of the Local Government Act 2002 Amendment Act 2019.
- (2) Despite sections 66 and 67(1)(b), a council-controlled organisation is not required to deliver a report to a local authority that indirectly controls the organisation before the date that is 3 months after the date of commencement of the Local Government Act 2002 Amendment Act 2019.

*Transitional provisions relating to scope of local government reorganisations*

**17 Interpretation**

In this Part,—

**relevant amendments** means the amendments to subpart 2 of Part 3 and to Schedule 3 made by sections 8 to 14 and 31 of the Local Government Act 2002 Amendment Act 2019

**relevant provisions** means the provisions in subpart 2 of Part 3 and Schedule 3.

**18 Relevant amendments do not apply if final proposal notified before commencement**

The relevant amendments do not apply to a local government reorganisation for which a final proposal was publicly notified under clause 22 of Schedule 3 before the repeal of that clause and the commencement of the relevant amendments. The relevant provisions continue to apply as if the relevant amendments had not been made.

*Reorganisation applications made before 4 April 2019***19 Process if notice of proposal given, but decision not made, before commencement of relevant amendments**

- (1) Subclause (2) applies if,—
- (a) before 4 April 2019, the Local Government Commission received a reorganisation application under clause 3 of Schedule 3; and
  - (b) before the commencement of the relevant amendments, the Commission—
    - (i) had given notice of a draft proposal under clause 20 of Schedule 3; but
    - (ii) had not made a decision under clause 21(1) of that schedule in respect of that draft proposal.
- (2) If this subclause applies,—
- (a) the relevant provisions, as amended by the relevant amendments, apply to consideration of the draft proposal as if it were a reorganisation investigation under subpart 2 of Part 1 of Schedule 3; but
  - (b) the Commission must complete the consultation required by clause 20 of Schedule 3 as if that clause had not been repealed, before taking any action under Part 2 of Schedule 3.

**20 Process if decision to assess application notified before commencement of relevant amendments, but draft proposal not completed**

- (1) Subclause (2) applies if,—
- (a) before 4 April 2019, the Local Government Commission received a reorganisation application under clause 3 of Schedule 3; and
  - (b) before the commencement of the relevant amendments, the Commission—
    - (i) had notified its decision to assess an application under clause 6 of Schedule 3; but
    - (ii) had not completed a draft proposal for the affected area under clause 14 of that schedule.
- (2) If this subclause applies,—
- (a) the relevant provisions, as amended by the relevant amendments, apply to the application, and to any alternative applications relating to the application received under clause 10 of Schedule 3, as if each application were a reorganisation initiative under subpart 1 of Part 1 of Schedule 3; but

- (b) the Commission must undertake 1 or more investigations covering the proposals in the application or applications, and clause 5 of Schedule 3 does not apply.

*Reorganisation applications made after 4 April 2019*

**21 Process if reorganisation application made between 4 April 2019 and date of commencement of relevant amendments**

- (1) Subclauses (2) to (4) apply if the Commission received a reorganisation application under clause 3 of Schedule 3 in the period starting on 4 April 2019 and ending immediately before the commencement of the relevant amendments.
- (2) If the reorganisation application was made by a person, body, or group, other than a local authority or the Minister, the Commission must determine whether the application was made on behalf of a group that comprises at least 10% of electors in the affected area.
- (3) If the Commission determines that the application was not made on behalf of a group that comprises at least 10% of electors in the affected area,—
  - (a) the Commission must not assess or continue to assess the application; and
  - (b) the Commission must notify the person who submitted the application that—
    - (i) the application will not be assessed; but
    - (ii) the person may propose a reorganisation initiative or make an investigation request in accordance with subpart 1 of Part 1 of Schedule 3.
- (4) If the Commission determines that the application was made on behalf of a group that comprises at least 10% of electors in the affected area, the application must be progressed as follows:
  - (a) in accordance with clause 19(2), if the circumstances described in clause 19(1)(b) apply; and
  - (b) in accordance with clause 20(2), if the circumstances described in clause 20(1)(b) apply.

## Schedule 2

### Amendments to Schedule 3

s 31

#### Clause 1

In Schedule 3, replace clause 1(3) and (4) with:

- (3) Part 1 contains 2 subparts, as follows:
- (a) subpart 1—
    - (i) provides that a reorganisation initiative or an investigation request may be submitted to the Commission by—
      - (A) 1 or more affected local authorities; or
      - (B) a group comprising at least 10% of electors in the affected area; or
      - (C) the Minister; and
    - (ii) specifies what a reorganisation initiative and an investigation request must contain; and
    - (iii) empowers the Commission to decide whether to undertake an investigation in response to a reorganisation initiative or an investigation request; and
  - (b) subpart 2—
    - (i) authorises the Commission to develop, document, and publish the process for an investigation; and
    - (ii) authorises the Commission to issue reports, with recommendations to which a local authority must respond, in the course of an investigation.
- (4) Part 2 contains 5 subparts, as follows:
- (a) subpart 1 empowers the Commission to develop and adopt reorganisation plans; and
  - (b) subpart 1A—
    - (i) prescribes what a reorganisation plan may contain; and
    - (ii) provides for the Commission to issue and notify a reorganisation plan; and
  - (c) subpart 1B empowers 1 or more local authorities to—
    - (i) develop and publicly consult on a reorganisation plan; and
    - (ii) submit the reorganisation plan to the Commission for approval; and
  - (d) subpart 2 provides for the holding of a poll on plans for major reorganisations; and

**Clause 1**—*continued*

- (e) subpart 3 places restrictions on advertising by a local authority to promote or oppose a reorganisation plan in the period from the issue of the plan to when a poll is held. This subpart contains an exception for publication of material that is factual or referential.

In Schedule 3, replace clause 1(6) with:

- (6) Part 4 contains 4 subparts, as follows:
  - (a) subpart 1 requires the Commission to prepare a reorganisation implementation scheme if no poll is required on a reorganisation plan, or if a poll has been held and has not defeated the reorganisation plan; and
  - (b) subpart 2 specifies the matters the Commission must and may include in a reorganisation implementation scheme; and
  - (c) subpart 3 contains provisions that apply to a reorganisation unless amended or declared not to apply to that reorganisation by a reorganisation order; and
  - (d) subpart 4 contains provisions that establish the tax treatment of assets transferred in a reorganisation.

In Schedule 3, clause 1(6)(b) and (c), replace “reorganisation scheme” with “reorganisation implementation scheme”.

**Clause 2**

In Schedule 3, clause 2, replace the definition of **affected area** with:

- affected area**,—
- (a) in relation to a reorganisation investigation, means an area affected, or potentially affected, by 1 or more of the matters to be investigated; and
  - (b) in relation to a reorganisation initiative or plan (other than an initiative or plan that relates solely to 1 or more matters described in section 24(1)(i) to (m)), means—
    - (i) an area that would be included in the district or region of a new or different local authority if local government in relation to the area were to be reorganised in accordance with the initiative or plan:
    - (ii) an area that would remain in the district or region of a local authority with changed responsibilities, duties, or powers if local government in relation to the area were to be reorganised in accordance with the initiative or plan:
  - (c) in relation to a reorganisation initiative or plan that relates solely to 1 or more matters described in section 24(1)(i) to (m) (which relates to local board areas),—



**Clause 2**—*continued*

- (i) for the purposes of any of clauses 3(1)(b), 4(1)(b)(i), 4(1)(c)(ii), and 5(1)(a), means the area of the local board or proposed local board; and
- (ii) for all other purposes, means the area comprising the district of the unitary authority; and
- (d) in the case of a plan to which clause 23(1)(e) applies (which relates to the transfer from one local authority to another of responsibilities, duties, and powers under the Resource Management Act 1991 or in relation to water services or transport services) means the districts or regions of both local authorities

In Schedule 3, clause 2, replace the definition of **implementation date** with:

**implementation date** means the date specified in an Order in Council made under section 25A(1) as the date on which the local government reorganisation described in the order takes effect

In Schedule 3, clause 2, repeal the definitions of **local board reorganisation application** and **reorganisation application**.

In Schedule 3, clause 2, definition of **public notice**, replace “reorganisation application, draft proposal, or final proposal” with “reorganisation investigation or reorganisation plan”.

In Schedule 3, clause 2, insert in their appropriate alphabetical order:

**affected iwi or hapū** means an iwi or a hapū with interests within the affected area, and includes any entity or organisation identified by Te Puni Kōkiri as representing those interests

**investigation request** means a request to the Commission by a group comprising at least 10% of electors in an affected area, a local authority, or the Minister, in accordance with clause 3, to conduct a reorganisation investigation into an issue or a matter but without proposing a particular reorganisation

**reorganisation implementation scheme** means a scheme prepared under Parts 3 and 4 of this schedule to give effect to a reorganisation plan

**reorganisation initiative** or **initiative** means a request to the Commission by a group comprising at least 10% of electors in an affected area, a local authority, or the Minister, to consider a proposed reorganisation

**reorganisation investigation** or **investigation** means an investigation by the Commission under Part 1 of this schedule, in response to a reorganisation initiative or an investigation request, that may result in the development and adoption of a reorganisation plan

**reorganisation order** means an Order in Council made under section 25 or 25A

**Clause 2—continued**

**reorganisation plan** means a plan that includes 1 or more of the matters in section 24 and that is—

- (a) adopted by the Commission, during or after an investigation; or
- (b) adopted by 1 or more local authorities in accordance with clause 22A.

**Part 1**

In Schedule 3, replace Part 1 with:

**Part 1**  
**Reorganisation investigations**

Subpart 1—Reorganisation initiatives and investigation requests

**3 Who may propose reorganisation initiative or make investigation request**

(1) A reorganisation initiative may be proposed, or an investigation request may be made, to the Commission by—

- (a) 1 or more affected local authorities;
- (b) a group of at least 10% of electors in the affected area;
- (c) the Minister.

(2) The reorganisation initiative or investigation request must be submitted to the chief executive officer of the Commission.

**4 Contents of reorganisation initiative or investigation request**

(1) A reorganisation initiative or an investigation request must include the following:

- (a) the name and address of the person submitting the initiative or request; and
- (b) if the initiative or request is submitted by a group of electors under clause 3(1)(b),—
  - (i) evidence that the group comprises at least 10% of electors in the affected area; and
  - (ii) the name and address of the person who is the representative of those persons; and
- (c) in the case of an initiative, a description of the proposed changes, including (but not limited to)—
  - (i) which of the matters listed in section 24(1) is being sought; and
  - (ii) a plan or other description sufficient to identify the affected area or affected areas concerned; and

**Part 1—continued**

- (iii) an explanation of the outcome that the proposed changes are seeking to achieve; and
  - (d) in the case of an investigation request, a description of the matter, issue, problem, or opportunity to be investigated.
- (2) A reorganisation initiative may include—
- (a) any information requested or recommended in any guidelines issued by the Commission; and
  - (b) any other information that demonstrates that the initiative has community support in the affected area; and
  - (c) any other information that the person submitting the initiative considers relevant to the Commission’s consideration of the initiative.

**5 Action on receipt of reorganisation initiative or investigation request**

- (1) As soon as practicable after receiving a reorganisation initiative or an investigation request, the Commission must,—
- (a) if the initiative or request was submitted by a group of electors, confirm that the group comprises at least 10% of electors in the affected area (and, if not, notify the person who submitted the initiative or request that the Commission will not undertake an investigation); and
  - (b) decide whether to undertake an investigation, having regard to the factors listed in clause 6; and
  - (c) notify the person who submitted the initiative or request, or that person’s representative, of its decision; and
  - (d) if the Commission decides not to undertake an investigation, explain the reasons for that decision in the notice under paragraph (c); and
  - (e) if the Commission decides to undertake an investigation, notify the affected local authorities of that decision.
- (2) Before making a decision under subclause (1)(b), the Commission must consult the local authorities that would be affected by the reorganisation initiative or the requested investigation.

**Subpart 2—Reorganisation investigations****6 Factors Commission must have regard to when deciding whether to undertake reorganisation investigation**

When deciding whether to undertake a reorganisation investigation under clause 5(1)(b), the Commission must have regard to—

- (a) the purpose of reorganisation set out in section 24AA; and

**Part 1—continued**

- (b) the potential scale and scope of improvements to local governance and services that might result from the investigation; and
- (c) the potential costs, disruption, and other negative effects on affected local authorities and their communities that may be caused by the investigation; and
- (d) any time or other constraints that apply to the opportunity to achieve potential improvements to local governance and services; and
- (e) the need for urgent resolution of any problem identified by the Commission, or in the investigation request or reorganisation initiative; and
- (f) the resources available to the Commission to undertake the investigation in a timely manner; and
- (g) the likelihood of significant community opposition to any reorganisation that might result from the investigation.

**7 Commission must adopt reorganisation investigation process**

- (1) As soon as practicable after it makes a decision under clause 5(1)(b) to undertake a reorganisation investigation, the Commission must determine and adopt a process for the investigation and record that process in writing.
- (2) The process document must set out how the Commission intends to undertake the investigation, including—
  - (a) the matters to be investigated; and
  - (b) the affected area and the local authorities affected by the investigation; and
  - (c) the procedure and timetable for the investigation; and
  - (d) each affected iwi or hapū, and how and when they will be given an opportunity to engage with the investigation; and
  - (e) the key stakeholders, and how and when they will be given an opportunity to engage with the investigation; and
  - (f) how and when members of the public will be consulted on the investigation and any proposed recommendations or reorganisation plans that may result; and
  - (g) any other matter that the Commission considers relevant.
- (3) In determining the matters referred to in subclause (2), and in undertaking an investigation, the Commission must have regard to the following principles:
  - (a) early information should be available to the public and stakeholders about the issues to be investigated, the process to be followed, and the opportunities for public input; and

**Part 1**—*continued*

- (b) the process should be in proportion to the scale, scope, and potential impact of the identified issues and of any reorganisation plan that may result from the investigation; and
  - (c) the process should recognise the relevant evidence and information that the Commission already holds; and
  - (d) the process should recognise and reflect the nature and extent of the interests of affected iwi or hapū in the outcome of the investigation; and
  - (e) the process should provide persons, entities, and organisations who wish to have their views on the subject matter of the investigation considered by the Commission with a reasonable opportunity to present those views to the Commission; and
  - (f) the extent and nature of public and stakeholder engagement should—
    - (i) reflect the degree of public interest (including of each affected iwi or hapū) in the issues and in any reorganisation plan that may result from the investigation; and
    - (ii) reflect the importance of—
      - (A) stakeholder input; and
      - (B) community engagement; and
      - (C) public acceptance of the process and the potential outcome; and
    - (iii) appropriately balance the costs and benefits of different processes.
- (4) Before adopting a process document under subclause (1), the Commission must—
- (a) consult affected local authorities on the proposed process or amendment; and
  - (b) consult all affected iwi or hapū about whether, and how, the proposed reorganisation investigation, or any reorganisation plan that may result from the investigation, may affect their relationship with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga, or affect their relationships with local authorities.
- (5) The Commission may adopt an amendment to a process document under subclause (1) at any time and must do so if there is a significant departure from the process.
- (6) The Commission must, as soon as practicable after adopting or amending a process document,—
- (a) publish the process document in full on its Internet site; and
  - (b) give public notice within the affected area of the publication and location of the process document; and

**Part 1—continued**

- (c) notify all affected local authorities, affected iwi or hapū, and key stakeholders identified by the Commission of the publication and location of the process document.

**8 Commission may require assistance and undertake inquiries when conducting investigations and preparing reorganisation plan**

- (1) In conducting an investigation or preparing a reorganisation plan, the Commission may require a local authority that is affected by the investigation or the plan to provide information to assist the Commission.
- (2) In conducting an investigation or preparing a reorganisation plan, the Commission may undertake inquiries and consultation in relation to the investigation or plan with any persons, bodies, and groups that it considers appropriate.

**9 Commission may issue report**

- (1) The Commission may, at any time during a reorganisation investigation, or at the completion of the investigation, issue a report and make recommendations to any local authority on any matter arising in the course of, or ancillary to, the investigation.
- (2) Section 26A applies to a report and recommendations under this clause.

**10 Objectives that Commission must consider in reorganisation investigation**

In assessing the desirability of options for the reorganisation of local government within the affected area, the Commission must take into account how best to achieve—

- (a) better fulfilment of the purpose of local government as specified in section 10; and
- (b) productivity improvements within the affected local authorities; and
- (c) efficiencies and cost savings; and
- (d) assurance that any local authority established or changed has the resources necessary to enable it to effectively perform or exercise its responsibilities, duties, and powers; and
- (e) effective responses to the opportunities, needs, and circumstances of the affected areas; and
- (f) enhanced effectiveness, efficiency, and sustainability of local government services; and
- (g) better support for the ability of local and regional economies to develop and prosper; and
- (h) enhanced ability of local government to meet the changing needs of communities for governance and services into the future; and

**Part 1—continued**

- (i) effective provision for any co-governance and co-management arrangements that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations.

**11 Completion of investigation**

As soon as practicable after completing an investigation, the Commission must—

- (a) give public notice of the completion of the investigation; and
- (b) notify all affected local authorities, affected iwi or hapū, and key stakeholders of the completion of the investigation; and
- (c) record the completion of the investigation on its Internet site.

**Part 2 heading**

In Schedule 3, replace the Part 2 heading and the subpart 1 heading in Part 2 with:

**Part 2**  
**Reorganisation plans**

**New subpart 1 of Part 2 and subpart 1A heading**

In Schedule 3, after the Part 2 heading (as amended by this Act), insert:

Subpart 1—Adoption and notification of reorganisation plan

**12 Commission may adopt reorganisation plan**

- (1) The Commission may, during or at the completion of a reorganisation investigation,—
  - (a) develop 1 or more reorganisation plans; and
  - (b) adopt 1 or more reorganisation plans that meet the requirements of subpart 1A of this Part.
- (2) In deciding whether to adopt a reorganisation plan, the Commission must have regard to—
  - (a) the scale of the potential benefits of the proposed changes in terms of the objectives set out in clause 10 and the likelihood of those benefits being realised; and
  - (b) the financial, disruption, and opportunity costs of implementing the proposed changes at the proposed time; and
  - (c) the risks and consequences of not implementing the proposed changes at the proposed time; and

**New subpart 1 of Part 2 and subpart 1A heading—*continued***

- (d) existing communities of interest and the extent to which the proposed changes will maintain linkages between communities (including iwi and hapū) and sites and resources of significance to them; and
  - (e) the degree and distribution of demonstrable public support for the proposed changes within communities in the affected area; and
  - (f) the degree and distribution of any public opposition to the proposed changes within communities in the affected area.
- (3) The Commission must not adopt a reorganisation plan under this clause that affects the application of any Act that establishes co-governance or co-management arrangements between local authorities and iwi or Māori organisations (including Treaty of Waitangi claim settlement legislation), without first consulting all iwi or Māori organisations to whom that Act applies, the Attorney-General, and the Minister for Treaty of Waitangi Negotiations.
- (4) A reorganisation plan to which subclause (3) applies must provide for the same level and scope of participation in decision making by iwi or Māori organisations as the arrangement specified in the Act referred to in that subclause.

**13 Notification of reorganisation plan**

- (1) As soon as practicable after adopting a reorganisation plan, the Commission must—
- (a) give public notice of the plan and, in the notice, specify where copies of the plan may be inspected; and
  - (b) take any other action that it considers necessary to inform persons, bodies, and groups that the Commission identifies as having an interest in the plan.
- (2) The Commission must attach to the reorganisation plan a full and detailed statement that—
- (a) explains how the plan will achieve the objectives set out in clause 10; and
  - (b) provides a balanced assessment of the reorganisation plan and outlines the advantages and disadvantages of the proposal including, but not limited to, the advantages and disadvantages of—
    - (i) the creation or alteration of any district or region; and
    - (ii) the exclusion of any remaining area of a district or region affected by the proposal; and
    - (iii) any changes to the responsibilities of each affected local authority; and
    - (iv) any change to how a local government service is managed and provided.



**New subpart 1 of Part 2 and subpart 1A heading—continued****Subpart 1A—Content of reorganisation plans****Clause 14**

In Schedule 3, replace clause 14 with:

**14 Content of reorganisation plan**

- (1) Before adopting a reorganisation plan under clause 12, the Commission must ensure that the plan complies with the requirements in this clause.
- (2) The reorganisation plan must describe, for each affected local authority proposed to be continued,—
  - (a) the type of local authority; and
  - (b) the name of the district or region of the local authority; and
  - (c) the nature and extent of any proposed changes to—
    - (i) the boundaries of the district or region; and
    - (ii) the representation arrangements of the local authority; and
    - (iii) the extent to which the areas of interest of affected iwi or hapū are included in the district or region; and
    - (iv) in the case of a unitary authority, any local board areas and any local boards of the local authority; and
    - (v) any communities and any community boards of the local authority; and
    - (vi) the committees of the local authority; and
    - (vii) the statutory obligations of the local authority; and
    - (viii) any constraints imposed on the local authority's exercise of the discretion conferred by section 12(2); and
  - (d) any other matters the Commission considers necessary or desirable.
- (3) The reorganisation plan must describe, for each local authority proposed to be established,—
  - (a) the type of local authority; and
  - (b) the name of the district or region of the local authority; and
  - (c) the boundaries of the district or region; and
  - (d) the representation arrangements of the local authority; and
  - (e) the names and areas of interest of all affected iwi or hapū; and
  - (f) any local board areas and any local boards of the local authority; and
  - (g) any communities and any community boards of the local authority; and
  - (h) any other matters the Commission considers necessary or desirable.

**Clause 14**—*continued*

- (4) However, the Commission may, if it considers it more appropriate to do so, defer including in a reorganisation plan the representation arrangements or community board arrangements, or both, and include them in the reorganisation implementation scheme.
- (5) The reorganisation plan must also—
- (a) contain information about the role, powers, and composition of the transition body, including—
    - (i) whether the transition body will include a transition board; and
    - (ii) if a transition board will be included in a transition body, how each affected local authority will be represented on the transition board and whether the transition board will include other persons; and
    - (iii) whether an interim chief executive will be appointed for any local authority under clause 38; and
    - (iv) if an interim chief executive will be appointed, which of the powers listed in clause 39(1) may be exercised by the interim chief executive; and
  - (b) have attached to it a full and detailed explanation of the advantages and disadvantages of the plan and of how it will promote good local government.

**Clause 15**

In Schedule 3, replace clause 15(1) with:

- (1) Before adopting a reorganisation plan under clause 12 that proposes the continuation or constitution of a unitary authority, the Commission must ensure that the plan complies with the requirements in this clause.

In Schedule 3, clause 15(2), replace “a draft proposal in relation to the affected area” with “the reorganisation plan”.

In Schedule 3, clause 15(4), replace “A draft proposal” with “If a reorganisation plan includes provision for local boards, that plan”.

In Schedule 3, clause 15(6), replace “draft proposal” with “reorganisation plan”.

In Schedule 3, clause 15(7), replace “clauses 14(3)(f)” with “clauses 14(3)(g)”.

In Schedule 3, clause 15(7), replace “draft proposal” with “reorganisation plan”.

**Clause 16**

In Schedule 3, clause 16, replace “draft proposal” with “reorganisation plan”.

**Clause 17**

In Schedule 3, clause 17, replace “draft proposal” with “reorganisation plan”.

**Clause 18**

In Schedule 3, clause 18, replace “draft proposal” with “reorganisation plan”.

In Schedule 3, clause 18, replace “reorganisation scheme” with “reorganisation implementation scheme”.

**Clause 19**

In Schedule 3, clause 19, replace “draft proposal” with “reorganisation plan”.

In Schedule 3, clause 19, replace “reorganisation scheme” with “reorganisation implementation scheme”.

**New clauses 19A to 19C**

In Schedule 3, after clause 19, insert:

**19A Transfer of functions**

- (1) Before adopting a reorganisation plan under clause 12 that proposes the transfer of a responsibility, duty, power, or discretionary function, the Commission must ensure that the plan complies with the requirements in this clause.
- (2) Without limiting section 24(1)(e), a reorganisation plan may provide for the transfer of a responsibility, duty, power, or discretionary function—
  - (a) from a regional council to a territorial authority or from a territorial authority to a regional council; or
  - (b) from one regional council to another; or
  - (c) from one territorial authority to another.
- (3) The transfer of a responsibility, duty, power, or discretionary function may apply in respect of all or part of the region or territory of the transferring regional council or territorial authority.
- (4) Before adopting a reorganisation plan that provides for the transfer of a responsibility, duty, or power, the Commission must consult the Minister responsible for the enactment that confers the responsibility, duty, or power on the affected local authorities.
- (5) If a reorganisation plan includes the transfer of a discretionary function, the plan may—
  - (a) prohibit the local authority from which the discretionary function is to be transferred from undertaking any specified activity or incurring expenses for any specified purpose; and
  - (b) require the local authority to which the discretionary function is to be transferred to achieve specified service levels in the provision of that function.
- (6) If the reorganisation plan includes the transfer of a responsibility, duty, power, or discretionary function to a territorial authority or regional council outside the district or region to which the transferred matter relates, the plan must pre-

**New clauses 19A to 19C—continued**

scribe the constitution of committees or other governance arrangements that will ensure that—

- (a) persons and communities in each district or region to which the responsibility, duty, power, or discretionary function relates are represented in decision making that relates to that responsibility, duty, power, or discretionary function; and
- (b) the territorial authority or regional council is accountable to all persons and communities affected by the performance or exercise of the responsibility, duty, or power, or by the provision of the discretionary function.

**19B Committees and joint committees**

- (1) Before adopting a reorganisation plan under clause 12 that proposes the establishment of 1 or more committees of a local authority, or 1 or more joint committees, the Commission must ensure that the plan complies with the requirements in this clause.
- (2) The reorganisation plan may provide for the establishment of 1 or more—
  - (a) committees and joint committees that are permanent committees; or
  - (b) committees and joint committees that must not be disestablished before a date specified in the plan.
- (3) The reorganisation plan may specify—
  - (a) the membership of a committee:
  - (b) the terms of reference of a committee:
  - (c) any delegations to the committee:
  - (d) when and how the matters in paragraphs (a) to (c) may be varied.
- (4) If the reorganisation plan provides for a joint committee of an affected local authority with 1 or more other local authorities or other public bodies, it may specify—
  - (a) the membership of the joint committee:
  - (b) the terms of reference of the joint committee:
  - (c) any delegations to the joint committee by the affected local authority:
  - (d) when and how the matters in paragraphs (a) to (c) may be varied:
  - (e) any other matter relating to the appointment, operation, or responsibilities of the joint committee.
- (5) The Commission must not adopt a reorganisation plan that includes provision for a joint committee without first obtaining the written agreement of every public body, other than an affected local authority, that is to be a party to the joint committee.

**New clauses 19A to 19C—continued****19C Local authorities with joint roles**

- (1) This clause applies if a reorganisation plan under clause 12 provides for the performance and exercise by a local authority of both—
  - (a) the responsibilities, duties, and powers of a regional council in respect of a region; and
  - (b) the responsibilities, duties, and powers of a territorial authority in respect of a district that constitutes a part only of that region.
- (2) Before adopting the reorganisation plan, the Commission must ensure that it prescribes the constitution of committees or other governance arrangements that will ensure that—
  - (a) persons and communities in the region and the district to which the roles relate are represented in the performance or exercise of the responsibilities, duties, and powers of the regional council and the territorial authority respectively; and
  - (b) the bodies performing and exercising the responsibilities, duties, and powers of the regional council and territorial authority respectively are each accountable to all affected persons and communities.

**Clauses 20 to 22**

In Schedule 3, repeal clauses 20 to 22.

**New subpart 1B of Part 2**

In Schedule 3, Part 2, before subpart 2, insert:

**Subpart 1B—Local authority-led reorganisation applications****22A Local authorities may develop and adopt reorganisation plan**

- (1) One or more local authorities may develop and adopt a reorganisation plan in accordance with this clause.
- (2) Except as provided in subclause (3), subparts 1 and 1A of this Part apply to every reorganisation plan developed under subclause (1) as if references to the Commission in that clause and those subparts were references to the local authority or local authorities developing the plan.
- (3) Clause 14(4) does not apply to a reorganisation plan under this clause.
- (4) A local authority intending to develop a reorganisation plan under this clause must ensure that written notice of that intention is given to the Commission as soon as is reasonably practicable.

**New subpart 1B of Part 2—continued****22B Application to Commission**

- (1) One or more local authorities may submit a reorganisation plan adopted under clause 22A to the Commission in accordance with this clause (a **local authority-led reorganisation application**).
- (2) The reorganisation plan must be accompanied by—
  - (a) a statement that complies with clause 13(2); and
  - (b) a report from each affected local authority, adopted by that local authority, that records—
    - (i) that local authority’s unconditional support for the plan; and
    - (ii) the public consultation undertaken by that local authority; and
    - (iii) the themes and outcomes of that consultation.

**22C Commission review of local authority-led reorganisation application**

- (1) As soon as practicable after receiving a local authority-led reorganisation application submitted in accordance with clause 22B, the Commission must review that application.
- (2) The Commission must approve the reorganisation plan to which the local authority-led reorganisation application relates unless—
  - (a) the reorganisation plan is not accompanied by the documentation required by clause 22B; or
  - (b) the Commission considers, on reasonable grounds, that—
    - (i) the provisions in subparts 1 and 1A of this Part were not complied with in developing the plan, as required by clause 22A(2); or
    - (ii) the plan does not have the support of affected communities.
- (3) The Commission must not approve the reorganisation plan to which the local authority-led reorganisation application relates if subclause (2)(a) or (b) applies.
- (4) If the Commission approves a reorganisation plan under this clause,—
  - (a) subparts 2 and 3 of this Part do not apply; and
  - (b) Parts 3 and 4 of this schedule apply as if the plan had been adopted under clause 12.
- (5) As soon as practicable after the Commission approves a reorganisation plan under this clause,—
  - (a) the Commission must notify each affected local authority of its decision; and
  - (b) the Minister must determine whether to recommend the making of an Order in Council under section 25.

**New subpart 1B of Part 2—continued**

- (6) If the Commission does not approve a reorganisation plan under this clause, the Commission—
- (a) must notify each affected local authority of its decision and the reasons for it; and
  - (b) may undertake an investigation into any matter related to the content of the local authority-led reorganisation application.

**Clause 23**

In Schedule 3, replace clause 23 with:

**23 Application of this subpart**

- (1) This subpart applies to a reorganisation plan adopted under clause 12 that provides for any of the following matters:
- (a) the union of districts or regions;
  - (b) the constitution of a new district or region, including the constitution of a new local authority for that district or region;
  - (c) the abolition of a district or region, including the dissolution or abolition of the local authority for that district or region;
  - (d) the assumption by a territorial authority of the powers of a regional council as a unitary authority;
  - (e) the transfer from one local authority to another of—
    - (i) responsibilities, duties, and powers in relation to water services or transport services; or
    - (ii) responsibilities, duties, and powers under the Resource Management Act 1991.
- (2) Despite subclause (1)(e), this subpart does not apply to a transfer of responsibilities, duties, and powers described in that subclause if the Commission is satisfied, on reasonable grounds, that the transfer—
- (a) is not a major transfer; or
  - (b) has the support of all affected local authorities.
- (3) For the purposes of subclause (2), a transfer of responsibilities, duties, and powers is a **major transfer** if the responsibilities, duties, or powers to be transferred—
- (a) represent 50% or more of the transferring local authority's operational expenditure, or assets, or staff, in respect of water services, transport services, or resource management functions (as the case may be); or
  - (b) include responsibility for preparing a policy statement, plan, variation, or plan change under the Resource Management Act 1991.

**Clause 24**

In Schedule 3, repeal clause 24.

**Clause 25**

In Schedule 3, replace clause 25(1) with:

- (1) A poll of electors on the reorganisation plan must be held in the affected area.

**Clause 26**

In Schedule 3, clause 26(4)(b), replace “final proposal” with “reorganisation plan”.

**Clause 28**

In Schedule 3, in the heading to clause 28, replace “**proposal**” with “**reorganisation plan**”.

In Schedule 3, clause 28(1) and (2), replace “final proposal” with “reorganisation plan”.

**Clause 29**

In Schedule 3, clause 29, replace the definition of **specified period** with:

**specified period** means the period commencing on the day after the date on which public notice of the plan is first given under clause 13 and ending with the close of the day on which the poll is held

**Clause 30**

In Schedule 3, clause 30, replace “final proposal” with “reorganisation plan” in each place.

**Clause 31**

In Schedule 3, clause 31, replace “final proposal” with “reorganisation plan” in each place.

In Schedule 3, clause 31(1)(b)(ii), delete “promoting or signing a petition for the purposes of subpart 2 or”.

**Clause 32**

In Schedule 3, clause 32(1), replace “final proposal” with “reorganisation plan” in each place.

**Clause 33**

In Schedule 3, clause 33, replace “final proposal that is issued under clause 21 and notified under clause 22” with “reorganisation plan that is adopted under clause 12 and notified under clause 13”.

In Schedule 3, replace clause 33(a)(i) with:



**Clause 33**—*continued*

- (i) has not been held because subpart 2 of Part 2 of this schedule does not apply to the reorganisation plan; or

In Schedule 3, clause 33(a)(ii), replace “final proposal” with “reorganisation plan”.

In Schedule 3, clause 33(b), replace “final proposal is to be” with “reorganisation plan has been”.

**Clause 34**

In Schedule 3, clause 34, replace “final proposal” with “reorganisation plan” in each place.

In Schedule 3, clause 34, replace “reorganisation scheme” with “reorganisation implementation scheme” in each place.

In Schedule 3, clause 34(3)(a), replace “final reorganisation proposal” with “reorganisation plan”.

In Schedule 3, clause 34(3)(a), replace “under section 25(4)” with “under section 25A(1)”.

**Clause 35**

In Schedule 3, clause 35(2), replace “draft proposal” with “reorganisation plan”.

In Schedule 3, clause 35(3), replace “final proposal” with “reorganisation plan”.

**Part 4 heading**

In Schedule 3, in the Part 4 heading, replace “**Reorganisation schemes**” with “**Reorganisation implementation schemes**”.

**Subpart 1 heading in Part 4**

In Schedule 3, Part 4, in the subpart 1 heading, replace “reorganisation schemes” with “reorganisation implementation schemes”.

**Clause 41**

In Schedule 3, in the heading to clause 41, replace “**reorganisation scheme**” with “**reorganisation implementation scheme**”.

In Schedule 3, clause 41, replace “reorganisation scheme” with “reorganisation implementation scheme” in each place.

In Schedule 3, clause 41(1) and (2)(b), replace “final proposal” with “reorganisation plan”.

In Schedule 3, replace clause 41(2)(a) with:

- (a) sets out the detail of the reorganisation described in the reorganisation plan and describes how it is to be implemented; and

**Subpart 2 heading in Part 4**

In Schedule 3, Part 4, in the subpart 2 heading, replace “reorganisation schemes” with “reorganisation implementation schemes”.

**Clause 42**

In Schedule 3, in the heading to clause 42, replace “**reorganisation schemes**” with “**reorganisation implementation scheme**”.

In Schedule 3, clause 42(1) and (2), replace “reorganisation scheme” with “reorganisation implementation scheme”.

In Schedule 3, clause 42(1)(f) and 42(2), replace “proposal” with “reorganisation plan”.

**Clause 42A**

In Schedule 3, replace clause 42A with:

**42A Content of reorganisation implementation scheme in respect of local boards**

Without limiting clause 42, a reorganisation implementation scheme in respect of a reorganisation plan to which clause 15(2) applies—

- (a) must make, in accordance with section 48L, an initial allocation between the unitary authority’s governing body and the local board of decision-making responsibility for the non-regulatory activities of the unitary authority within each local board area; and
- (b) may specify delegations to any local board in accordance with clause 36C of Schedule 7.

**Clause 43**

In Schedule 3, clause 43(1) and (2), replace “reorganisation scheme” with “reorganisation implementation scheme”.

In Schedule 3, replace clause 43(1)(b) with:

- (b) provisions that are necessary for the effective transition and future carrying out of responsibilities, duties, powers, or discretionary functions that are to be transferred—
  - (i) from one local authority to another local authority; or
  - (ii) from 1 or more local authorities to a joint committee; or
  - (iii) from a joint committee to 1 or more local authorities:

**Clause 44**

In Schedule 3, replace clause 44(1)(a) with:

- (a) in relation to a reorganisation on and from the implementation date; and

In Schedule 3, clause 44(1)(b), replace “final proposal” with “reorganisation plan”.

**Clause 44—continued**

In Schedule 3, repeal clause 44(2).

**Clause 45**

In Schedule 3, in the heading to clause 45, replace “**reorganisation scheme**” with “**reorganisation**”.

In Schedule 3, clause 45, replace “The following provisions apply to a reorganisation scheme unless amended by the reorganisation scheme or declared by the reorganisation scheme not to apply.” with “The following provisions apply to a reorganisation unless amended by a reorganisation order or declared by a reorganisation order not to apply.”

**Clause 46**

In Schedule 3, clause 46(1), replace “reorganisation scheme” with “reorganisation order” in each place.

**Clause 47**

In Schedule 3, replace clause 47(1) with:

- (1) If provision is made in a reorganisation order for a responsibility, duty, power, or discretionary function to be transferred to, or assumed by, a local authority or joint committee, provision may not be made for the payment of compensation to the local authority from which that responsibility, duty, power, or discretionary function is transferred or assumed.

**Clause 49**

In Schedule 3, clause 49(1)(a), replace “reorganisation scheme” with “reorganisation”.

In Schedule 3, clause 49(1)(b), replace “reorganisation scheme” with “reorganisation implementation scheme”.

**New subpart 4 of Part 4**

In Schedule 3, after clause 54, insert:

**Subpart 4—Tax treatment of assets transferred in reorganisation****55 Application**

- (1) This subpart applies for the purposes of the Inland Revenue Acts when, in a reorganisation described in section 24 of this Act,—
  - (a) the assets and liabilities of a terminating entity (the **transferring entity**) become the assets and liabilities of a receiving entity (the **receiving entity**):

**New subpart 4 of Part 4—continued**

- (b) some or all of the assets and liabilities of a continuing entity (the **transferring entity**) become the assets and liabilities of another entity (the **receiving entity**):
  - (c) the voting interests and market value interests of a notional single person in a local authority (the **transferring entity**) become the voting interests and market value interests of a notional single person in another entity (the **receiving entity**).
- (2) In this clause and in clauses 56 to 61,—
- date of transfer** means the date on which assets and liabilities, or voting interests and market value interests, of a transferring entity become assets and liabilities, or voting interests and market value interests, of a receiving entity
- Inland Revenue Acts** has the meaning given by section 3(1) of the Tax Administration Act 1994
- transfer** means a method of conveying assets and liabilities, or voting interests and market value interests, to a receiving entity so that the assets and liabilities, or voting interests and market value interests, that the transferring entity has before the date on which the conveyance takes place become the assets and liabilities, or voting interests and market value interests, of the receiving entity on and after that date.
- (3) In this subpart, terms defined in the Inland Revenue Acts have the meanings given by those Acts.
- (4) If there is a conflict between a provision of this subpart and clause 6 of Schedule 9, the provision in this subpart prevails.

**56 General treatment**

For tax purposes, and in relation to a transfer,—

- (a) a receiving entity is treated from the date of transfer as the same person as the transferring entity:
- (b) a thing done by a transferring entity before the date of transfer is treated as done by the receiving entity on the date on which it was done by the transferring entity:
- (c) a receiving entity is treated as having held the voting interests and market value interests without interruption from the date on which the transferring entity acquired them.

**57 Income and expenditure**

An amount of income derived or expenditure incurred by a transferring entity before the date of transfer does not become income or expenditure of the receiving entity merely because the assets and liabilities of the transferring entity have become the assets and liabilities of the receiving entity.

**New subpart 4 of Part 4—continued****58 Holding companies**

- (1) When an asset other than shares of a transferring entity becomes the asset of a receiving entity, the difference between the market value of the asset and any attributed liability is available subscribed capital of the receiving entity.
- (2) An amount arising from a sale or transfer of shares of a transferring entity is not assessable income of the receiving entity when—
  - (a) the shares have become the asset of the receiving entity through a reorganisation under section 24; and
  - (b) the receiving entity—
    - (i) sells the shares and distributes the proceeds to or through a holding company of the entity; or
    - (ii) transfers the shares to a holding company of the entity.

**59 Valuation of assets**

- (1) For an asset that is a financial arrangement, trading stock, or revenue account property, the value is established as follows:
  - (a) if income derived from the asset is exempt income of a transferring entity and is not exempt income of a receiving entity, the receiving entity is treated as having acquired the asset on the date of transfer at its market value on that date:
  - (b) if income derived from the asset is not exempt income of a transferring entity and is exempt income of a receiving entity, the transferring entity is treated as having disposed of the asset on the date of transfer at its market value on that date.
- (2) For an asset that is an item of depreciable property, the value is established as follows:
  - (a) if income derived from the asset is exempt income of a transferring entity and is not exempt income of a receiving entity, the receiving entity is treated as having acquired the property on the date of transfer at its accounting carrying value on that date:
  - (b) if income derived from the asset is not exempt income of a transferring entity and is exempt income of a receiving entity, the transferring entity is treated as having disposed of the property on the date of transfer at its adjusted tax value on that date.

**60 Apportionment on transfers to multiple receiving entities**

- (1) This clause applies when the assets and liabilities of, or interests in, a transferring entity are transferred to more than 1 receiving entity. For these purposes, a transferring entity that continues in existence after the date of the transfer is treated as a receiving entity.

**New subpart 4 of Part 4—continued**

- (2) A tax loss, loss balance, or credit in a memorandum account of the transferring entity is apportioned among the receiving entities on the basis of the percentage of assets or interests, as applicable, that are transferred to each receiving entity, measured on the date of transfer.
- (3) In relation to the grouping of tax losses and credits, the tax loss, loss balance, or credit is treated as arising on the date of transfer.

**61 Goods and services tax**

- (1) When the assets and liabilities of a transferring entity become the assets and liabilities of a receiving entity, the transfer is treated as a taxable supply of the assets and liabilities that is charged with tax at the rate of 0%.
- (2) For the purposes of calculating the amount of output tax to be charged or input tax deductible on the date of transfer, the transferring entity and receiving entity are treated for the period up to the date of transfer as if they were the same person.
- (3) If, in relation to a supply of the assets and liabilities of a transferring entity, it is necessary for a tax invoice, credit note, or debit note to be issued before the date of transfer by or to the transferring entity, the invoice or note may be issued by or to a receiving entity. For this purpose, the transferring entity and the receiving entity are treated as if they were the same person in relation to any requirement that the transferring entity holds, has previously been issued with, or has issued to a person an invoice or note for the supply.
- (4) If, in relation to a supply of the assets and liabilities of a transferring entity, a document purporting to be a tax invoice, credit note, or debit note is issued by or to a transferring entity in relation to a supply made by or to a receiving entity on or after the date of transfer, the document is treated as if it were a tax invoice, credit note, or debit note, as applicable, that is issued by or to the receiving entity.

**62 Associated persons**

A person is not associated with another person for the purposes of sections CB 6A to CB 15 of the Income Tax Act 2007 merely through the application of this subpart.

### Schedule 3

#### Amendment to Schedule 4

s 32

#### Clause 3

In Schedule 4, replace clause 3(2) with:

- (2) A member may, at any time, be removed from office, by written notice from the Minister, for any reason that, in the Minister's opinion, justifies the removal.
- (2A) The notice referred to in subclause (2) must—
  - (a) state the date on which the removal takes effect, which must not be earlier than the date on which the notice is received; and
  - (b) state the reasons for the removal.
- (2B) The Minister must notify the removal in the *Gazette* as soon as practicable after giving the notice under subclause (2).

## Schedule 4

### Schedule 8 replaced

s 35

## Schedule 8

### Statements of intent for council-controlled organisations

s 64

### Part 1

#### Adoption of statement of intent

#### 1 Draft statement of intent

- (1) The board of a council-controlled organisation must deliver a draft statement of intent—
- (a) to its shareholders; and
  - (b) in the case of an organisation that is indirectly controlled by 1 or more local authorities (for example, a subsidiary of a holding company owned by a local authority), to each local authority that indirectly controls the organisation.
- (2) The draft statement of intent must be delivered on or before 1 March in the year preceding the financial year to which the draft statement of intent relates.

#### 2 Consideration of shareholder comments

The board must consider any comments on the draft statement of intent that are made by the shareholders, and by local authorities with indirect control, or by any of them, on or before 1 May in the year preceding the year to which the draft statement relates.

#### 3 Final statement of intent

The board must deliver the completed statement of intent to the shareholders before the commencement of the financial year to which it relates.

#### 4 Shareholding local authority may extend deadlines by up to 1 month

The shareholders of a council-controlled organisation may, by written notice, extend a deadline specified in clause 1(2), 2, or 3 for a period or periods not exceeding in total 1 calendar month.

#### 5 Modifications of statements of intent

The board may, by written notice, modify a statement of intent at any time if the board has first—



- (a) given written notice to the shareholders of the proposed modification; and
- (b) considered any comments made on the proposed modification by the shareholders or by any of them within—
  - (i) 1 month after the date on which the notice under paragraph (a) was given; or
  - (ii) any shorter period that the shareholders may agree.

## **6 Modifications of statements of intent by resolution of shareholders**

- (1) The shareholders of a council-controlled organisation may, by resolution, require the board to modify the statement of intent in the manner specified in the resolution.
- (2) Every modification that is required by a resolution under subclause (1) must be—
  - (a) consistent with the objectives of the constitution; and
  - (b) lawful.
- (3) Before making a resolution under subclause (1), the shareholders must consult the board as to the proposed content of the resolution.
- (4) As soon as practicable after receiving a resolution that complies with subclause (2), the board must—
  - (a) prepare and adopt a modified statement of intent that incorporates the modifications in the resolution; and
  - (b) deliver the modified statement of intent to each shareholder within 1 month of the date of its adoption; and
  - (c) make the modified statement of intent publicly available within 1 month of the date of its adoption.
- (5) Subclause (1) applies despite any other provision of this Act or of the constitution of the council-controlled organisation.

## **Part 2**

### **Content of statements of intent: all council-controlled organisations**

#### **7 Content of statement of intent**

- (1) The statement of intent for a council-controlled organisation must include the information described in subclause (2)—
  - (a) for the group comprising the council-controlled organisation and its subsidiaries (if any); and
  - (b) in respect of the financial year to which it relates and each of the immediately following 2 financial years.

- (2) The information required by subclause (1) is—
- (a) the objectives of the group; and
  - (b) a statement of the board’s approach to the governance of the group; and
  - (c) the nature and scope of the activities to be undertaken by the group; and
  - (d) the non-financial performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
  - (e) any additional information that is required to be included in the statement of intent.

### **8 Additional content of statement of intent**

- (1) This clause applies to a council-controlled organisation that provides services, other than under a contract or similar arrangement, in relation to the following groups of activities:
- (a) water supply;
  - (b) sewerage and the treatment and disposal of sewage;
  - (c) stormwater drainage;
  - (d) flood protection and control works;
  - (e) the provision of roads and footpaths.
- (2) The council-controlled organisation’s statement of intent must state the matters in subclause (3) in relation to each group of activities described in subclause (1).
- (3) The matters required by subclause (2) are—
- (a) any performance measures specified in a rule made under section 261B in relation to a group of activities described in subclause (1); and
  - (b) the performance target or targets of the council-controlled organisation for each performance measure.

## **Part 3**

### **Additional content of statements of intent of council-controlled trading organisations**

#### **9 Additional content of statement of intent of council-controlled trading organisations**

The statement of intent for a council-controlled trading organisation must include, as well as the information required by Part 2 of this schedule, the following information:

- (a) the major accounting policies of the organisation or group; and
- (b) the ratio of consolidated shareholders’ funds to total assets, and the definitions of those terms; and

- (c) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
- (d) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed.

#### **Part 4**

### **Additional content of statements of intent of council-controlled organisations that are not trading organisations**

#### **10 Additional content of statement of intent of council-controlled organisations that are not trading organisations**

The statement of intent for a council-controlled organisation that is not a council-controlled trading organisation must include, as well as the information required by Part 2 of this schedule, the following information:

- (a) the major accounting policies of the organisation or group; and
- (b) forecast financial statements of the organisation for the financial year to which the statement of intent relates, and each of the 2 following financial years.

## **Schedule 5**

### **Amendments to Schedule 10**

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#### **Clause 7**

In Schedule 10, clause 7, replace “in relation to each council-controlled organisation” with “in relation to each council-controlled organisation in which the local authority is a shareholder”.

#### **Clause 28**

In Schedule 10, clause 28, replace “in relation to each council-controlled organisation” with “in relation to each council-controlled organisation in which the local authority is a shareholder”.

## Schedule 6

### Consequential amendments to other enactments

s 43

**Freedom Camping Act 2011 (2011 No 61)**

In section 6(1)(a)(ii), after “managed by”, insert “or on behalf of”.

**Greater Christchurch Regeneration Act 2016 (2016 No 14)**

In section 134(3), replace “Section 56” with “Section 58”.

**Land Transport Management Act 2003 (2003 No 118)**

In section 5(1), definition of **regional council**, replace paragraph (b)(iii) with:

- (iii) Part 5, includes—
  - (A) Auckland Transport:
  - (B) a unitary authority except the Auckland Council:
  - (C) any territorial authority to which the regional council has transferred the functions, powers, and duties of a regional council under that Part

**Local Government Act 1974 (1974 No 66)**

Repeal section 318.

**Ombudsmen Act 1975 (1975 No 9)**

In Schedule 1, Part 2, insert in its appropriate alphabetical order:

Local Government Commission

**Plumbers, Gasfitters, and Drainlayers Act 2006 (2006 No 74)**

In section 17(1) and (2), replace “section 25” with “section 25A”.

In section 17(2), replace “reorganisation scheme” with “reorganisation implementation scheme”.

### Legislative history

9 June 2016	Introduction (Bill 144–1)
15 June 2016	First reading and referral to Local Government and Environment Committee
15 June 2017	Reported from Local Government and Environment Committee (Bill 144–2)
29 June 2017	Second reading
15 October 2019	Committee of the whole House (Bill 144–3)
16 October 2019	Third reading
21 October 2019	Royal assent

This Act is administered by the Department of Internal Affairs.