



ANALYSIS

<p>Title</p> <p>1. Short Title</p> <p>2. Interpretation</p> <p>3. Act to bind the Crown</p> <p>4. Incorporation of company to own and operate Wellington International Airport</p> <p>5. Restrictions on issue and transfer of shares</p> <p>6. Expiry of section 5</p>	<p>7. Vesting of airport assets and airport liabilities in company</p> <p>8. Additional provisions relating to vesting of airport assets and airport liabilities in company</p> <p>9. Local Authorities (Employment Protection) Act 1963 applied</p> <p>10. Joint venture agreement dissolved</p> <p>11. Airport reserves</p> <p>12. Duty to act in furtherance of objects of Act</p> <p>13. Supply of information</p>
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1990, No. 56

An Act to provide for the incorporation of a company to own and operate Wellington International Airport, for the transfer of airport assets and liabilities of the Crown and the Wellington City Council to that company, and for the payment to the Crown and the Wellington City Council of the existing reserves of the airport

[3 July 1990]

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title—This Act may be cited as the Wellington Airport Act 1990.

2. Interpretation—In this Act, unless the context otherwise requires,—

“Agreement” has the same meaning as in section 29 (1) of the State-Owned Enterprises Act 1986:

“Airport” means the Wellington International Airport at Rongotai in the Wellington Land District, being an area of approximately 100 hectares which includes a runway, an international terminal and a domestic terminal, and other buildings, installations, and facilities:

“Airport assets” means any assets of the Crown or the Council (whether held jointly or severally) that are held or used for the purposes of, or in relation to, the airport or that are held for future use for the purposes of the airport; but does not include—

(a) Any assets declared by the Ministers by any notice in the *Gazette* not to be airport assets; or

(b) Airport reserves other than any airport reserves designated by the Minister of Finance by any notice in the *Gazette* to be airport assets for the purposes of this Act; or

(c) Any assets owned by the Crown that are used for airways services or safety; or

(d) Any assets owned by the Crown that are used for meteorological purposes:

“Airport liabilities” means any liabilities of the Crown or the Council (whether incurred jointly or severally) that were incurred for the purposes of the airport and includes contingent liabilities and any obligation to pay money or do any act for the purpose of obtaining title to airport assets; but does not include any liabilities declared by the Ministers by any notice in the *Gazette* not to be airport liabilities:

“Airport reserves” means the reserves as shown in the accounts for the year ending on the 31st day of March 1989 of the joint venture for the establishment and operation of the airport constituted under the joint venture agreement and any amounts that ought properly to be treated as being of the same character which accrue immediately before the vesting day; but in any event a sum of not less than \$7,000,000:

“Assets” has the same meaning as in section 29 (1) of the State-Owned Enterprises Act 1986:

“Company” means the company formed and registered under section 4 of this Act:

“Council” means the Wellington City Council:

“Debt security” has the same meaning as in section 2 (1) of the Securities Act 1978:

“Equity security” has the same meaning as in section 2 (1) of the Securities Act 1978:

“Joint venture agreement” means the deed dated the 15th day of February 1967 made between Her Majesty the Queen acting by and through the Minister of Civil Aviation and the Minister of Works of the one part and the body corporate called the Mayor,

Councillors, and Citizens of the City of Wellington of the other part:

“Land” has the same meaning as in section 2 of the Land Transfer Act 1952:

“Liabilities” has the same meaning as in section 29 (1) of the State-Owned Enterprises Act 1986:

“Local authority” has the same meaning as in section 2 of the Airport Authorities Act 1966:

“Ministers” means the Minister of Finance and the Minister of Civil Aviation and Meteorological Services acting on behalf of the Crown:

“Vesting day” means the date specified in the first Order in Council made by the Governor-General under section 7 of this Act.

Cf. 1987, No. 195, s. 2; 1988, No. 18, s. 2

3. Act to bind the Crown—This Act shall bind the Crown.

Cf. 1987, No. 195, s. 3

4. Incorporation of company to own and operate Wellington International Airport—(1) Notwithstanding any enactment or rule of law, the Ministers may form and register under the Companies Act 1955 a public company limited by shares that—

(a) Has such name as the Ministers shall decide; and

(b) Has a memorandum of association and articles of association in such form as the Ministers may determine.

(2) The Ministers and their nominees may subscribe for equity securities in the company to be issued on its incorporation.

(3) The Ministers may subscribe for or hold any other equity securities or debt securities issued by the company.

(4) The memorandum of association and articles of association of the company shall be laid before the House of Representatives by the Minister of Civil Aviation and Meteorological Services within 12 sitting days after the incorporation of the company.

(5) All money required to be paid by the Ministers on subscribing or applying for, or being allotted, equity securities or debt securities of the company shall be paid for out of the Crown Bank Account out of money appropriated by Parliament for that purpose.

(6) The Ministers may from time to time exercise all or any of the Crown's rights and powers as the holder of any equity securities or any debt securities of the company.

(7) On and after the vesting day the company shall be deemed to be an airport company within the meaning, and for the purposes, of the Airport Authorities Act 1966.

(8) Nothing in section 134 of the Companies Act 1955 or section 3A of the Airport Authorities Act 1966 applies to the company.

Cf. 1987, No. 195, s. 4; 1988, No. 128, s. 28 (1)

5. Restrictions on issue and transfer of shares—(1) No equity securities in the company shall be issued, allotted, sold, or otherwise disposed of, to any person or body other than the Crown, a local authority, or Airways Corporation of New Zealand Limited.

(2) Nothing in subsection (1) of this section applies to redeemable preference shares that—

- (a) Are not convertible into shares of any other class; and
- (b) Do not confer any rights to vote at any general meeting of the company.

Cf. 1987, No. 195, s. 5

6. Expiry of section 5—(1) Section 5 of this Act shall expire with the close of the date appointed for its expiry by the Governor-General by Order in Council.

(2) Nothing in section 4 of this Act shall limit the persons who may subscribe for, hold, acquire, or dispose of any equity securities or debt securities issued by the company on or after the expiry of section 5 of this Act.

7. Vesting of airport assets and airport liabilities in company—(1) The Ministers may, at any time or times, prepare a list or lists specifying the airport assets and airport liabilities which in the opinion of the Ministers should be vested in the company in accordance with this Act.

(2) Every list prepared under subsection (1) of this section shall—

- (a) Contain a description of each asset and liability, either individually or as a group or class; and
- (b) State the value attributed by the Ministers to each asset and liability, either individually or as a group or class; and
- (c) Be signed by the Ministers; and

- (d) Be laid before the House of Representatives by the Minister of Civil Aviation and Meteorological Services within 12 sitting days of its being signed.
- (3) The Governor-General may, at any time or times, by Order in Council, vest in the company on a date specified in the order the airport assets and airport liabilities specified in the order, being assets and liabilities set out in a list prepared pursuant to subsection (1) of this section and which is referred to in the order.
- (4) Every Order in Council under subsection (3) of this section shall—
- (a) Specify the kind, number, nominal value, and terms of any equity securities that shall be issued by the company consequent upon the vesting in it of the airport assets and airport liabilities referred to in the order; and
 - (b) Specify the kind, number, nominal value, and terms (including interest) of any debt securities that shall be issued by the company consequent upon the vesting in it of the airport assets and airport liabilities referred to in the order; and
 - (c) Specify the date on which the equity securities and debt securities shall be issued.
- (5) On the date specified in the Order in Council pursuant to subsection (4) (c) of this section the company shall—
- (a) Issue to the Ministers and the Council in accordance with subsection (6) of this section, and as fully paid up, equity securities of such kind, number, nominal value, and terms as are specified in the order;
 - (b) Issue to the Ministers and the Council in accordance with subsection (7) of this section debt securities of such kind, number, nominal value, and terms as are specified in the order.
- (6) Equity securities issued by the company under subsection (5) of this section shall be issued—
- (a) Sixty-six percent to the Ministers in equal proportions; and
 - (b) Thirty-four percent to the Council—
- except that on the first issue of such equity securities under paragraph (a) of this subsection the equity securities issued shall be reduced by the number of equity securities subscribed for and issued on the incorporation of the company.
- (7) Debt securities issued under subsection (5) of this section shall be issued—
- (a) Sixty-six percent to the Minister of Finance; and

(b) Thirty-four percent to the Council.

(8) Nothing in subsections (1) (b) and (2) of section 60 of the Companies Act 1955 shall apply in respect of equity securities issued pursuant to subsection (5) of this section.

(9) Assets that are fixed to, or are under or over, any land may vest in the company under this Act notwithstanding that no interest in the land also vests in the company under this Act and in any such case the asset and the land shall be regarded as separate assets each capable of separate ownership.

(10) Land to which any assets are fixed, and land under or over which are any assets, may vest in the company under this Act notwithstanding that no interest in the assets also vests in the company under this Act and in any such case the asset and the land shall be regarded as separate assets each capable of separate ownership.

Cf. 1987, No. 195, s. 7; 1988, No. 18, s. 3

8. Additional provisions relating to vesting of airport assets and airport liabilities in company—(1) Nothing effected or authorised by this Act—

(a) Shall be regarded as placing the Crown, the Council or any other person in breach of contract or confidence or as otherwise making any of them guilty of a civil wrong; or

(b) Shall be regarded as giving rise to a right for any person to terminate or cancel any contract or arrangement or to accelerate the performance of any obligation; or

(c) Shall be regarded as placing the Crown, the Council or any other person in breach of any enactment or rule of law or contractual provision prohibiting, restricting, or regulating the assignment or transfer of any property or the disclosure of any information; or

(d) Shall release any surety from any obligation; or

(e) Shall invalidate or discharge any contract or security.

(2) Where an asset or liability is vested in the company under this Act—

(a) The Crown, or the Council, as the case may be, shall remain liable to any third party as if the asset or liability had not been so vested; and in any such case the company shall indemnify the Crown, or the Council in respect of any liability arising under this subsection:

(b) Any satisfaction or performance by the company in respect of the asset or liability shall be deemed to be

also satisfaction or performance by the Crown, or the Council, as the case may be:

(c) Any satisfaction or performance in respect of the asset or liability by any third party to the benefit of the company shall be deemed to be also to the benefit of the Crown, or the Council, as the case may be.

(3) District Land Registrars are hereby authorised and directed to make such entries in their respective registers and do everything necessary to give effect to the vesting of any land or any estate or interest in land under this Act.

(4) The provisions of this Act that provide for the vesting of assets or liabilities in the company shall have effect notwithstanding any enactment, rule of law or agreement and, in particular, but without limitation, the provisions of this Act that provide for the vesting of land in the company shall have effect notwithstanding any provision contained in the Land Act 1948, the Reserves Act 1977, or the Public Works Act 1981 or in any other Act relating to land.

(5) A certificate, signed by the Chief Surveyor for the land district in which the land is situated, that any land described in the certificate, or described in any document on which the certificate appears, is land to which subsection (4) of this section applies, shall be sufficient evidence, in the absence of proof to the contrary, that that subsection applies to the land.

(6) All land that vests in the company and that is subject to the Land Act 1948 or the Reserves Act 1977 shall cease to be subject to the Land Act 1948 or the Reserves Act 1977, as the case may be, from the date on which it vests in the company.

(7) Where by virtue of this Act any land vests in the company the land shall vest in the company for an estate in fee simple subject to all leases, agreements to lease, and easements existing in respect of any part of that land immediately before the land vests in the company but otherwise freed and discharged from all trusts and reservations affecting it.

Cf. 1986, No. 124, s. 24 (3); 1987, No. 195, s. 7

9. Local Authorities (Employment Protection) Act 1963 applied—(1) The Local Authorities (Employment Protection) Act 1963 shall, notwithstanding its repeal on the 1st day of November 1990 by section 55 of the Local Government Amendment Act (No. 2) 1989, apply, with effect on and from the vesting day, in respect of the employees of the Council as if—

(a) The company was a local authority for the purposes of that Act; and

(b) The operation of the airport was an undertaking or function transferred from the Council to the company; and

(c) The vesting day was the date of transfer; and

(d) In section 5 (2) of that Act, for the words “Minister, after consultation with the Minister charged with the administration of the Act under which the local authorities or any of them are constituted and after making such other inquiries as he thinks fit, determines”, there were substituted the words “Minister of Local Government and the Minister of Civil Aviation and Meteorological Services shall determine”; and

(c) Every reference in that Act to the expression “2 years” was a reference to the expression “1 year”.

(2) No person to whom the Local Authorities (Employment Protection) Act 1963 applies by virtue of subsection (1) of this section shall be entitled to receive any payment or other benefit, not being a payment or benefit to which that person is entitled under that Act, by reason only of the application of that Act to that person.

(3) Nothing in the Local Authorities (Employment Protection) Act 1963 (as applied by subsection (1) of this section) shall affect any rights or liabilities under any provident, benefit, superannuation, or retirement fund or scheme of any person to whom that Act applies.

Cf. 1987, No. 195, s. 8

10. Joint venture agreement dissolved—(1) Subject to subsection (2) of this section, on the vesting day the joint venture agreement shall, by virtue of this section, be deemed to be unenforceable and of no effect.

(2) Nothing in subsection (1) of this section limits or affects the liability of any person for breach of the joint venture agreement by reason of any act or omission before the vesting day.

Cf. 1987, No. 195, s. 9

11. Airport reserves—(1) Notwithstanding the Civil Aviation Act 1964, any other enactment, rule of law, deed or agreement, the Minister of Finance may, from time to time, by notice in writing to the Council require the Council to pay to the Crown and the Council in the proportions specified in subsection (4) of this section, such amount as shall be specified in the notice from the airport reserves or transfer to the Crown

and the Council, in the proportions specified in that subsection, such securities in which the reserves are held as may be so specified, as the case may be.

(2) Every notice given under subsection (1) of this section shall be published in the *Gazette*.

(3) On the date specified in the notice, not being a date earlier than 28 days after the notice is given, or on such later date as may be agreed to by the Minister at the request of the Council, the Council shall, notwithstanding the Civil Aviation Act 1964, any other enactment, rule of law, deed or agreement, pay to the Crown and the Council the amount specified in the notice or transfer to the Crown and the Council the securities specified, as the case may be.

(4) The amount required to be paid or the securities required to be transferred by the Council pursuant to a notice under this section shall be paid or transferred—

(a) Sixty-six percent to the Crown; and

(b) Thirty-four percent to the Council.

(5) Where all or any money payable to the Crown under this section is not paid or securities required to be transferred to the Crown are not transferred, as the case may be, on or before the date specified in the notice or otherwise agreed by the Minister as the date for payment or transfer, the Council shall pay interest to the Crown—

(a) In a case where the Council is required to pay money to the Crown, at the rate of interest specified by the Minister on the amount required to be paid:

(b) In a case where the Council is required to transfer securities to the Crown, at the rate of interest specified by the Minister on the market value of the securities on the date on which the securities are required to be transferred.

(6) A notice may be given under this section whether or not the company has been formed and registered and whether or not the vesting day has been specified.

(7) All money paid to the Crown pursuant to this section shall be paid into the Crown Bank Account and may, notwithstanding the Civil Aviation Act 1964, any other enactment, rule of law, deed or agreement, be used by the Crown for such purposes as the Crown thinks fit.

(8) Any securities transferred to the Crown pursuant to this section may, notwithstanding the Civil Aviation Act 1964, any other enactment, rule of law, deed or agreement, be retained or sold, or otherwise disposed of by the Crown.

(9) Any amount paid to the Crown on redemption of such securities or on the sale or other disposition of such securities and any interest received in respect of such securities shall be paid into the Crown Bank Account and may, notwithstanding the Civil Aviation Act 1964, any other enactment, rule of law, deed or agreement, be used for such purposes as the Crown thinks fit.

(10) Any money paid to the Council pursuant to this section may, notwithstanding the Civil Aviation Act 1964, any other enactment, rule of law, deed or agreement, be used by the Council for such purposes as it thinks fit.

(11) Any securities transferred to the Council pursuant to this section may, notwithstanding the Civil Aviation Act 1964, any other enactment, rule of law, deed or agreement, be retained, or sold or otherwise disposed of by the Council.

(12) Any amount paid on redemption of such securities or on the sale or other disposition of such securities and any interest received in respect of such securities, may, notwithstanding the Civil Aviation Act 1964, any other enactment, rule of law, deed or agreement, be used for such purposes as the Council thinks fit.

Cf. 1987, No. 195, s. 10 (1)-(4), (6)-(13)

12. Duty to act in furtherance of objects of Act—(1) The Crown and the Council shall at all times do everything in their power to achieve the objectives of this Act and for that purpose, but without limitation, shall do everything in their power to—

- (a) Preserve all airport assets pending the vesting of those assets in the company:
- (b) Assist in the preparation of any list or lists of airport assets and airport liabilities:
- (c) Enable the company to take possession of airport assets vested in it under this Act:
- (d) Assist in ascertaining the airport reserves and supplying details relating to investments of those reserves:
- (e) Assist in the transfer of employees to the company.

(2) The Council shall not, without the written consent of the Ministers,—

- (a) Dispose of, or charge, any airport asset; or
- (b) Enter into, or grant, any lease, licence, concession or other franchise agreement or arrangement of more than 12 months duration relating to an airport asset; or

- (c) Extend the term of any lease, licence, concession or other franchise agreement or arrangement relating to an airport asset for a period exceeding 12 months.

Cf. 1987, No. 195, s. 12

13. Supply of information—(1) The Minister of Finance or the Minister of Civil Aviation and Meteorological Services may, from time to time, require the Council to make available to that Minister information in its possession or over which it has control relating to the assets, liabilities, management or operation of the airport and the Council shall make that information available to the Minister.

(2) All information required to be made available under this section shall be made available in a form in which it may be readily understood.

Cf. 1987, No. 195, s. 13

This Act is administered in the Ministry of Transport.
