

*Trevor Mallard*

## HAMILTON CITY COUNCIL (ENERGY) EMPOWERING

[LOCAL]

### ANALYSIS

Title	4. Council may advance money
1. Short Title	5. Council may enter into agreements, etc.
2. Interpretation	6. Powers to be additional powers
3. Council may undertake or participate in any energy projects	7. Annual financial statements
	8. Huntly Borough Council may sell interest in gas undertaking

### A BILL INTITULED

**An Act to empower the Hamilton City Council to establish or promote or hold shares in and lend money to bodies corporate that participate in the production, processing, supply, distribution, use, or conservation of energy and to empower the Huntly Borough Council to sell its interest in an energy undertaking**

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

**1. Short Title**—This Act may be cited as the Hamilton City Council (Energy) Empowering Act 1988.

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

“Council” means the Hamilton City Council:

“Distribution” includes sale:

“Energy” has the same meaning as in section 2 of the Ministry of Energy Act 1977:

“Energy project” means a project relating to the production, processing, supply, distribution, use, or conservation of energy or sources of energy:

“Energy undertaking” means a body corporate that has power to undertake an energy project.

No. 70—1

*Price*  
*incl. GST \$1.90*

**3. Council may undertake or participate in any energy projects**—(1) The Council may from time to time, either alone or jointly with any other person or persons, carry on any energy project and in particular, but without limiting the generality of this section, may—

- (a) Establish or promote, or concur in or support the establishment or promotion of, any energy undertaking: 5
- (b) Subscribe for, purchase, or otherwise acquire, hold, and sell or dispose of, shares, stocks, or interests, and otherwise participate in any energy undertaking (whether established before or after the commencement of this Act): 10
- (c) Exercise all of the rights and powers of the Council as the holder of any shares, stocks, and interests in any energy undertaking, including any right or power incidental to or necessary for the exercise of any such right or power: 15
- (d) Purchase or otherwise acquire any kinds, forms, or sources of energy from any energy undertaking: 20
- (e) Sell its gas undertaking to any energy undertaking, whether or not the Council holds shares in that energy undertaking.

(2) In subsection (1) (e) of this section, the term “gas undertaking” includes all assets of the Council’s gas undertaking, the underground gas reticulation system, all regulating stations and in-service metering pipes, valves, meters for the distribution of gas, and all stock in trade (including spares), appliances, vehicles, trailers, plant, fittings (other than fixtures) and office equipment, all assets used in or ancillary to its gas undertaking, its franchise held under the Gas Act 1982 and the interest of the Council under the joint venture agreement between the Council and the Huntly Borough Council dated the 14th day of July 1981; but does not include the electricity undertaking of the Council which was amalgamated with the gas undertaking of the Council by the Hamilton City Gasworks and Electricity Empowering Act 1952. 35

**4. Council may advance money**—The Council may from time to time advance money on loan, either secured or unsecured, and on such terms as it thinks fit to any energy undertaking in which the Council holds any shares, stock, or interests. 40

**5. Council may enter into agreements, etc.**—The Council may from time to time enter into and execute agreements, contracts, deeds, and other instruments for the purposes of this Act, and do all other things that are reasonably necessary for those purposes.

**6. Powers to be additional powers**—The powers conferred on the Council by this Act are in addition to any other powers conferred on it by any other enactment.

**7. Annual financial statements**—(1) The Council shall ensure that in respect of every body corporate established or promoted by the Council or in which the Council participates, and every contract or arrangement entered into, under this Act, annual financial statements are prepared as soon as practicable after the 31st day of March in each year (or such other annual balance date as the body corporate shall determine) during which the body corporate is in existence or, as the case may be, the contract or arrangement remains in force.

(2) The financial statements prepared under subsection (1) of this section in respect of any body corporate established or promoted by the Council or in which the Council participates—

(a) Shall be audited by the Audit Office if the body corporate is controlled directly or indirectly by the Council by means of the Council's having the right to exercise 50 percent or more of the voting rights attached to its issued share capital or having the right to control 50 percent or more of the votes on the appointment of its directors; and

(b) In any other case, shall be audited by either the Audit Office or a member of the New Zealand Society of Accountants, as the members of the body corporate determine.

(3) The financial statements prepared under subsection (1) of this section in respect of any contract or arrangement entered into by the Council—

(a) Shall be audited by the Audit Office if the terms of the contract or arrangement provide that—

(i) The combined value of the financial contributions to the undertaking concerned of parties that are local authorities, public bodies, Government departments, or the Crown is 50 percent or more of the total financial contributions of all the parties; or

- (ii) The combined value of the share of net costs, surpluses, profits, or losses to be taken or borne by the parties that are local authorities, public bodies, Government departments, or the Crown is 50 percent or more of the total net costs, surpluses, profits, or losses, as the case may be; and 5
- (b) In any other case, shall be audited by either the Audit Office or a member of the New Zealand Society of Accountants as the parties to the contract or arrangement determine. 10

**8. Huntly Borough Council may sell interest in gas undertaking**—The Huntly Borough Council is hereby empowered to sell, on such terms as it thinks fit, its one-half interest in the joint venture gas undertaking held under an agreement between the Council and the Huntly Borough Council dated the 14th day of July 1981 for the supply of natural gas to consumers in the district of the Huntly Borough Council, including all the underground gas reticulation system, together with all regulating stations and in-service metering, and all the gas general stock in store, and the franchise held in respect of that undertaking under Part II of the Gas Act 1982. 15 20