

HOUSE OF REPRESENTATIVES

# Supplementary Order Paper

Tuesday, 28 July 1998

LOCAL GOVERNMENT AMENDMENT BILL (NO. 6)

*Proposed Amendments*

Hon MAURICE WILLIAMSON, in Committee, to move the following amendments:

*Clause 7: new section 37SF (c):* To insert, after the words "Infrastructure Auckland" (in line 9 on page 7), the words "(as established by **section 707ZZI**)".

*New section 37SG (3) (b):* To omit the word "in" (in line 23 on page 7), and substitute the words "wholly or partly within".

*Clause 8: new section 707ZZH:* To insert in subsection (1), after the expression "707ZZX" (in line 18 on page 8), the expression ", 707ZZH (4), and 707ZZN (3A)".

To insert in subsection (2), after the expression "707ZZX" (in line 19 on page 8), the expression ", 707ZZH (4), and 707ZZN (3A)".

*New section 707ZZI:* To add to paragraph (b) (ii) of the definition of the term "facility" (in line 20 on page 9) the expression "; and", and to add the following paragraph:

"(c) Includes berthage for vessels visiting the Auckland Region in association with the America's Cup:

*New section 707ZZMA:* To omit paragraph (a) of subsection (2) (lines 31 to 33 on page 12), and substitute the following paragraph:

"(a) That Infrastructure Auckland holds a poll of the residential electors of the Auckland Region on whether it should be permitted to do so; and

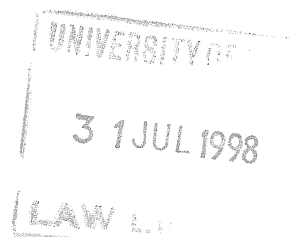
To insert, after subsection (3) (on page 12), the following subsections:

"(3A) In relation to a poll held under this section, Infrastructure Auckland is responsible for—

"(a) The costs of the poll; and

"(b) Giving the necessary directions to the Returning Officer for each territorial authority district within the Auckland Region.

"(3B) A poll held under this section is to be treated as if it were a poll under the Local Elections and Polls Act 1976, and



the provisions of that Act, as far as they are applicable and with the necessary modifications, apply accordingly.

*New section 707zzo:* To insert in subsection (1)(c), after the expression “223F(2)(g)” (in line 22 on page 13), the expression “, 223I(2),”.

To omit subsection (1)(fa) (line 31 on page 13).

To omit from subsection (2) the word “the” where it secondly occurs in line 5 on page 14.

*New section 707zzw (1):* To omit the words “**paragraphs (a) to (d) of section 707zk (1) and paragraphs (a) to (c) of section 707zzr (1)**” (lines 40 and 41 on page 18), and substitute the expression “**sections 707zk (2) (b) and (c) and 707zzr (1) (a) to (c)**”.

*New section 707zzx (1):* To insert, after paragraph (e) (on page 21), the following paragraph:

“(ea) Complying with **section 707zs (3)**:

To omit paragraph (i) (line 17 on page 21), and substitute the following paragraph:

“(i) Providing for such other matters as the Minister considers appropriate.

*New section 707zzzb:* To omit from subsection (1) the word “the” where it secondly occurs in line 34 on page 22.

To add to the end of paragraph (b), and also to the end of paragraph (c), of subsection (3) (in lines 9 and 12 on page 23) the expression “; and”.

*New section 707zzzd (10):* To omit the word “each” (in line 24 on page 27), and substitute the word “the”.

*New section 707zzzh:* To omit from subsection (2) the expression “**(4) and (5)**” (in line 11 on page 29), and substitute the expression “**(4), (5), and (6)**”.

To omit from subsection (4) the words “On 1 October 1998, there must be paid out of the assets of the Auckland Regional Services Trust—” (lines 27 and 28 on page 29), and substitute the words “On 30 September 1998, the Auckland Regional Services Trust must pay out of its assets—”.

To omit from subsection (4) (b) the words “this Act” (in line 38 on page 29), and substitute the words “the Local Government Amendment Act **(No. 6) 1998**”.

To omit subsection (5) (lines 2 to 6 on page 30), and substitute the following subsection:

“(5) A territorial authority that holds money in trust under **subsection (4) (b)** must not apply any of that money to pay grants for the purpose of arts and culture that, before the commencement of the Local Government Amendment Act **(No. 6) 1998**, the territorial authority had already decided to make.

To add (after line 6 on page 30) the following subsections:

“(6) On 1 October 1998,—

“(a) Pikes Point Walkway assets become the assets of the Auckland City Council; and

“(b) The liabilities of the Auckland Regional Services Trust under section 6 (3) of the Auckland Harbour Board (Auckland Regional Authority Pikes Point East Reclamation) Empowering Act 1976 become liabilities of the Auckland City Council.

“(7) In **subsection (6)**, ‘Pikes Point Walkway assets’ means the lease, licence, and land described in Part 8 of the First Schedule of the Auckland Regional Services Trust Vesting Order 1993.

*New section 707ZZZI:* To insert, after the word “Acts” (in line 8 on page 30), the words “(as defined in section 3 of the Tax Administration Act 1994)”.

*New section 707ZZZN:* To omit from subsection (3) the words and expressions between lines 14 and 15 on page 32, and substitute the following words and expressions:

Name of Territorial Authority	Number of Shares in Watercare Services Limited
Auckland City Council	108,551,635
Manukau City Council	65,481,895
North Shore City Council	29,988,909
Papakura District Council	9,667,225
Rodney District Council	3,602,651
Waitakere City Council	43,400,849

To omit subsection (3A) (lines 16 to 20 on page 32), and substitute the following subsection:

“(3A) Any shares issued by Watercare Services Limited after the commencement of the Local Government Amendment Act (No. 6) 1998 must be issued to the territorial authorities specified in **subsection (3)**, and must be issued so that their shareholdings are in the same proportions as the shareholdings specified in that subsection.

*New section 707ZZZOA:* To omit subsection (2) (line 26 on page 38).

*New section 707ZZZOOA inserted:* To insert, after section 707ZZZOA (on page 38), the following section:

“707ZZZOOA. **Expiry**—Section 707ZZZOA expires and is repealed on the close of 31 March 2007.

*New section 707ZZZQA (b):* To omit the words “the commencement of this Act” (in lines 33 and 34 on page 39), and substitute the expression “1 October 1998”.

*New clause 8A inserted:* To insert, after *clause 8* (on page 44), the following clause:

**8A. Water services**—Section 707ZF of the principal Act is amended by repealing subsection (2), and substituting the following subsection:

“(2) Nothing in **subsection (1) (d) or (e)**—

“(a) Limits the right of any person who is both a customer and a shareholder to participate in any surplus returned to customers pursuant to **subsection (1) (e)**:

“(b) Prevents Watercare Services Limited from making a taxable bonus issue (as defined in section OB 1 of the Income Tax Act 1994).”

*Clause 13 (1):* To add (after line 22 on page 46) the following paragraph:

(o) **Section 8A** of this Act.

*Title:* To omit paragraph (b) (lines 1 to 4 on page 3), and substitute the following paragraph:

**(b) Vesting in Infrastructure Auckland the assets of the Auckland Regional Services Trust other than—**  
**(i) Its shares in Watercare Services Limited:**

(ii) \$10 million to be given to the Auckland Regional Council for the purposes of parks of regional significance in the Auckland Region:

(iii) \$10 million to be divided among territorial authorities in the Auckland Region to be held in trust to be applied to significant projects in the Auckland Region in the area of arts and culture:

(iv) A piece of land called Pikes Point Walkway to be vested in the Auckland City Council:

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#### EXPLANATORY NOTE

This Supplementary Order Paper makes substantive amendments to 3 new sections being inserted in the principal Act in *clause 8* of the Bill.

The first substantive amendment is to the definition of "facility" in the *new section 707ZZI*. The amendment extends the definition to include berthage for vessels visiting the Auckland Region in association with the America's Cup.

The second substantive amendment is to the *new section 707ZZZH*. That section provides for the vesting, on 1 October 1998, of the Auckland Regional Services Trust's assets and liabilities in Infrastructure Auckland. Among those assets is a piece of land called Pikes Point Walkway. This amendment provides for this asset to vest in the Auckland City Council.

The third substantive amendment is to the *new section 707ZZZN (3)* which specifies the number of shares to be held in Watercare Services Limited by each of the named territorial authorities. The number of shares specified in the Bill as introduced were provisional only. The amendment substitutes the final number of shares to be held by those territorial authorities.

The rest of the amendments in this Supplementary Order Paper are drafting clarifications or corrections.