



ANALYSIS

Title	6. Determination and approval of regional council divestment plan
1. Short Title	7. Passenger transport interests, undertakings, and operations to be sold
2. Regional council not to have interest in passenger transport undertaking or operation	8. Duty to act in furtherance of objects of this Part of Act
3. Divestment units	9. Regional council not to enter into contracts
4. Function of divestment units	
5. Sale to territorial authorities	

1991, No. 58

An Act to amend the Local Government Act 1974

[28 June 1991]

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

1. Short Title—This Act may be cited as the Local Government Amendment Act (No. 2) 1991, and shall be read together with and deemed part of the Local Government Act 1974 (hereinafter referred to as the principal Act).

2. Regional council not to have interest in passenger transport undertaking or operation—The principal Act is hereby amended by repealing section 594ZU (as inserted by section 2 of the Local Government Amendment Act (No. 4) 1989), and substituting the following section:

“594ZU. (1) Notwithstanding section 594H of this Act, but subject to subsection (2) of this section, after the 30th day of June 1991 a regional council—

“(a) May hold any equity securities or debt securities in any passenger transport company formed or acquired by that council, being a company that has acquired, or acquires not later than the 1st day of July 1991, the whole or any part of a passenger transport undertaking of that council:

“(b) Shall not hold any equity securities or debt securities or have any interest whatever in any body corporate

(other than a passenger transport company formed or acquired by that council) or unincorporate that engages, directly or indirectly, in any passenger transport operation or includes in its assets any passenger transport undertaking:

“(c) Shall not include in its assets any passenger transport undertaking (other than a passenger transport company formed or acquired by that council).

“(2) It shall be a condition of—

“(a) Holding any security referred to in paragraph (a) of subsection (1) of this section; and

“(b) Holding or conducting any security, interest, or undertaking referred to in paragraph (b) or paragraph (c) of that subsection that was acquired before the 1st day of July 1991,—

that the regional council shall divest itself of that security, interest, or undertaking in accordance with an approved divestment plan.”

3. Divestment units—Section 594zv of the principal Act (as so inserted) is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) If a regional council holds or conducts any securities, interests, or undertakings to which section 594zu (2) of this Act applies it shall, not later than the 1st day of January 1993, or such later date as the Minister in any particular case may allow, constitute and adequately fund a divestment unit, which shall comprise such persons as the regional council considers appropriate having regard to the functions of the divestment unit.”

4. Function of divestment units—(1) Section 594zw of the principal Act (as so inserted) is hereby amended by repealing paragraph (a), and substituting the following paragraph:

“(a) Identify the securities, interests, and undertakings to which section 594zu (2) of this Act applies.”

(2) Section 594zw of the principal Act (as so inserted) is hereby further amended—

(a) By omitting from paragraphs (b), (d), and (e) the words “interests, undertakings, and operations”, and substituting in each case the words “securities, interests, and undertakings”:

(b) By inserting in paragraph (c), before the word “undertakings” in both places where it occurs, the words “securities or”.

5. Sale to territorial authorities—Section 594ZY of the principal Act (as so inserted) is hereby amended by omitting the words “interests, undertakings, and operations” wherever they occur, and substituting in each case the words “securities, interests, and undertakings”.

6. Determination and approval of regional council divestment plan—Section 594ZZA of the principal Act (as so inserted) is hereby amended by omitting from subsection (5), and also from subsection (10), the words “interest, undertaking, or operation” wherever they occur, and substituting in each case the words “security, interest, or undertaking”.

7. Passenger transport interests, undertakings, and operations to be sold—Section 594ZZB of the principal Act (as so inserted) is hereby amended by omitting the words “interests, undertakings, and operations”, and substituting the words “securities, interests, and undertakings”.

8. Duty to act in furtherance of objects of this Part of Act—(1) Section 594ZZC of the principal Act (as so inserted) is hereby amended by inserting in subsection (1) (a), and also in subsection (3), after the words “passenger transport”, the words “securities and”.

(2) Section 594ZZC (1) (c) of the principal Act (as so inserted) is hereby amended by omitting the word “undertaking”, and substituting the words “securities and undertakings”.

(3) Section 594ZZC (2) (a) of the principal Act (as so inserted) is hereby amended by inserting, after the words “passenger transport”, the words “securities or”.

9. Regional council not to enter into contracts—(1) Section 594ZZD (1) of the principal Act (as so inserted) is hereby amended by omitting the words “is not in compliance with the provisions of section 594ZU of this Act”, and substituting the words “holds or conducts any securities, interests, or undertakings to which section 594ZU (2) of this Act applies”.

(2) Section 594ZZD (2) of the principal Act (as so inserted) is hereby amended by omitting the words “is not in compliance

with section 594ZU of this Act”, and substituting the words “holds or conducts any securities, interests, or undertakings to which section 594ZU (2) of this Act applies”.

This Act is administered in the Department of Internal Affairs.
