



**Local Government
(Tamaki Makaurau
Reorganisation) Establishment of
Council-controlled Organisations
Order 2010**

Anand Satyanand, Governor-General

Order in Council

At Wellington this 23rd day of August 2010

Present:

His Excellency the Governor-General in Council

Pursuant to sections 19B(3) and 44(1) of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, His Excellency the Governor-General makes the following order,—

- (a) acting on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister of Local Government (after first consulting the Auckland Transition Agency and, in the case of organisations established pursuant to section 44(1) of that Act, after being satisfied of the matters in section 44(4)(a) of that Act).

**Local Government (Tamaki Makaurau
Reorganisation) Establishment of
Council-controlled Organisations
Order 2010**

cl 1

2010/253

Contents

	Page
1 Title	2
2 Commencement	2
3 Interpretation	2
4 Specifications in relation to waterfront development council-controlled organisation	3
5 Direction to establish Auckland Council Investments Limited	4
6 Direction to establish Auckland Council Investments (AIAL) Limited	5
7 Direction to establish Auckland Council Property Limited	5
8 Direction to establish Auckland Tourism, Events and Economic Development Limited	6
9 Direction to establish Regional Facilities Auckland	6

Order

1 Title

This order is the Local Government (Tamaki Makaurau Reorganisation) Establishment of Council-controlled Organisations Order 2010.

2 Commencement

This order comes into force on the day after the date of its notification in the *Gazette*.

3 Interpretation

In this order,—

Act means the Local Government (Tamaki Makaurau Reorganisation) Act 2009

council-controlled organisation has the same meaning as in section 6 of the Local Government Act 2002

operative date means 1 November 2010

Transition Agency means the entity established by section 10 of the Act.

4 Specifications in relation to waterfront development council-controlled organisation

- (1) The Transition Agency must establish the council-controlled organisation referred to in section 19B(1) of the Act (the **waterfront development entity**) in a way that complies with the matters set out in this clause.
- (2) The waterfront development entity must be a limited liability company registered under the Companies Act 1993.
- (3) The objectives of the waterfront development entity are—
 - (a) to lead a strategic approach to developing the Auckland waterfront that is consistent with the Auckland Council’s vision for the Auckland waterfront; and
 - (b) to develop property that the waterfront development entity owns or controls in a way that is consistent with the Auckland Council’s vision for the Auckland waterfront; and
 - (c) to achieve development objectives that are consistent with the Auckland Council’s vision for the Auckland waterfront, by acting in a commercial way, including by investing in projects and places that secure high quality urban transformation outcomes.
- (4) The governing body of the waterfront development entity is the board of directors, which comprises no more than 7 members.
- (5) On the operative date, the waterfront development entity has a debt owed to the Auckland Council that is the amount calculated using the following formula:

$$x = \frac{a}{b} \times c$$

where—

- x is the debt
- a is the total debt of the territorial authorities as at 31 October 2010
- b is the total value of the fixed assets of the territorial authorities as at 31 October 2010
- c is the total value of fixed assets of the territorial authorities transferring to the waterfront development entity

under 1 or more orders made under section 36 of the Act.

- (6) In subclause (5), **territorial authorities** means the Auckland City Council, the Franklin District Council, the Manukau City Council, the North Shore City Council, the Papakura District Council, the Rodney District Council, and the Waitakere City Council.

5 Direction to establish Auckland Council Investments Limited

- (1) The Transition Agency is directed to establish a limited liability company, to be registered under the Companies Act 1993 as Auckland Council Investments Limited, as a council-controlled organisation of the Auckland Council.
- (2) The objectives of Auckland Council Investments Limited are—
- (a) to bring a strong commercial focus to the ownership and governance of the Auckland Council's major investment assets; and
 - (b) to provide an efficient structure for the ownership of those assets.
- (3) The governing body of Auckland Council Investments Limited is the board of directors, which comprises 5 members.
- (4) On the operative date, Auckland Council Investments Limited has a debt of \$168 million owed to the Auckland Council.
- (5) In this clause, **major investment assets**, as at 1 November 2010, includes—
- (a) any shares held, directly or indirectly, by Auckland Council Investments Limited in Auckland International Airport Limited; and
 - (b) any shares held, directly or indirectly, by Auckland Council Investments Limited in Ports of Auckland Limited; and
 - (c) any shares held, directly or indirectly, by Auckland Council Investments Limited in Auckland Film Studios Limited; and
 - (d) any shares held by Auckland Council Investments Limited in Manukau City Investments Limited; and

- (e) any shares held by Auckland Council Investments Limited in any subsidiary of the company; and
- (f) any loan to Ports of Auckland Limited.

6 Direction to establish Auckland Council Investments (AIAL) Limited

- (1) The Transition Agency is directed to establish a limited liability company, to be registered under the Companies Act 1993 as Auckland Council Investments (AIAL) Limited, as—
 - (a) a council-controlled organisation of the Auckland Council; and
 - (b) a subsidiary of Auckland Council Investments Limited.
- (2) The objectives of Auckland Council Investments (AIAL) Limited are—
 - (a) to bring a strong commercial focus to the ownership of the equity held by Auckland Council Investments Limited in Auckland International Airport Limited; and
 - (b) to provide an efficient structure for the ownership of the asset described in paragraph (a).
- (3) The governing body of Auckland Council Investments (AIAL) Limited is the board of directors, which comprises 3 members.
- (4) On the operative date, Auckland Council Investments (AIAL) Limited has a debt of \$158 million owed to Auckland Council Investments Limited.

7 Direction to establish Auckland Council Property Limited

- (1) The Transition Agency is directed to establish a limited liability company, to be registered under the Companies Act 1993 as Auckland Council Property Limited, as a council-controlled organisation of the Auckland Council.
- (2) The objectives of Auckland Council Property Limited are—
 - (a) to ensure the efficient use of the Auckland Council's capital in respect of the property activities for which Auckland Council Property Limited is responsible or involved on the Council's behalf; and
 - (b) to obtain an appropriate return on property under Auckland Council Property Limited's management; and

- (c) to facilitate, where appropriate, private sector collaboration in any Auckland Council-initiated property projects for which Auckland Council Property Limited is responsible or involved on the Council's behalf; and
 - (d) to bring a commercial perspective to any Auckland Council planning initiatives; and
 - (e) to efficiently and effectively manage and control the Auckland Council's rights and interests in properties, projects, and business activities that are assigned to it by the Council.
- (3) The governing body of Auckland Council Property Limited is the board of directors, which comprises no more than 7 members.

8 Direction to establish Auckland Tourism, Events and Economic Development Limited

- (1) The Transition Agency is directed to establish a limited liability company, to be registered under the Companies Act 1993 as Auckland Tourism, Events and Economic Development Limited, as a council-controlled organisation of the Auckland Council.
- (2) The objectives of Auckland Tourism, Events and Economic Development Limited are—
- (a) to lift Auckland's economic well-being; and
 - (b) to support and enhance Auckland's performance as a key contributor to the New Zealand economy; and
 - (c) to support and enhance Auckland's ability to compete internationally as a desirable place to visit, live, work, invest, and do business.
- (3) The governing body of Auckland Tourism, Events and Economic Development Limited is the board of directors, which comprises no more than 7 members.

9 Direction to establish Regional Facilities Auckland

- (1) The Transition Agency is directed to establish a charitable trust named Regional Facilities Auckland, as a council-controlled organisation of the Auckland Council.

**Local Government (Tamaki Makaurau
Reorganisation) Establishment of
Council-controlled Organisations
Order 2010**

2010/253

cl 9

- (2) The deed of trust must reflect, in its statement of the purposes of the trust, the objectives of Regional Facilities Auckland.
- (3) The objectives of Regional Facilities Auckland are—
 - (a) to support the vision of Auckland as a vibrant city that attracts world class events and promotes the social, economic, environmental, and cultural well-being of its communities, by engaging those communities (and visitors to Auckland) daily in arts, culture, heritage, leisure, sport, and entertainment activities; and
 - (b) to continue to develop, applying a regional perspective, a range of world class arts, culture, heritage, leisure, sport, and entertainment venues that are attractive both to residents of and visitors to Auckland.
- (4) The governing body of Regional Facilities Auckland is the trustee.
- (5) The trustee is a limited liability company to be registered under the Companies Act 1993 as Regional Facilities Auckland Limited. Its governing body is the board of directors, which comprises no more than 9 members.
- (6) The objectives of Regional Facilities Auckland Limited are—
 - (a) to ensure that Regional Facilities Auckland is administered, and its property held, for the purposes set out in the deed of trust; and
 - (b) to undertake any activities, in accordance with the deed of trust, that further those purposes; and
 - (c) to work with the Auckland Council, the Government, and the governing bodies of entities that hold or own facilities and amenities of regional significance for which Regional Facilities Auckland is not responsible with a view to bringing those facilities and amenities within the framework of Regional Facilities Auckland.
- (7) On the operative date, Regional Facilities Auckland Limited (in its capacity as trustee of Regional Facilities Auckland) has a debt owed to the Auckland Council that is the amount calculated using the following formula:

$$x = \frac{a}{b} \times c$$

where—

**Local Government (Tamaki Makaurau
Reorganisation) Establishment of
Council-controlled Organisations
Order 2010**

Explanatory note

2010/253

- x is the debt
 - a is the total debt of the territorial authorities as at 31 October 2010
 - b is the total value of the fixed assets of the territorial authorities as at 31 October 2010
 - c is the total value of fixed assets of the territorial authorities transferring to Regional Facilities Auckland Limited (in its capacity as trustee of Regional Facilities Auckland) under 1 or more orders made under section 36 of the Act.
- (8) In this clause, **deed of trust** means the deed of trust under which Regional Facilities Auckland is created.
- (9) In subclause (7), **territorial authorities** means the Auckland City Council, the Franklin District Council, the Manukau City Council, the North Shore City Council, the Papakura District Council, the Rodney District Council, and the Waitakere City Council.

Rebecca Kitteridge,
Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order does 2 things under the Local Government (Tamaki Makaurau Reorganisation) Act 2009 (the **Act**) in relation to council-controlled organisations for the Auckland Council. First, it requires the Transition Agency (the entity responsible for overseeing the reorganisation of Auckland local government) to establish the waterfront development council-controlled organisation referred to in section 19B of the Act in accordance with *clause 4*. Secondly, it directs the Transition Agency to establish 5 council-controlled organisations under section 44 of the Act.

In addition to the requirements of this order, the organisations must be established in a way that complies with Part 5 of the Local Gov-

**Local Government (Tamaki Makaurau
Reorganisation) Establishment of
Council-controlled Organisations
Order 2010**

2010/253

Explanatory note

ernment Act 2002 and, in the case of the organisations established under section 44, any other relevant enactment. Part 5 (sections 55 to 74) and Schedules 8 and 9 of the Local Government Act 2002 specifically deal with council-controlled organisations, including setting out governance and accountability requirements for them. Section 59 sets out the principal objective of a council-controlled organisation. Accordingly, the objectives for the council-controlled organisations to which this order relates must be read in light of that section.

The order comes into force on the day after the date of its notification in the *Gazette*.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 26 August 2010.

This order is administered by the Department of Internal Affairs.
