



Housing Corporation Amendment Act 2001

Public Act 2001 No 37
 Date of assent 28 June 2001
 Commencement see section 2

Contents

1	Title	30	Borrowing powers of Corporation and subsidiaries
2	Commencement	30AA	Loans deemed to have been lawfully raised
Part 1		14	Securities issued by Corporation to be guaranteed by the Crown
Amendments to existing provisions		15	Sections 33 to 37, and 39 repealed
3	New section 1A inserted	16	New section 40 substituted
	1A Purpose	40	Distribution of profits
4	Interpretation	17	Annual report
5	Establishment of Corporation	18	Protection of name of Corporation
6	New sections 3B to 3D inserted	19	Procurator fees
	3B Objectives of Corporation	20	Corporation's liability for taxes and rates
	3C Communication of the Crown's social objectives	21	New section 49A inserted
	3D Other provisions relating to Corporation	49A	References to Housing Corporation of New Zealand
7	New section 18 substituted	Part 2	
	18 Functions of Corporation	New Parts 6 and 7 of principal Act	
8	Powers of Corporation	22	New Parts 6 and 7 inserted in principal Act
9	Corporation may sell or dispose of all or part of its property	Part 6	
10	New sections 19B to 20C substituted	Restructuring of housing entities	
	19B Validity of transactions	51	Interpretation
	19C Ministerial reviews		<i>Housing New Zealand Limited to become subsidiary of Corporation</i>
	20 Corporation to give effect to Government policy	52	Vesting in Corporation of the Crown's shares in Housing New Zealand Limited
	20A Other provisions relating to requirements		<i>Transfer to Corporation of assets, functions, liabilities, and obligations of existing companies</i>
	20B Compensation of Corporation for providing certain services	53	Vesting orders
	20C Application of sections 20 to 20B to subsidiaries	54	Additional effects of orders
11	Borrowers to contribute to General Reserve Fund		
12	Securities		
13	New sections 30 and 30AA substituted		

- 55 Records and registers
 56 Vesting to take effect as amalgamation for certain purposes
 57 Certain matters not affected by vesting
 58 Property or liabilities vested in Corporation
 59 Transfer of contracts and leases
 60 Application of Privacy Act 1993

Part 7

Transfer of employees to Corporation

- 61 Interpretation
 62 Transfer of employees to Corporation
 63 Consultation
 64 Effect of old employment agreement
 65 Period during which old agreement applies
 66 Circumstances in which new employment agreement to apply
 67 Changes in duties or location

- 68 Transfer not enough to break continuous employment
 69 Transfer not enough to entitle employee to redundancy or severance payment

- 23 New Schedule 1A inserted in principal Act

Part 3

Consequential amendments and repeals

- 24 Consequential amendments
 25 Certain enactments consequentially repealed

Schedule 1

New Schedule 1A of principal Act

Schedule 2

Consequential amendments coming into force on 1 July 2001

Schedule 3

Consequential amendments to Housing Restructuring Act 1992 coming into force on vesting day

Schedule 4

Consequential repeals

The Parliament of New Zealand enacts as follows:

1 Title

- (1) This Act is the Housing Corporation Amendment Act 2001.
 (2) In this Act, the Housing Corporation Act 1974 is called “the principal Act”.

2 Commencement

Except as provided in subsections (3) to (6) of section 24, and section 25(2), this Act comes into force on 1 July 2001.

Part 1

Amendments to existing provisions

3 New section 1A inserted

The principal Act is amended by inserting, after section 1, the following section:

“1A Purpose

The purpose of this Act is to—

- “(a) establish a corporation to administer the Crown’s housing operations; and
- “(b) define its objectives, functions, powers, and duties.”

4 Interpretation

Section 2 of the principal Act is amended by repealing the definitions of **committee**, **Corporation**, **land**, and **Minister**, and inserting, in their appropriate alphabetical order, the following definitions:

“**committee** means a committee appointed under clause 46(1) of Schedule 1A

“**Corporation** means Housing New Zealand Corporation established (as the Housing Corporation of New Zealand) by section 3(1)

“**existing company**—

- “(a) means HNZ or Community Housing Limited (a company that on the commencement of the Housing Corporation Amendment Act 2001 was duly incorporated under the Companies Act 1993); and
- “(b) includes any subsidiary (within the meaning of the Companies Act 1993) of an existing company

“**HNZ** means the company within the meaning of section 2(1) of the Housing Restructuring Act 1992

“**land** includes interests in land, and houses and buildings

“**Minister**, except when immediately followed by the words ‘of Finance’ or ‘of Housing’, means the Minister of Finance and the Minister of Housing, acting jointly

“**Minister of Housing** means the Minister of the Crown who, under the authority of any warrant or with the authority of the Prime Minister, is for the time being responsible for the Corporation

“**statement of intent** means a statement of intent under section 41E of the Public Finance Act 1989

“**subsidiary**, in relation to the Corporation, means a body that would under the Companies Act 1993 be a subsidiary of the Corporation if the Corporation were a company within the meaning of that Act

“**State Services Commissioner** means the State Services Commissioner appointed under section 3 of the State Sector Act 1988

“**vesting day**,—

“(a) in relation to an existing company or an asset or liability of an existing company, means the day on which the order under section 53 relating to that company comes into force; and

“(b) in relation to an asset or liability of the Crown, means the day on which an order under section 53 relating to that asset or liability comes into force.”

5 Establishment of Corporation

(1) Section 3(1) of the principal Act is amended by omitting the words “the Housing Corporation of New Zealand”, and substituting the words “Housing New Zealand Corporation”.

(2) Section 3 of the principal Act is amended by repealing subsections (2A) to (4), and substituting the following subsections:

“(3) The Corporation—

“(a) is a body corporate; and

“(b) is a Crown entity for the purposes of the Public Finance Act 1989.

“(5) The Corporation cannot be disestablished except by Act of Parliament.”

(3) The heading to Part I of the principal Act is amended by omitting the words “**The Housing Corporation of New Zealand**”, and substituting the words “**Housing New Zealand Corporation**”.

6 New sections 3B to 3D inserted

The principal Act is amended by inserting, before section 4, the following sections:

“3B Objectives of Corporation

The Corporation’s objectives are—

“(a) to give effect to the Crown’s social objectives by providing housing, and services related to housing, in a businesslike manner, and to that end to be an organisation that—

- “(i) exhibits a sense of social responsibility by having regard to the interests of the community in which it operates; and
 - “(ii) exhibits a sense of environmental responsibility by having regard to the environmental implications of its operations; and
 - “(iii) operates with good financial oversight and stewardship, and efficiently and effectively manages its assets and liabilities and the Crown’s investment; and
- “(b) to ensure that the Minister of Housing receives appropriate policy advice, other advice, and information, on housing and services related to housing.

“3C **Communication of the Crown’s social objectives**

- “(1) To enable the Corporation to achieve the objective stated in section 3B(a) and to prepare its statements of intent, the Minister must, at least 2 months before the commencement of each financial year of the Corporation, give it written notice of the Crown’s social objectives for the provision of housing and services related to housing by the Corporation.
- “(2) Each of the Corporation’s statements of intent must state—
- “(a) the objectives most recently notified by the Minister; and
 - “(b) the steps that the group comprising the Corporation and any subsidiaries proposes to take in the financial year concerned and the next 2 financial years to achieve those objectives.
- “(3) Nothing in subsections (1) and (2) limits or affects the Public Finance Act 1989 or section 20.

“3D **Other provisions relating to Corporation** Schedule 1A applies to the Corporation.”

7 **New section 18 substituted**

The principal Act is amended by repealing section 18, and substituting the following section:

“18 **Functions of Corporation**

- “(1) The Corporation’s principal function is to achieve its objectives.

- “(2) The Corporation’s functions include—
- “(a) providing rental housing, principally for those who need it most:
 - “(b) providing appropriate accommodation, including housing, for community organisations (in particular for community organisations that provide residential support services for people with special needs):
 - “(c) lending for housing purposes, and providing other help relating to housing:
 - “(d) giving people (in particular people on low or modest incomes who wish to own their own homes) help and advice on matters relating to housing or services related to housing:
 - “(e) undertaking housing and other development and renewal, whether on its own account or on behalf of other persons:
 - “(f) acquiring and developing land for housing or other development and renewal, whether by—
 - “(i) providing housing amenities, facilities, services, or works; or
 - “(ii) providing commercial or industrial amenities, facilities, services, or works; or
 - “(iii) providing related amenities, facilities, services, or works; or
 - “(iv) doing any other thing:
 - “(g) selling, leasing, disposing of, managing, or otherwise dealing with land, whether in the course of housing or other development and renewal or otherwise:
 - “(h) providing housing or services related to housing as agent for departments of State or Crown entities:
 - “(i) taking action, in relation to or in connection with the provision of housing or services related to housing, provided for in—
 - “(i) the Corporation’s current statement of intent; or
 - “(ii) a notice or agreement under section 20; or
 - “(iii) a plan under section 20A:
 - “(j) conducting research into, and monitoring trends in, housing and services related to housing:
 - “(k) advising the Minister of Housing on housing and services related to housing:

- “(1) any other functions conferred on it by this Act or any other enactment.
- “(3) In performing any of its functions, the Corporation may consult any person or organisation whose views or knowledge it believes will enhance its performance of the function.
- “(4) Subsection (2) does not limit subsection (1).”

8 Powers of Corporation

- (1) Section 19 of the principal Act is amended by repealing subsections (1) and (2), and substituting the following subsections:

“(1) Subject to this Act, any other enactment, and the general law, the Corporation—

- “(a) has full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and
- “(b) for the purposes of paragraph (a), has full rights, powers, and privileges.

“(1A) The Corporation may take any action in the performance of its functions or achievement of its objectives jointly, or in conjunction, with—

- “(a) a local authority; or
- “(b) any other person or organisation that provides housing without having profit or gain as its principal motive; or
- “(c) any other person or organisation.”

- (2) Section 19 of the principal Act is amended by adding the following subsection:

“(6) The Corporation may exercise its powers only for the purpose of performing its functions.”

9 Corporation may sell or dispose of all or part of its property

Section 19A of the principal Act is repealed.

10 New sections 19B to 20C substituted

The principal Act is amended by repealing section 20, and substituting the following sections:

“19B Validity of transactions

- “(1) Neither the validity of an agreement, contract, or deed, nor the existence or enforceability of an obligation or right of or in respect of the Corporation or a subsidiary, is affected by—
- “(a) a failure by the Corporation to comply with—
 - “(i) a provision of section 3B, section 20, section 30, or Schedule 1A; or
 - “(ii) a provision of a statement of intent or approved plan under section 20A; or
 - “(b) a failure by a subsidiary to comply with—
 - “(i) a provision of section 20 or section 30; or
 - “(ii) a provision of Schedule 1A that applies to it; or
 - “(iii) a provision of a statement of intent or approved plan under section 20A.
- “(2) For the purpose only of determining the validity of an agreement, contract, or deed, or the existence or enforceability of an obligation or right of or in respect of the Corporation, every action of the Corporation must be treated as being or having been undertaken—
- “(a) in the performance of its functions; and
 - “(b) by the valid exercise of—
 - “(i) its powers under this Act; or (as the case may be)
 - “(ii) powers conferred on some other person by or under Schedule 1A.

“19C Ministerial reviews

- “(1) The Minister may at any time, and for any reason, undertake or commission a review of the Corporation’s operations; and in that case the Corporation must take all reasonable steps to co-operate with the review.
- “(2) For the purposes of the review, the Minister may require the Corporation to provide information under section 45B of the Public Finance Act 1989.
- “(3) This section does not limit or affect the power of the State Services Commissioner to initiate a review under section 6(a) of the State Sector Act 1988.

“20 Corporation to give effect to Government policy

- “(1) The Minister may require the Corporation to give effect to the policy of the Government, by—

- “(a) giving the Corporation notice in writing that it is required to give effect to a policy stated in the notice; or
 - “(b) giving the Corporation notice in writing requiring it to enter into a written agreement with the Minister to give effect to a policy stated in the agreement.
- “(2) The Corporation must give effect to any applicable policy of the Government (as required under subsection (1)), in—
- “(a) trying to achieve its objectives; and
 - “(b) exercising its powers and performing its functions (whether under this Act or any other enactment).
- “(3) The Minister must consult the Corporation before requiring it to give effect to the policy of the Government.
- “(4) In requiring the Corporation to give effect to the policy of the Government, the Minister must not give the Corporation a notice, or require it to enter into an agreement,—
- “(a) relating to a matter in respect of which this Act or any other enactment expressly requires it to act independently; or
 - “(b) requiring it, in respect of a particular person, to—
 - “(i) make a particular decision, do or refrain from doing a particular act, or bring about a particular result; or
 - “(ii) make a decision of a particular kind, do or refrain from doing an act of a particular kind, or bring about a result of a particular kind.

“20A Other provisions relating to requirements

- “(1) Promptly after requiring the Corporation to enter into any agreement, or giving it any notice, requiring it to give effect to the policy of the Government, the Minister must publish a copy of the notice or agreement in the *Gazette*.
- “(2) Within 12 sitting days after requiring the Corporation to enter into any agreement, or giving it any notice, requiring it to give effect to the policy of the Government, the Minister must present a copy of the notice or agreement to the House of Representatives.
- “(3) The Corporation must prepare, and give to the Minister for approval a draft plan stating how it proposes to give effect to the policy of the Government if,—

- “(a) pursuant to a requirement under section 20, it enters into an agreement with the Minister that does not state how the policy of the Government is to be given effect to; or
 - “(b) it is given notice under that section requiring it to give effect to the policy of the Government.
- “(4) Within 12 sitting days after approving a draft plan given under subsection (3), the Minister must present a copy of the approved plan to the House of Representatives.

“20B Compensation of Corporation for providing certain services

- “(1) If under section 20 the Minister requires the Corporation to provide housing or services related to housing (or both) to any persons in return for the payment by the Crown of all or part of the price to the Corporation of doing so (as stated in the notice or agreement concerned),—
- “(a) the Crown must pay to the Corporation all or part of that price (as the case requires); and
 - “(b) if the policy is for the Corporation to provide housing and related services to persons who are to be required to pay income-related rents rather than market rents for the housing, the agreement or notice concerned must state that the services are to be provided in return for the payment by the Crown to the Corporation of the difference between the amounts of market rents for the housing and the income-related rents charged.
- “(2) If, because its statement of intent requires it to do so, the Corporation provides services that it cannot provide on normal business terms, the Crown may wholly or partly recompense it for doing so.
- “(3) In subsection (1)(b), **income-related rents** and **market rents** have the meanings given to those terms by section 42(1) of the Housing Restructuring Act 1992.
- “(4) After the vesting day in relation to HNZ, every agreement between the Crown and HNZ entered into by virtue of a requirement under section 7 of the Housing Restructuring Act 1992 (or under that section as applied by section 65 of that Act) has effect as if it were an agreement entered into under a requirement under section 20(1).

“(5) Nothing in this section limits or affects the generality of section 20.

“20C **Application of sections 20 to 20B to subsidiaries**

Sections 20 to 20B apply to subsidiaries as if every reference to the Corporation were a reference to a subsidiary.”

11 Borrowers to contribute to General Reserve Fund

(1) Section 29 of the principal Act is amended by omitting the words “General Reserve Fund”, in both places where they occur, and substituting in each case the words “Corporation’s funds”.

(2) The heading to section 29 of the principal Act is amended by omitting the words “**General Reserve Fund**”, and substituting the words “**Corporation’s funds**”.

12 Securities

Section 25 of the principal Act is repealed.

13 New sections 30 and 30AA substituted

The principal Act is amended by repealing section 30, and substituting the following sections:

“30 **Borrowing powers of Corporation and subsidiaries**

“(1) The Corporation may do any of the things stated in subsection (2) only—

“(a) with the agreement of the Minister of Finance; and

“(b) in compliance with any conditions subject to which the agreement was given.

“(2) The things referred to in subsection (1) are—

“(a) issue securities for the purpose of providing funds for carrying on its business under this Act, or as consideration for mortgages of land or other securities transferred to it:

“(b) borrow money (by way of loan, overdraft, or otherwise):

“(c) grant securities over, or otherwise charge, any of its real or personal property.

“(3) A subsidiary of the Corporation may do any of the things stated in subsection (4) only—

“(a) with the agreement of the Minister of Finance; and

- “(b) in compliance with any conditions subject to which the agreement was given.
- “(4) The things referred to in subsection (3) are—
- “(a) borrow money (by way of loan, overdraft, or otherwise):
 - “(b) issue securities for the purpose of providing funds for carrying on its business, or as consideration for mortgages of land or other securities transferred to it:
 - “(c) grant securities over, or otherwise charge, any of its real or personal property.
- “(5) The Corporation may seek the Minister of Finance’s agreement for the purposes of subsection (1) or subsection (3)—
- “(a) when it submits a statement of intent or modified statement of intent to the Minister under the Public Finance Act 1989; or
 - “(b) when the Minister gives it a notice, or enters an agreement with it, under section 20; or
 - “(c) at any other time.

“30AA Loans deemed to have been lawfully raised

So far as concerns any lender or holder,—

- “(a) all money borrowed by the Corporation or a subsidiary must for all purposes be treated as having been borrowed in accordance with section 30; and
- “(b) all securities and charges issued, granted, or varied by the Corporation or a subsidiary must for all purposes be treated as having been issued, granted, or varied in accordance with section 30; and
- “(c) the following must for all purposes be treated as having been undertaken in accordance with section 30:
 - “(i) all actions taken by the Corporation or a subsidiary in the course of any borrowing or proposed borrowing:
 - “(ii) all actions taken by the Corporation or a subsidiary in the course of the issue, granting, or variation or proposed issue, granting, or variation of any securities or charge; and
- “(d) the lender or holder does not have to inquire whether, or to what extent, authority has been given under that section.”

14 Securities issued by Corporation to be guaranteed by the Crown

Section 31(1) of the principal Act is amended by omitting the words “of the Corporation”, and substituting the words “issued by the Corporation before the commencement of the Housing Corporation Amendment Act 2001”.

15 Sections 33 to 37, and 39 repealed

Sections 33 to 37, and 39 of the principal Act are repealed.

16 New section 40 substituted

The principal Act is amended by repealing section 40, and substituting the following section:

“40 Distribution of profits

“(1) The Corporation must pay its surplus for each financial year into the Crown bank account, unless the Minister authorises the Corporation to keep all or any part of it.

“(2) In subsection (1), **surplus** means surplus capital, and any operating net surplus, after any provision the Minister thinks proper has been made for any matters that, in the Minister’s opinion (reached in the light of the Corporation’s statement of intent) are necessary for the efficient and effective conduct of the Corporation’s operations.”

17 Annual report

Section 42 of the principal Act is amended by repealing subsection (1), and substituting the following subsections:

“(1) As soon as is practicable after the end of each financial year, the Corporation must give the Minister a report on—

“(a) its activities and performance for that year; and

“(b) the activities and performance for that year of each of its subsidiaries.

“(1A) The report must state—

“(a) the fees and other benefits paid to individual members (including any fees or other benefits paid by virtue of their being directors of a subsidiary); and

“(b) in \$10,000 bands, the number of employees of the Corporation or any subsidiary receiving total gross remuneration of more than \$100,000; and

- “(c) the total value of all compensation payments and other benefits (however described)—
 - “(i) paid or given by the Corporation during the financial year to or for the benefit of people in respect of their ceasing (in that year or earlier) to be a member, officer, or employee of the Corporation; or
 - “(ii) paid or given by the Corporation or a subsidiary during the financial year to or for the benefit of people in respect of their ceasing (in that year or earlier) to be a director, officer, or employee of a subsidiary; and
- “(d) the number of people to or for the benefit of whom payments or benefits of a kind referred to in paragraph (c) were paid or given.”

18 Protection of name of Corporation

- (1) Section 43 of the principal Act is amended by repealing subsections (1) and (2), and substituting the following subsections:
 - “(1) No company or other body corporate may be incorporated or registered under any enactment in New Zealand under—
 - “(a) the name ‘Housing Corporation of New Zealand’; or
 - “(b) the name ‘Housing New Zealand Corporation’; or
 - “(c) any other name that in the opinion of the Registrar of Companies so resembles either of those names as to be calculated to deceive.
 - “(2) No person other than the Corporation may (alone or with any other person or persons) trade or carry on business under, or in any other way use as the name or description of an unincorporated body or organisation,—
 - “(a) the name ‘Housing Corporation of New Zealand’; or
 - “(b) the name ‘Housing New Zealand Corporation’; or
 - “(c) any other name so resembling either of those names as to be calculated to deceive.”
- (2) Section 43 of the principal Act is amended by inserting, after subsection (2), the following subsection:
 - “(2A) Subsections (1) and (2) do not prevent HNZ from continuing to use the name ‘Housing New Zealand’.”

19 Procurement fees

Section 44 of the principal Act is repealed.

20 Corporation's liability for taxes and rates

Section 45 is amended by omitting the expression "1955", and substituting the expression "1993".

21 New section 49A inserted

The principal Act is amended by inserting, after section 49, the following section:

"49A References to Housing Corporation of New Zealand

Every reference to the Corporation under its former name of the Housing Corporation of New Zealand in any enactment, agreement, contract, deed, or other document enacted, entered into, or created before 1 July 2001 must be read as a reference to the Corporation under its present name."

Part 2**New Parts 6 and 7 of principal Act****22 New Parts 6 and 7 inserted in principal Act**

The principal Act is amended by inserting, after Part V, the following Parts:

"Part 6**"Restructuring of housing entities****"51 Interpretation**

In this Part, unless the context otherwise requires,—

"**assets** means property of every kind, whether tangible or intangible, real or personal, corporeal or incorporeal; and includes, without limitation,—

"(a) choses in action and money:

"(b) goodwill:

"(c) rights, interests, and claims of every kind in or to property, whether arising from, accruing under, created or evidenced by, or the subject of, an instrument or otherwise, and whether liquidated or unliquidated, actual, contingent, or prospective

"**liabilities** means liabilities, debts, charges, duties, and obligations of every description (whether present or future, actual

or contingent, and whether payable or to be observed or performed in New Zealand or elsewhere)

“**rights** means all rights, powers, privileges, and immunities, whether actual, contingent, or prospective.”

“Housing New Zealand Limited to become subsidiary of Corporation

“52 Vesting in Corporation of the Crown’s shares in Housing New Zealand Limited

- “(1) On the commencement of the Housing Corporation Amendment Act 2001, the shares in the capital of the company held immediately before that commencement by the responsible Minister and the Minister of Finance vest in the Corporation.
- “(2) In subsection (1), **company** and **responsible Minister** have the meanings given to those terms by section 2(1) of the Housing Restructuring Act 1992.

“Transfer to Corporation of assets, functions, liabilities, and obligations of existing companies

“53 Vesting orders

- “(1) The Governor-General may, by Order in Council made on the recommendation of the Minister,—
- “(a) vest in the Corporation—
- “(i) all the assets and liabilities of an existing company; and
- “(ii) any assets of the Crown used principally for the purpose of the Corporation or that existing company; and
- “(iii) any liability of the Crown arising from the operations of the Corporation or that existing company; and
- “(b) confer or impose rights or obligations on the Corporation in relation to any asset or liability vested; and
- “(c) direct any person or authority to register, record, or take notice of any thing done by the order, the consequential effect of section 54, or both.
- “(2) The Minister—
- “(a) must not recommend the making of an order vesting all the assets and liabilities of an existing company in the Corporation without first considering—

- “(i) the company’s obligations to its creditors; and
- “(ii) the likely effect of the vesting on those obligations; and
- “(b) must not recommend the making of an order vesting any liability of the Crown in the Corporation unless satisfied that it was incurred in the process of or for the purposes of the performance of the functions of the Corporation or the existing company concerned; and
- “(c) must not recommend the making of an order conferring or imposing a right or obligation on the Corporation in relation to any asset or liability unless satisfied that it is necessary or desirable to do so because of the vesting of the asset or liability in the Corporation.

“54 **Additional effects of orders**

On and after the vesting day,—

- “(a) every reference to the existing company concerned in any contract, lease, notice, order, proceedings, regulations, or other document has effect as a reference to the Corporation; and
- “(b) to the extent that the order concerned vests an asset or liability of the Crown in the Corporation, every reference to the Crown (whether as Her Majesty, the Crown, or a Minister of the Crown) in any contract, lease, notice, order, proceedings, regulations, or other document relating to the asset or liability (being a reference to the Crown by virtue of its status as owning the asset or being liable for the liability) has effect as a reference to the Corporation; and
- “(c) the Corporation has all the rights, obligations, privileges, and immunities of the existing company concerned (and of any officer or employee of that company acting as an officer or employee of that company), and all the rights, obligations, privileges, and immunities of the Crown as aforesaid (other than rights, obligations, privileges, and immunities that the Crown has only by virtue of being the Crown), in relation to all appeals, applications, objections, and other proceedings before any authority, court, tribunal, or person acting judicially, relating to any asset or liability vested by the order concerned.

“55 Records and registers

- “(1) Except as provided in section 53(1)(c), neither the Registrar-General of Land nor any other person charged with the keeping of any records or registers is obliged solely by reason of any provision of this Part to change any name in those records or registers or in any document.
- “(2) An order under section 53 is sufficient notice to all persons of its effect (and of any effect of section 54); and no specific notice needs to be given to any person or authority.
- “(3) In the absence of evidence to the contrary, it is sufficient proof that any asset or liability is vested in the Corporation if a person presents to a registrar or any other person an instrument, whether or not comprising an instrument of transfer,—
- “(a) executed or purporting to be executed by or on behalf of the Corporation; and
 - “(b) relating to any asset or liability held by an existing company or the Crown immediately before the vesting day; and
 - “(c) containing a recital that the asset or liability has vested in the Corporation under this Act.

“56 Vesting to take effect as amalgamation for certain purposes

- “(1) For the purposes of the Inland Revenue Acts (within the meaning of section 3(1) of the Tax Administration Act 1994),—
- “(a) the vesting of the assets and liabilities of an existing company under section 53 is an amalgamation and a qualifying amalgamation of the company and the Corporation; and
 - “(b) the Corporation must be treated as an amalgamated company; and
 - “(c) the company must be treated as an amalgamating company; and
 - “(d) the company must be treated as having ceased to exist on the vesting day.
- “(2) If the assets and liabilities of an existing company vest in the Corporation under section 53,—
- “(a) subparagraphs (v) and (vi) of section FE 6(5)(a) and subparagraphs (iv) and (v) of section FE 7(1)(a) of the

Income Tax Act 1994 must be treated as having been satisfied; and

“(b) for the purposes of section FE 10 of that Act, the company must be treated as having been solvent immediately before the vesting day.

“(3) For the purposes of the Financial Reporting Act 1993, the vesting of the assets and liabilities of an existing company under section 53 is an amalgamation under the Companies Act 1993 of the company and the Corporation.

“(4) Subsections (1) to (3) apply as if the Corporation were a company within the meaning of the Companies Act 1993.

“(5) Subsections (1) and (2) override section 45.

“57 **Certain matters not affected by vesting**

Nothing effected or authorised by this Part—

“(a) places the Crown, the Corporation (or any member), an existing company, or any other person in breach of, or default under, any contract, or in breach of trust, or in breach of confidence, or otherwise makes any of them guilty of a civil wrong; or

“(b) gives rise to a cause of action against the Crown, the Corporation or any member, an existing company, or any other person; or

“(c) gives rise to a right for any person to—

“(i) terminate or cancel or modify a contract or an agreement; or

“(ii) enforce or accelerate the performance of an obligation; or

“(iii) require the performance of an obligation not otherwise arising for performance; or

“(d) places the Crown, the Corporation (or any member), an existing company, or any other person in breach of any enactment or rule of law or contractual provision prohibiting, restricting, or regulating the assignment or transfer or issue of any asset or liability or the disclosure of any information; or

“(e) releases any surety wholly or in part from all or any obligation; or

“(f) invalidates or discharges any contract or security; or

“(g) affects the Corporation’s rights or liabilities under or in respect of any guarantee relating to the liabilities of an existing company given by or to the Corporation.

“58 Property or liabilities vested in Corporation

If any asset or liability of the Crown is vested in the Corporation under this Act,—

“(a) the Crown remains liable to any third party as if the asset or liability had not been vested, but must be indemnified by the Corporation in respect of any liability to the third party:

“(b) any satisfaction or performance by the Corporation in respect of the asset or liability is also deemed to be satisfaction or performance by the Crown:

“(c) any satisfaction or performance in respect of the asset or liability by any third party to the benefit of the Corporation is also deemed to be to the benefit of the Crown.

“59 Transfer of contracts and leases

“(1) Before the vesting day,—

“(a) an existing company may transfer to the Corporation a specified right or benefit under a contract or lease to which it is a party; and

“(b) the Corporation may transfer to an existing company a specified right or benefit under a contract or lease to which it is a party, or a right or benefit transferred to it under paragraph (a).

“(2) The transfer does not prevent the transferor from exercising or enjoying the right or benefit transferred.

“(3) The transfer may not be made unless—

“(a) the proposed transferee has agreed to it; and

“(b) written notice of it has been delivered to the proposed transferee, and to every other party to the contract or lease.

“(4) The transfer is binding on every party to the contract or lease.

“60 Application of Privacy Act 1993

“(1) For the purposes of the Privacy Act 1993,—

“(a) the use by the Corporation or its employees of any information gathered or held by an existing company is a directly related purpose; and

“(b) the use by an existing company or its employees of any information gathered or held by the Corporation or another existing company is a directly related purpose.

“(2) Subsection (1) is for the avoidance of doubt.

“Part 7**“Transfer of employees to Corporation****“61 Interpretation**

In this Part, unless the context otherwise requires,—

“**employment agreement** has the meaning given to it by section 5 of the Employment Relations Act 2000

“**old agreement**, in relation to a transferred employee, means the employment agreement applying to him or her immediately before he or she became a transferred employee

“**transferred employee** means a person appointed to a position in the employment of the Corporation under section 62.

“62 Transfer of employees to Corporation

The Corporation may appoint to a position in its employment a person who is—

“(a) an employee of an existing company; or

“(b) an employee of a department listed in the First Schedule of the State Sector Act 1988 whose chief executive is satisfied that the employee’s duties are no longer to be carried out by the department but are instead to be carried out by the Corporation.

“63 Consultation

The Corporation must not appoint a person to a position in its employment under section 62 without first consulting the person.

“64 Effect of old employment agreement

Unless it provides otherwise, a transferred employee’s old agreement continues to apply to him or her during the period referred to in section 65, on the same terms and conditions (including its period) as if it were an employment agreement—

- “(a) entered into with the Corporation, rather than the former employer; and
- “(b) binding on him or her, the Corporation, and any other party to it other than the former employer.

“65 Period during which old agreement applies

The period during which a transferred employee’s old agreement continues to apply begins on his or her appointment to a position in the employment of the Corporation under section 62, and ends when—

- “(a) he or she—
 - “(i) ceases to be an employee of the Corporation; or
 - “(ii) is appointed to some other position in the employment of the Corporation; or
- “(b) any of the conditions of employment applying to him or her under it are varied (otherwise than under section 67).

“66 Circumstances in which new employment agreement to apply

The conditions of employment of a person appointed to a position in the employment of the Corporation under section 62 must be determined in accordance with his or her employment agreement with the Corporation, after—

- “(a) he or she is appointed to some other position in the employment of the Corporation; or
- “(b) any of the conditions of employment applying to him or her under his or her old agreement are varied (otherwise than under section 67).

“67 Changes in duties or location

- “(1) If during the period referred to in section 65 there is a change to a transferred employee’s duties or location arising out of his or her appointment to a position in the employment of the Corporation under section 62,—

- “(a) his or her conditions of employment may be varied by agreement to reflect that change; but
- “(b) the varied conditions must be no less favourable than those he or she was entitled to under his or her old agreement.

“(2) Subsection (1) overrides section 64.

“68 Transfer not enough to break continuous employment

For the purposes of any provisions of a transferred employee’s old agreement relating to continuity of service, his or her appointment to a position in the employment of the Corporation under section 62 is not enough by itself to break his or her employment.

“69 Transfer not enough to entitle employee to redundancy or severance payment

A transferred employee is not entitled to receive compensation for redundancy, or a severance payment, because—

- “(a) the position he or she held in the existing company or department concerned has ceased to exist; or
- “(b) he or she has ceased by virtue of his or her appointment to a position in the employment of the Corporation to be an employee of that company or department.”

23 New Schedule 1A inserted in principal Act

The principal Act is amended by inserting, before the First Schedule, the schedule set out in Schedule 1 of this Act.

Part 3

Consequential amendments and repeals

24 Consequential amendments

- (1) The enactments named in Schedule 2 are amended in the manner indicated in that schedule.
- (2) Sections 49 and 50 of the principal Act are amended by omitting the words “Housing Corporation of New Zealand” wherever they occur, and substituting in each case the word “Corporation”.
- (3) The Housing Restructuring Act 1992 is amended, with effect on the day on which the order under section 53 of the principal

Act relating to HNZ comes into force, in the manner indicated in Schedule 3.

- (4) Schedule 1 of the Immigration Act 1987 is amended, with effect on the day on which the order under section 53 of the principal Act relating to HNZ comes into force, by adding to the item “Housing New Zealand” the word “Corporation”.
- (5) The following enactments are amended, with effect on the day on which the order under section 53 of the principal Act relating to HNZ comes into force, by omitting the item “Housing New Zealand Limited”:
 - (a) Schedule 18 of the Income Tax Act 1994:
 - (b) the First Schedule of the Official Information Act 1982:
 - (c) Part 2 of the First Schedule of the Ombudsmen Act 1975:
 - (d) the Fourth, Sixth, and Seventh Schedules of the Public Finance Act 1989.
- (6) Schedule 2 of the Housing Restructuring (Income-Related Rents) Amendment Act 2000 is amended, as from its commencement, by omitting from the item relating to section 61H(2) the word “retail”, and substituting the word “regional”.

25 Certain enactments consequentially repealed

- (1) The following enactments are repealed:
 - (a) the Title of the principal Act:
 - (b) sections 5 to 17, 28, 30A, 41A, 43A(3), and 47 of the principal Act:
 - (c) the enactments specified in Schedule 4.
 - (2) Sections 7 and 65 of the Housing Restructuring Act 1992 are repealed, with effect on the day on which the order under section 53 of the principal Act relating to HNZ comes into force.
-

Schedule 1

New Schedule 1A of principal Act

s 23

Schedule 1A

Further provisions relating to Corporation

s 3D

Contents

1	Interpretation		
	<i>Members' appointments</i>	27	<i>Use of information</i> Restrictions on disclosure or use of information
2	Criteria for appointments	28	When member may rely on certain information and advice
3	Method of appointment	29	When clause 28 applies
4	When appointment takes effect		
5	Position where concurrent office		
	<i>Term of office</i>		<i>Procedure of Corporation: general</i> Procedure generally
6	Term of office	30	<i>Procedure of Corporation: meetings</i> Ordinary meetings
7	Restrictions on persons who may be members	31	Special meetings
8	Members must consent and certify to appointment and disclose interests	32	Methods of holding meetings
	<i>Duties of members</i>	33	Quorum
9	Duties of members	34	Who presides at meetings
	<i>Liability of members</i>	35	Voting at meetings
10	Liability of members and committee members	36	Resolutions
	<i>Resignation and removal of members</i>	37	Method of contracting
11	Resignation	38	Attorneys
12	Removal from office	39	<i>Delegations</i> Ability for Corporation to delegate functions and powers
	<i>Vacancies in Corporation's membership</i>	40	Certain powers must not be delegated
13	Effect of vacancy in membership	41	Effect of delegation
	<i>Remuneration</i>	42	Presumption of acting in accordance with delegation
14	Remuneration of members	43	Other matters relating to delegation
	<i>Chairperson and deputy chairperson</i>	44	<i>Subsidiaries</i> Subsidiaries
15	Appointment	45	<i>Committees</i> Corporation committees
16	Term of office		
17	Resignation		
18	Exercise of chairperson's functions, duties, and powers during vacancy, etc	46	<i>Employees</i> Appointment of chief executive
	<i>Acts not to be called into question</i>	47	Appointment of other employees
19	Acts not to be called into question	48	Liability of employees
	<i>Disclosure of interest</i>	49	Personnel policy
20	Obligation to disclose interest	50	Equal employment opportunities
21	Meaning of interested	51	Superannuation or retiring allowances
22	Disclosure of interest	52	Application of certain Acts to members and employees
23	Consequences of disclosure	53	Existing Government Superannuation Fund members
24	Matters to be delegated to committee	54	
25	Exceptions		
26	Effect of non-compliance		

Schedule 1A—continued**1 Interpretation**

In this schedule, unless the context otherwise requires,—

member means a member of the Corporation

quorum means a majority of members as provided for in clause 34

transaction means a matter stated in clause 20(2).

*Members' appointments***2 Criteria for appointments**

The Minister—

- (a) must only appoint a person as a member who, in the Minister's opinion, has appropriate skills and experience to enable the Corporation to carry out its functions and powers; but
- (b) must take into account the desirability of promoting diversity.

3 Method of appointment

- (1) The Minister appoints a member by sending written notice to the member and a copy to the Corporation.
- (2) The Minister must not send the notice and copy unless clause 8 has been complied with.
- (3) Promptly after sending the notice, the Minister must publish a copy in the *Gazette*.

4 When appointment takes effect

Every member takes office from the date stated in the notice of appointment.

5 Position where concurrent office

A person appointed as a member may hold that office concurrently with any other office.

*Term of office***6 Term of office**

Except as otherwise provided in this Act, a member—

- (a) holds office for a term not exceeding 3 years; and

Schedule 1A—continued

- (b) may be reappointed; and
- (c) continues in office after the expiry of his or her term of office (unless the member resigns or is removed from office) until—
 - (i) the member is reappointed; or
 - (ii) the member's successor is appointed; or
 - (iii) the member is informed in writing by the Minister that the member is not to be reappointed.

7 Restrictions on persons who may be members

The following persons are disqualified from being appointed or from holding office as a member of the Corporation:

- (a) a person who is under 18 years of age;
- (b) a person who is an undischarged bankrupt;
- (c) a person who is prohibited from being a member or promoter of, or being concerned or taking part in the management of, a company under section 382, 383, or 385 of the Companies Act 1993;
- (d) a person who is subject to a property order made under any of sections 10, 11, 12, 30, and 31 of the Protection of Personal and Property Rights Act 1988, or whose property is managed by a trustee corporation under section 32 of that Act;
- (e) a person who has been convicted of an offence punishable by imprisonment for a term of 2 years or more, and who has not obtained a pardon, or served the sentence, or otherwise suffered the penalty imposed;
- (f) a person who is subject to a sentence of imprisonment for an offence punishable by a term of imprisonment of less than 2 years;
- (g) a person who has failed to disclose all interests under clause 8(2) (member must consent and certify to appointment and disclose interests);
- (h) a person who is not a natural person;
- (i) a person employed by a department of State responsible for advising the Minister on the Corporation's performance.

Schedule 1A—continued**8 Members must consent and certify to appointment and disclose interests**

- (1) A person must not be appointed as a member unless he or she has—
 - (a) consented in writing to be a member; and
 - (b) certified that he or she is not disqualified from being a member.
- (2) A person must not be appointed as a member unless he or she has first disclosed to the responsible Minister the details of any interest that the person would, if he or she were a member, have to disclose under clauses 20 to 22 (disclosure of interest provisions).

*Duties of members***9 Duties of members**

- (1) A member, when exercising powers or performing duties as a member, must act—
 - (a) in good faith; and
 - (b) with reasonable care, diligence, and skill; and
 - (c) with honesty and integrity.
- (2) Collectively, the members must—
 - (a) ensure that the Corporation—
 - (i) operates consistently with its statement of intent, and any agreement as to outputs (however described) under the Public Finance Act 1989; and
 - (ii) operates efficiently and effectively; and
 - (iii) operates consistently with a spirit of service to the public; and
 - (iv) prudently manages its assets and liabilities; and
 - (b) try to ensure that the Corporation—
 - (i) maintains its long-term financial viability; and
 - (ii) covers all of its annual costs (including the cost of capital) from its net annual income; and
 - (iii) acts as a successful going concern.
- (3) Collectively, the members must also try to ensure that every subsidiary of the Corporation operates—
 - (a) consistently with the Corporation's objectives, functions, powers, and duties; and

Schedule 1A—continued

- (b) efficiently and effectively; and
- (c) consistently with a spirit of service to the public; and
- (d) in a financially responsible manner in accordance with paragraphs (a)(iv) and (b) of subclause (2).

*Liability of members***10 Liability of members and committee members**

- (1) A member, and a member of any committee of the Corporation, is not personally liable, in an action taken against him or her, for any liability of the Corporation, or for any act done or omitted to be done by the Corporation or by any person acting under a delegation of the Corporation's functions and powers, provided the member acted in good faith in pursuance or intended pursuance of the functions or powers of the Corporation.
- (2) Every member, and every member of any committee of the Corporation, is indemnified by the Corporation—
 - (a) for costs and damages for any civil liability arising from any action brought by a third party, provided the member was acting in good faith and in pursuance or intended pursuance of the functions or powers of the Corporation; and
 - (b) for costs arising from any successfully defended criminal action relating to actions or omissions in his or her capacity as member or a member of a committee of the Corporation.
- (3) The Crown must meet any costs and damages arising from this indemnity out of money appropriated by Parliament.

*Resignation and removal of members***11 Resignation**

- (1) A member may resign from office by sending a written notice to the Minister and a copy to the Corporation.
- (2) Unless the Minister earlier removes the member from office, the notice takes effect on the later of—
 - (a) the day the Minister receives it;
 - (b) a day the member states in it for the purpose.

Schedule 1A—continued**12 Removal from office**

The Minister may remove a member from office at any time, without compensation, by written notice to the member.

*Vacancies in Corporation's membership***13 Effect of vacancy in membership**

The functions and powers of the Corporation are not affected by any vacancy in the Corporation's membership.

*Remuneration***14 Remuneration of members**

Every member, and every member of any committee, is entitled to be paid, out of the Corporation's funds,—

- (a) remuneration fixed by the Minister, by way of fees or allowances, for the member's services as a member of the Corporation or committee;
- (b) actual and reasonable costs incurred as travelling or other expenses in performing duties as a member of the Corporation or a committee.

*Chairperson and deputy chairperson***15 Appointment**

- (1) The Minister may appoint 1 of the members as the chairperson and another member as the deputy chairperson.
- (2) However, no person may, at the same time, hold the office both of chairperson and deputy chairperson.
- (3) The Minister appoints a chairperson or deputy chairperson by sending written notice to the member and a copy to the Corporation and every other member.
- (4) The person takes office from the date stated in the notice of appointment.

16 Term of office

Every person appointed as chairperson or deputy chairperson holds that office until the person—

- (a) resigns from that office; or
- (b) is removed from it by the Minister; or
- (c) ceases to be a member.

Schedule 1A—continued**17 Resignation**

- (1) A chairperson or deputy chairperson may resign from that office by sending written notice to the Minister and a copy to the Corporation stating the date on which the resignation takes effect.
- (2) A chairperson or deputy chairperson who resigns from that office continues to be a member unless he or she also resigns from that office under clause 11.

18 Exercise of chairperson's functions, duties, and powers during vacancy, etc

During a vacancy in the office of chairperson, or while the chairperson is for any reason unable to perform the functions, duties, and powers of the chairperson, the deputy chairperson has and may exercise all of the functions, duties, and powers of the chairperson.

*Acts not to be called into question***19 Acts not to be called into question**

- (1) No person may in any proceedings question any of the following on any of the grounds stated in subclause (2):
 - (a) the appointment of a person as chairperson, deputy chairperson, or a member:
 - (b) an act done as chairperson, deputy chairperson, or a member by a person appointed as such:
 - (c) an act done by the Corporation while a person is appointed as chairperson, deputy chairperson, or a member.
- (2) The grounds are that—
 - (a) the occasion for the appointment had not arisen or had ceased:
 - (b) the appointment was defective:
 - (c) the appointee was not eligible to be appointed.
- (3) No person may in any proceedings question any of the following on any of the grounds stated in subclause (4):
 - (a) an act done by the Corporation:
 - (b) an act done by the chairperson or deputy chairperson (as the case may be):
 - (c) an act done by a member.

Schedule 1A—continued

- (4) The grounds are that—
- (a) the chairperson or deputy chairperson was appointed while continuing to hold office as a member by virtue only of clause 6(c);
 - (b) a member's term of office expired after his or her appointment as chairperson or deputy chairperson, and he or she continues to hold office as chairperson or deputy chairperson while holding office as a member by virtue only of clause 6(c);
 - (c) a member continues to hold office as a member by virtue only of clause 6(c).

*Disclosure of interest***20 Obligation to disclose interest**

- (1) A member who (otherwise than as a member) is interested, directly or indirectly, in any of the matters listed in sub-clause (2) must, as soon as practicable after the member knows about the relevant facts, disclose the nature of the interest in accordance with clause 22.
- (2) The matters are—
- (a) the Corporation's performance of its functions or exercise of a power;
 - (b) an arrangement, agreement, or contract, made or entered into, or proposed to be made or entered into, by the Corporation.

21 Meaning of interested

A member is **interested** in a transaction to which the Corporation is a party if, and only if, the member—

- (a) is a party to, or will or may derive a material financial benefit from, the transaction; or
- (b) has a material financial interest in another party to the transaction; or
- (c) is a director, officer, member, or trustee of another party to the transaction (other than a subsidiary of the Corporation); or
- (d) is a person who will or may derive a material financial benefit from the transaction; or

Schedule 1A—continued

- (e) is the parent, child, or spouse of another party to, or person who will or may derive a material financial benefit from, the transaction; or
- (f) is otherwise directly or indirectly materially interested in the transaction.

22 Disclosure of interest

- (1) The Corporation must maintain an interests register.
- (2) Immediately after becoming aware that he or she is interested in a transaction or proposed transaction, a member must—
 - (a) cause the matters stated in subclause (3) to be entered in the interests register; and
 - (b) disclose them to the Corporation, and—
 - (i) where the member is chairperson, to the Minister of Housing; or
 - (ii) where the member is deputy chairperson,—
 - (A) to the chairperson; or
 - (B) if there is no chairperson, to the Minister of Housing; or
 - (iii) where the member is neither chairperson nor deputy chairperson,—
 - (A) to the chairperson; or
 - (B) if there is no chairperson, to the deputy chairperson; or
 - (C) if there is no chairperson or deputy chairperson, to the Minister of Housing.
- (3) The matters are—
 - (a) the nature of the member's interest; and
 - (b) either—
 - (i) its monetary value, if that value can be quantified; or
 - (ii) its extent, if that value cannot be quantified.
- (4) A general notice entered in the interests register or disclosed to the Corporation to the effect that a member is a shareholder, director, officer, member, or trustee of a named company or other person and is to be regarded as interested in any transaction that may, after the date of the entry or disclosure, be entered into with that company or person, is a sufficient disclosure of interest in relation to that transaction.

Schedule 1A—continued**23 Consequences of disclosure**

- (1) A member who discloses his or her interest under clause 22—
- (a) must not take part in any deliberation or decision of the Corporation relating to the matter; and
 - (b) is to be disregarded for the purpose of forming a quorum for a meeting of the Corporation during which a deliberation or decision relating to the matter occurs or is made.
- (2) Subclause (1) is subject to clause 25.

24 Matters to be delegated to committee

- (1) The Corporation must delegate a deliberation or decision to a committee if the effect of clause 23 is that there is not a quorum of members able to take part in the deliberation or decision, or to form a quorum.
- (2) The committee must comprise at least 2 people, and have a majority of people—
- (a) who are not interested in the transaction; and
 - (b) in the case of members of the committee who are not members of the Corporation, who are appointed by the Corporation with the agreement of the Minister.
- (3) Subclause (1) is subject to clause 25.

25 Exceptions

- (1) Clause 23 does not apply—
- (a) to any deliberation or decision of the Corporation that is made in accordance with any existing contract that governs the way in which the deliberation or decision is to be made; or
 - (b) to any deliberation or decision of the Corporation to establish a committee, and to delegate the matter to a committee of the Corporation, under clause 24.
- (2) **Existing contract** means a contract of the Corporation that the person, or a majority of the people, who made the decision to enter into it were not interested in.

Schedule 1A—continued**26 Effect of non-compliance**

The validity of a transaction entered into by the Corporation is not affected by the fact that a member fails to comply with the requirements of clauses 20 to 25.

*Use of information***27 Restrictions on disclosure or use of information**

- (1) A member must not disclose to any person, or make use of or act on, any information that is available to the member only in his or her capacity as a member.
- (2) Subclause (1) does not prevent the member from—
 - (a) disclosing, or using or acting on, the information when required or authorised by this Act or any other enactment to do so; or
 - (b) disclosing, or using or acting on, the information for the purposes of the Corporation or the requirements of the general law; or
 - (c) disclosing the information to the Minister of Housing or the Minister of Finance.
- (3) A member must not disclose to the Minister any information that is personal information about an identifiable individual person unless—
 - (a) its disclosure is in response to a general or particular written request to the Corporation from the Minister (or the Minister of Housing or the Minister of Finance) under subsection (1) of section 45B of the Public Finance Act 1989; or
 - (b) the member—
 - (i) has considered the matters in subsection (2) of that section; and
 - (ii) is satisfied on reasonable grounds that the disclosure of the information to that Minister is in the public interest.
- (4) Subclause (3) does not limit or affect the application of section 45B of the Public Finance Act 1989 to the Corporation; but in its application to the Corporation, that section has effect as if the Minister of Housing and the Minister of Finance are jointly and severally responsible for the Corporation's financial performance.

Schedule 1A—continued**28 When member may rely on certain information and advice**

- (1) A member, when exercising powers or performing duties as a member, may rely on reports, statements, financial data, and other information prepared or supplied, and on professional or expert advice given, by any of the persons listed in subclause (2).
- (2) The persons are—
- (a) any person who the member believes on reasonable grounds is reliable and competent in relation to the matters concerned; or
 - (b) any other member or committee on which the member did not serve in relation to matters within the member's or committee's designated authority; or
 - (c) the Minister.

29 When clause 28 applies

Clause 28 applies to a member only if the member—

- (a) acts in good faith; and
- (b) makes proper inquiry if the need for inquiry is indicated by the circumstances; and
- (c) has no knowledge that the reliance is unwarranted.

*Procedure of Corporation: general***30 Procedure generally**

Except as otherwise provided in this Act, the Corporation may regulate its own procedure.

*Procedure of Corporation: meetings***31 Ordinary meetings**

The Corporation must appoint the times and places for all its ordinary meetings.

32 Special meetings

- (1) The Chairperson, or any 2 members, may at any time call a special meeting of the Corporation by giving each member for the time being in New Zealand a written notice stating—
- (a) the time and place of the meeting; and

Schedule 1A—continued

- (b) the business to be transacted at it.
- (2) The members must be given—
 - (a) at least 7 days' notice of the meeting; or
 - (b) if they are satisfied that the business to be transacted is urgent, any shorter period of notice all members entitled to be notified agree.
- (3) The notice must be either given to a member or sent to the member's last known address in New Zealand.
- (4) Only the business stated in the notice may be transacted at the meeting.

33 Methods of holding meetings

A meeting of the Corporation may be held either—

- (a) by a number of the members who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or
- (b) by means of audio, or audio and visual, or electronic communication by which all members participating and constituting a quorum can simultaneously communicate with each other throughout the meeting.

34 Quorum

- (1) A quorum for a meeting of the Corporation is a majority of the members at the time the meeting is held.
- (2) No business may be transacted at a meeting of the Corporation if a quorum is not present.

35 Who presides at meetings

- (1) The chairperson must preside at all meetings of the Corporation at which he or she is present.
- (2) If the chairperson is not present, or if there is no chairperson, the deputy chairperson, if present, must preside.
- (3) The members present must appoint 1 of their number to be the chairperson for the meeting if—
 - (a) the chairperson and deputy chairperson are not present; or
 - (b) there is no chairperson and no deputy chairperson.

Schedule 1A—continued

- (4) The person appointed has and may exercise all the powers, duties, and functions of the chairperson for the purposes of the meeting.

36 Voting at meetings

All resolutions of the Corporation must be decided by a majority of the votes cast.

37 Resolutions

- (1) A resolution in writing signed or assented to by letter, facsimile message, or electronic message by all members is as valid and effectual as if it had been passed at a meeting of the Corporation duly called and constituted.
- (2) The resolution may consist of several documents in the same form, each signed or appearing to have been sent by 1 or more members.

38 Method of contracting

- (1) A contract or other enforceable obligation may be entered into by the Corporation as stated in subclauses (2) to (5).
- (2) An obligation that, if entered into by an individual, would be required to be by deed, may be entered into on behalf of the Corporation in writing, signed under the name of the Corporation by—
- (a) 2 or more of its members; or
 - (b) 1 or more attorneys appointed by the Corporation in accordance with clause 39.
- (3) An obligation that, if entered into by an individual, is required to be in writing, may be entered into on behalf of the Corporation in writing by a person acting under the Corporation's express or implied authority.
- (4) An obligation that, if entered into by an individual, is not required to be in writing may be entered into on behalf of the Corporation in writing or orally by a person acting under the Corporation's express or implied authority.
- (5) The Corporation may, in addition to complying with subclauses (2) to (4), affix its common seal, if it has one, to the contract or document containing the enforceable obligation.

Schedule 1A—continued

- (6) This clause applies to a contract or other obligation—
- (a) whether or not that contract or obligation was entered into in New Zealand; and
 - (b) whether or not the law governing the contract or obligation is the law of New Zealand.

39 Attorneys

- (1) The Corporation may, by an instrument in writing executed in accordance with clause 38(2)(a), appoint a person as its attorney either generally or in relation to a specified matter.
- (2) An act of the attorney in accordance with the instrument binds the Corporation.

*Delegations***40 Ability for Corporation to delegate functions and powers**

- (1) The Corporation may by writing, either generally or specifically, delegate any of its functions or powers to—
- (a) a committee; or
 - (b) a specified person; or
 - (c) a person of a specified class; or
 - (d) the holder for the time being of a stated office or appointment; or
 - (e) the holders for the time being of offices or appointments of a stated class.
- (2) The Corporation's chief executive may by writing, either generally or specifically, delegate any of the functions or powers delegated to him or her under subclause (1) to—
- (a) a specified person; or
 - (b) a person of a specified class; or
 - (c) the holder for the time being of a stated office or appointment; or
 - (d) the holders for the time being of offices or appointments of a stated class.
- (3) Subclause (1)(a) is subject to clause 24(2).

41 Certain powers must not be delegated

- (1) The Corporation must not delegate—

Schedule 1A—continued

- (a) the power of delegation in clause 40 except to the Corporation's chief executive; or
 - (b) the power to grant a power of attorney.
- (2) The chief executive must not delegate the power of delegation in clause 40(2).

42 Effect of delegation

- (1) A person to whom any functions or powers are delegated under clause 40 may carry out those functions or exercise those powers in the same manner and with the same effect as if they had been conferred on the person directly by this Act and not by delegation.
- (2) Subclause (1) is subject to any direction given or condition imposed by the Corporation.

43 Presumption of acting in accordance with delegation

A person who appears to act under a delegation under clause 40 is, in the absence of proof to the contrary, presumed to be acting in accordance with the terms of the delegation.

44 Other matters relating to delegation

A delegation under clause 40—

- (a) is revocable at will, but the revocation does not take effect until it is communicated to the delegate; and
- (b) continues in force according to its terms until it is revoked; and
- (c) does not prevent the Corporation from performing the functions or exercising the power.

*Subsidiaries***45 Subsidiaries**

- (1) The Corporation must ensure that—
- (a) the functions and powers of any subsidiary of the Corporation are no broader than those of the Corporation; and
 - (b) the Corporation controls the composition of a majority of the board of the subsidiary at all times; and

Schedule 1A—continued

- (c) the Corporation holds a majority of the shares of the subsidiary at all times.
- (2) Every subsidiary of the Corporation is a Government office for the purposes of the Archives Act 1957.
- (3) Clauses 47 to 54 apply to every subsidiary as if every reference to the Corporation were a reference to a subsidiary.

*Committees***46 Corporation committees**

- (1) The Corporation may, by writing, appoint a committee to—
 - (a) advise the Corporation on any matters relating to the Corporation's functions or powers that are referred to the committee by the Corporation; or
 - (b) exercise any of the Corporation's functions or powers that are delegated to the committee under clause 24 or clause 40.
- (2) Subclause (1) is subject to clause 24(2).
- (3) The Corporation may, by resolution, alter, discharge, continue, or reconstitute a committee appointed under subclause (1).
- (4) Committee members may be members of the Corporation or other persons.
- (5) A committee may regulate its own procedure, subject to any direction from the Corporation.
- (6) Clauses 15 to 23 and 25 to 37 apply to the committee as if—
 - (a) every reference to the Minister in any of those clauses were a reference to the Corporation; and
 - (b) every reference to the Corporation in any of clauses 15, 17, 19, 23, and 30 to 37 were a reference to the committee.

*Employees***47 Appointment of chief executive**

- (1) The Corporation may from time to time appoint a chief executive.
- (2) The Corporation—
 - (a) must not appoint any member to be chief executive; and

Schedule 1A—continued

- (b) must not determine or modify the chief executive's remuneration or other terms and conditions of appointment without having consulted the State Services Commissioner; and
 - (c) if the remuneration or other terms and conditions of appointment proposed to be determined or modified by the Corporation is or are not in accordance with the guidance given by the State Services Commissioner during consultation under paragraph (b), must not determine or modify it or them without having consulted the Minister.
- (3) Subclause (2) does not affect—
- (a) the tenure of the person holding office as the Corporation's chief executive on the commencement of the Housing Corporation Amendment Act 2001; or
 - (b) that person's terms and conditions of appointment between that commencement and the time they are first modified or replaced after that commencement.

48 Appointment of other employees

- (1) The chief executive may appoint those employees, including employees on secondment from other organisations, that he or she thinks necessary for the efficient performance of the Corporation's functions, and may negotiate the terms and conditions of employment of such employees.
- (2) Subject to the terms and conditions of employment, the chief executive may at any time terminate or suspend the employment of any of the Corporation's employees.

49 Liability of employees

- (1) If an employee of the Corporation acted in good faith in pursuance or intended pursuance of the Corporation's functions or powers, he or she is not personally liable, in an action taken against him or her, for—
- (a) any liability of the Corporation; or
 - (b) any act done or omitted to be done by—
 - (i) him or her; or
 - (ii) the Corporation; or

Schedule 1A—continued

- (iii) any member, or member of a committee of the Corporation; or
 - (iv) any other person acting under a delegation of the Corporation's functions or powers; or
 - (v) any other employee of the Corporation acting in his or her capacity as an employee of the Corporation.
- (2) Every employee of the Corporation is indemnified by the Corporation—
- (a) for costs and damages for any civil liability arising from an action brought by a third party, if he or she acted in good faith in pursuance or intended pursuance of the Corporation's functions or powers; and
 - (b) for costs arising from any successfully defended criminal action relating to actions or omissions in his or her capacity as an employee of the Corporation.

50 Personnel policy

- (1) The Corporation must, if it appoints employees, operate a personnel policy that complies with the principle of being a good employer.
- (2) For the purposes of this clause, a **good employer** is an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring—
- (a) good and safe working conditions; and
 - (b) an equal employment opportunities programme; and
 - (c) the impartial selection of suitably qualified persons for appointment; and
 - (d) recognition of—
 - (i) the aims and aspirations of Maori; and
 - (ii) the employment requirements of Maori; and
 - (iii) the need for involvement of Maori as employees of the Corporation; and
 - (e) opportunities for the enhancement of the abilities of individual employees; and
 - (f) recognition of the aims and aspirations, and the cultural differences, of ethnic or minority groups; and

Schedule 1A—continued

- (g) recognition of the employment requirements of women; and
- (h) recognition of the employment requirements of persons with disabilities.

51 Equal employment opportunities

- (1) The Corporation must, if it appoints employees,—
 - (a) develop and publish in each year an equal employment opportunities programme; and
 - (b) ensure in each year that the programme for that year is complied with and reported on within the Corporation's annual report.
- (2) An equal employment opportunities programme means a programme that is aimed at the identification and elimination of all aspects of policies, procedures, and other institutional barriers that cause or perpetuate, or tend to cause or perpetuate, inequality in respect of the employment of any persons or group of persons.

52 Superannuation or retiring allowances

For the purpose of providing a superannuation fund or retiring allowances for its employees, the Corporation may from time to time pay sums by way of subsidy or contribution into any superannuation scheme that is registered under the Superannuation Schemes Act 1989.

53 Application of certain Acts to members and employees

No person is deemed to be employed in the service of the Crown for the purposes of the State Sector Act 1988 or the Government Superannuation Fund Act 1956 by reason only of that person's appointment under clause 47 or clause 48.

54 Existing Government Superannuation Fund members

- (1) Despite clause 53, a person who, immediately before becoming an employee of the Corporation, was a contributor to the Government Superannuation Fund under Part II or Part IIA of the Government Superannuation Fund Act 1956 is, for the purposes of that Act, deemed to be employed in the Government service so long as that person continues to be an

Schedule 1A—continued

employee of the Corporation; and that Act applies to that person in all respects as if that person's service as an employee of the Corporation were Government service.

- (2) Nothing in subclause (1) entitles a person to become a contributor to the Government Superannuation Fund after that person has once ceased to be a contributor.
 - (3) For the purposes of applying the Government Superannuation Fund Act 1956 in accordance with subclause (1), **controlling authority**, in relation to that employee, means the Corporation.
-

s 24(1)

Schedule 2

Consequential amendments coming into force on 1 July 2001

Administration Act 1969 (1969 No 52)

Omit from subsections (2) and (3) of section 65 the words “the Housing Corporation of New Zealand” wherever they occur and substitute in each case the words “Housing New Zealand Corporation”.

Chattels Transfer Act 1924 (1924 No 49)

Omit from section 42(2)(b) the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Family Benefits (Home Ownership) Act 1964 (1964 No 32)

Omit from sections 6A(1), 8(4), 13(2)(b), and 13(8), the words “the Housing Corporation of New Zealand” and substitute in each case the words “Housing New Zealand Corporation”.

Finance Act 1986 (1986 No 134)

Omit from section 3(4)(g) the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Finance Act 1987 (1987 No 200)

Omit from section 2(4) the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Finance Act 1988 (1988 No 107)

Omit from section 20(2) the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Flags, Emblems, and Names Protection Act 1981 (1981 No 47)

Insert in the second column of the item in the Third Schedule relating to section 43 of the principal Act before the word “Housing” the words “Housing New Zealand Corporation and”.

Home Ownership Savings Act 1974 (1974 No 51)

Omit from the definition in section 2(1) of **Corporation** the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Housing Act 1955 (1955 No 51)

Omit from the definition in section 2(1) of **Corporation** the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Housing Assets Transfer Act 1993 (1993 No 50)

Omit from the Title and the definition in section 2 of **Corporation** the words “the Housing Corporation of New Zealand” and substitute in each case the words “Housing New Zealand Corporation”.

Housing Restructuring Act 1992 (1992 No 76)

Repeal the definition in section 2(1) of **company** and substitute the following:

“**company**,—

“(a) before the day on which the order under section 53 of the Housing Corporation Act 1974 relating to it comes into force, means the company the shares in which—

“(i) on 30 June 2001 were owned by the responsible Minister (as that term was then defined by this section) and the Minister of Finance, having been acquired under the former section 9; and

“(ii) on 1 July 2001 vested in the Corporation under section 52(1) of the Housing Corporation Act 1974; but

“(b) on and after that day, must be read as a reference to the Corporation as that company’s successor”.

Omit from the definition in section 2(1) of **Corporation** the words “Corporation of New Zealand” and substitute the words “New Zealand Corporation”.

Repeal the definitions in section 2(1) of **responsible Minister** and **shareholding Ministers**.

Repeal section 64(1) and substitute the following:

“(1) The company—

“(a) cannot delegate a power under section 57(2)(b), any of subsections (2)(b), (3), or (4) of section 58, or section 60, except to a person who is an employee of the company, the Corporation, or Community Housing Limited; and

“(b) cannot delegate any other power under this Part, the calculation mechanism, or Schedule 3, except to a person who is—

Housing Restructuring Act 1992 (1992 No 76)—continued

- “(i) an employee of the company, the Corporation, or Community Housing Limited; or
- “(ii) a person engaged by the company under a contract for services providing for the person to exercise that power.”

Income Tax Act 1994 (1994 No 164)

Omit from the definition in section KE 1(3) of **Corporation** the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Omit from Schedule 18 the item “Housing Corporation of New Zealand” and substitute the item “Housing New Zealand Corporation”.

Insurance Companies’ Deposits Act 1953 (1953 No 50)

Omit from section 6A(8) the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Local Government Act 1974 (1974 No 66)

Omit from section 612(1) the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Maori Affairs Restructuring Act 1989 (1989 No 68)

Omit from section 86A(8)(b) the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Maori Housing Act 1935 (1935 No 34)

Omit from section 10 the words “section 25 of the Housing Corporation Act 1974 in respect of similar loans made by the Housing Corporation of New Zealand” and substitute the words “the Housing Corporation Act 1974 in respect of similar loans made by Housing New Zealand Corporation”.

Ombudsmen Act 1975 (1975 No 9)

Omit from Part 1 of the First Schedule the item “The Housing Corporation of New Zealand.”

Insert in Part 2 of the First Schedule, after the item “Hospital and health services.”, the item “Housing New Zealand Corporation.”

Public Finance Act 1989 (1989 No 44)

Omit from the proviso to section 88(3) the words “the Housing” and substitute the words “Housing New Zealand”.

Omit from the Fourth, Fifth, Sixth, and Seventh Schedules the item “Housing Corporation of New Zealand.” and substitute in each case the item “Housing New Zealand Corporation.”

Public Works Act 1981 (1981 No 35)

Omit from section 224(18) the words “The Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Securities Act 1978 (1978 No 103)

Omit from section 5(3)(e) the words “The Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Stamp and Cheque Duties Act 1971 (1971 No 51)

Omit from section 80(1)(d) the words “The Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Te Ture Whenua Maori Act 1993 (1993 No 4)

Omit from paragraph (b) of the definition in section 4 of **State Loan Department** the words “The Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

Waikato Raupatu Claims Settlement Act 1995 (1995 No 58)

Omit from section 11(1)(c)(i) the words “the Housing Corporation of New Zealand” and substitute the words “Housing New Zealand Corporation”.

s 24(3)

Schedule 3
Consequential amendments to Housing
Restructuring Act 1992 coming into force
on vesting day

Repeal section 64(1) and substitute the following:

“(1) The Corporation—

“(a) cannot delegate a power under section 57(2)(b), any of subsections (2)(b), (3), or (4) of section 58, or section 60, except to a person who is an employee of the Corporation; and

“(b) cannot delegate any other power under this Part, the calculation mechanism, or Schedule 3, except to a person who is—

“(i) an employee of the Corporation; or

“(ii) a person engaged by the Corporation under a contract for services providing for the person to exercise that power.”

Omit from sections 42 to 45, 47, 51, 52, 55 to 62, and 64(2), and clauses 3 and 4 of Schedule 3, the word “company” wherever it occurs and substitute in each case the word “Corporation”.

Omit from sections 42, 47, 52, 57, and 58, and clause 7 of Schedule 2 the word “company’s” wherever it occurs and substitute in each case the word “Corporation’s”.

Insert in the definition in clause 1 of Schedule 3 of **55+ rent protection programme** after the word “company” the words “or its predecessor Housing New Zealand Limited”.

Schedule 4
Consequential repeals

s 25(1)(c)

Housing Corporation Amendment Act 1989 (1989 No 54)**Housing Corporation Amendment Act 1992** (1992 No 78)**Housing Restructuring Act 1992** (1992 No 76)

Sections 4 to 6, and 8 to 21.

Public Finance Amendment Act 1992 (1992 No 142)

So much of the Second Schedule as relates to section 41A of the principal Act.

Reserve Bank of New Zealand Act 1989 (1989 No 157)

So much of the First Schedule as relates to the principal Act.

Legislative history

7 December 2000	Introduction (Bill 93-1)
13 December 2000	First reading and referral to Social Services Committee
7 May 2001	Reported from Social Services Committee (Bill 93-2)
17 May 2001	Second reading
14, 19, 21 June 2001	Committee of the whole House (Bill 93-3)
26 June 2001	Third reading
28 June 2001	Royal assent

This Act is administered in Housing New Zealand Corporation.
