



ANALYSIS

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| <p>Title</p> <p>1. Short Title</p> <p>2. Expenditure subject to competitive pricing procedure</p> | <p>3. Special provisions relating to minor and ancillary road works, and in-house professional services</p> |
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1991, No. 57

An Act to amend the Transit New Zealand Act 1989

[28 June 1991

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

1. Short Title—This Act may be cited as the Transit New Zealand Amendment Act 1991, and shall be read together with and deemed part of the Transit New Zealand Act 1989 (hereinafter referred to as the principal Act).

2. Expenditure subject to competitive pricing procedure—(1) Section 20 of the principal Act is hereby amended by repealing subsection (3) (as amended by section 2 (2) of the Transit New Zealand Amendment Act 1990), and substituting the following subsection:

“(3) Payments may be made under subsection (1) of this section to a local authority trading enterprise within the meaning of the Local Government Act 1974 only if—

“(a) The local authority trading enterprise is a company that has no fewer than 3 directors, of whom—

“(i) Where there are fewer than 6 directors, not more than one is a member or employee of any local authority;

“(ii) Where there are 6 or more directors, not more than 2 are members or employees of any local authority; and

“(b) In the case of payments made or to be made after the 30th day of June 1994, no equity securities or debt securities in the local authority trading enterprise

are held directly or indirectly by any regional council (other than the Chatham Islands County Council); and

“(c) The Authority is satisfied that the local authority trading enterprise has been established and is being operated in accordance with the provisions of the Local Government Act 1974.”

(2) Section 2 (2) of the Transit New Zealand Amendment Act 1990 is hereby consequentially repealed.

3. Special provisions relating to minor and ancillary road works, and in-house professional services—The principal Act is hereby amended by inserting, after section 20, the following section:

“20A. (1) Notwithstanding any other provision of this Act,—

“(a) After the 30th day of June 1991, payments may be made from—

“(i) The Account in respect of any works or services to which this section applies; or

“(ii) The Land Transport Disbursement Account of any local authority in respect of any works or services to which this section applies;—

and such payments may be made to any local authority:

“(b) Nothing in section 20 of this Act shall be read as requiring the price of any works or services to which this section applies to be determined by a competitive pricing procedure.

“(2) The total amount of the works to which this section applies that are carried out by a local authority in any financial year is hereby deemed to constitute a significant activity for the purposes of sections 223D, 223E, and 223F of the Local Government Act 1974, and the total amount of the services to which this section applies that are provided by a local authority in any financial year is hereby deemed to constitute a separate significant activity for the purposes of those sections of that Act.

“(3) No payment in respect of any works or services shall be made under subsection (1)(a) of this section unless those provisions of sections 223D, 223E, and 223F of the Local Government Act 1974 that relate to significant activities have been complied with in the case of those works or services.

“(4) This section applies to—

“(a) Works associated with any local road that are determined by the Authority to be minor and ancillary roading works; and

“(b) Services associated with any local road that are determined by the Authority to be in-house professional services.

“(5) Nothing in this section applies to works or services associated with any State highway.

“(6) If there is any dispute or difference between a local authority and the Authority as to whether any works or services should be determined to be works or services to which this section applies, the question shall be determined by a single arbitrator appointed by the Minister and the following provisions shall apply:

“(a) No member or employee of the local authority or the Authority shall be qualified to be an arbitrator under this subsection:

“(b) The local authority and the Authority shall be the parties to the arbitration:

“(c) Sections 13 and 22 of the Arbitration Act 1908 (which relate to enforcement and remuneration respectively) shall apply in relation to an arbitration under this subsection as if this subsection were a submission to arbitration within the meaning of that Act, but no other provisions of that Act shall apply in relation to an arbitration under this subsection.”

This Act is administered in the Ministry of Transport.
