

New Zealand.

ANALYSIS.

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1912, No. 23.—*Local.*

Title. AN ACT to amend the Christchurch Tramways District Act, 1906.
[7th November, 1912.]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title. 1. This Act may be cited as the Christchurch Tramways District Amendment Act, 1912, and shall form part of and be read together with the Christchurch Tramways District Act, 1906 (hereinafter referred to as the principal Act).

Annual accounts. 2. In compiling the annual accounts of the Board as required by section fifty of the principal Act it shall be obligatory upon the Board to make and charge against revenue an annual appropriation of two per centum upon the total cost of the undertaking for renewal, and a further two per centum upon the said total cost for depreciation. These appropriations (hereinafter referred to as the renewal fund and the depreciation fund respectively) shall be exclusive of any amount carried to the debit of the accounts for maintenance and repairs, and shall be devoted to the following purposes, that is to say:—

(a.) Where the Board is of opinion that any particular portion of the plant is prematurely worn out, or has become obsolete or useless, while the major portion of the same kind or portion of plant remains unaffected, the cost of renewing the same, involving not less than five hundred pounds, shall be defrayed from the renewal fund.

- (b.) "Maintenance and repairs" shall mean those reparations which are from time to time made to the plant in order to keep the same in safe and efficient running-order, and includes the replacement of any small portion thereof up to the cost of five hundred pounds.
- (c.) "Depreciation" shall mean and include the gradual shrinkage in value of the plant by wear-and-tear, by the operation of time, and by any especial cause which renders it obsolescent or unprofitable for any future use.
- (d.) The renewal fund may be retained by the Board and used in the tramway undertaking, or invested in any class of security mentioned in the Trustee Act, 1908, of which the Board may approve.
- (e.) The said depreciation fund shall be paid annually by the Christchurch Tramway Board (hereinafter referred to as the said Board) unto three Commissioners, to be appointed by the said Board immediately upon the coming into operation of this Act, and to whom shall be paid also all moneys and securities for money now held by the Depreciation Reserve Fund Trustees of the said Board. Sections thirty, thirty-one, thirty-three, and thirty-four of the Local Bodies' Loans Act, 1908, shall apply to the Commissioners to be so appointed just the same as if they were Sinking Fund Commissioners appointed under section thirty of the said Local Bodies' Loans Act, 1908. The said Commissioners may retain any investments made by the said Depreciation Reserve Fund Commissioners in the form in which the same are handed over to them; and all other funds or moneys received by them shall be invested upon any of the classes of securities mentioned in section ninety-five of the Trustee Act, 1908, or upon the purchase of any debentures of the Christchurch Tramway Board. Such fund shall be held by the said Commissioners upon trust to repay the same (with all accumulations of interest), or so much thereof as may be required to replace the plant of the said Christchurch tramway undertaking, when the same has become in whole or in part worn out and incapable, from time, wear-and-tear, or any other cause, of further usefulness.
- (f.) No demand shall be made by the Board upon the said Commissioners for any lesser sum than fifty thousand pounds at one time, nor unless the same is accompanied by a copy of a resolution of the Board calling up such moneys, and by a full specification of the works proposed to be done, and a certificate of the Chairman of the Board certifying that such works are necessary to replace plant which has become worn out or obsolete, and giving in detail the reasons for his opinion.

- (g.) The said Commissioners may call for a report by an engineer to be appointed by them, and such engineer shall have the right to inquire into the reasons why the Board proposes to expend the money asked for, and the nature and extent of the works proposed to be done, and such engineer shall report the result of his investigations, and of his opinion upon the proposal of the Board, to the said Commissioners.
- (h.) The said Commissioners may pay the said money by instalments as the works proceed, or may decline to pay the said money except under an order of the Supreme Court, in which case the Board may, by motion in Chambers, apply for an order directing the said Commissioners to pay out to the Board the money so demanded; and if the Court is of opinion that the Board has proved that the money required is necessary to replace or renew plant which has become worn out or has become obsolete and incapable of profitable use, the Court shall make the order authorizing the payment of the money to the Board.
- (i.) When any special-rating area is hereafter created under the Local Bodies' Loans Act in order that a tramway may be installed for the benefit of such special area, the accounts of the said special-rating area shall include all such operating charges as are usual and proper, including the said provisions for depreciation and renewals, and including the payment of interest and sinking fund. If the revenue from the tramway undertaking installed for the benefit of such special-rating area is insufficient to meet these and all other operating charges, it shall be lawful for the Board, by special order, to make and levy a special rate annually on all rateable property within the said special-rating area sufficient to repay to the Board the amount of such deficiency.
- (j.) The correctness of the accounts of such special-rating area shall be certified by the Audit Office, with such exceptions as it thinks fit, and signed by the Chairman of the Board; and no objection shall be allowed or permitted to be taken to them by any person living within the said special area, or by any ratepayer therein, or by or on behalf of any other person whomsoever, except as hereinafter provided.
- (k.) Notice that such accounts have been audited and are lying at the office of the Board shall be inserted in one or more newspapers circulating in the said area for two insertions each, and stating that the accounts are open for inspection by any ratepayer of the said special area for fourteen days.
- (l.) Any person aggrieved or dissatisfied with such account may, without issuing a writ, apply, by motion in Chambers, to the Supreme Court to have decided whether particular items charged in the said accounts

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are correctly charged. A copy of the notice of motion shall be served upon the Board, with full details of any charge objected to, and reasons for such objection, and upon the hearing of the motion no other cause of complaint shall be gone into. If the Court is of opinion that the charges complained of should not be made against the special area, it shall order the same to be withdrawn, and shall make such order as to costs as it shall think fit. If at the expiration of the said period of fourteen days no proceedings in the prescribed form have been commenced to challenge the correctness of the accounts, no objection to the accounts of the Board shall be afterwards permitted to be made by any person.

- (m.) Should objection to the accounts be taken and proceedings be commenced by more than one ratepayer, the Court shall hear and determine that case in respect to which the first notice of motion has been filed, and any Order which may be made upon such motion shall finally determine all questions with regard to the correctness of the said accounts as between the Board and any ratepayer; and all other motions which may have been set down to determine the same question shall be struck out.

3. If upon the maturity of any debentures which may have been issued by the Board the sinking fund mentioned in section forty-five of the principal Act is insufficient to pay the debentures, it shall be lawful for the Board to pay out of the depreciation funds whatever moneys may be required to make up such deficiency.

Proceedings where sinking fund not sufficient to repay debentures.

4. The said Commissioners shall, upon the request of the Board, and upon being satisfied that the sinking fund is insufficient to pay the said debentures, pay unto the Board out of the depreciation fund sufficient to meet the deficiency so far as the funds to the credit of the depreciation fund shall permit.

Commissioners may make necessary payment out of depreciation fund.

5. The amounts herein directed to be charged annually in the accounts of the Board for depreciation and renewals shall be cumulative, and if the profits of any one year are insufficient to pay the same, the deficiency shall be carried and be a charge against the central or any special area in which such deficiency shall arise the following year. Should the profit and loss accounts of the Board for any year show a deficiency, it shall not be obligatory upon the Board to make the prescribed annual payment of two per centum to the said Commissioners herein directed to be paid out of capital, but the Board shall in such a year pay the said two per centum to the said Commissioners less the said deficiency, and the balance shall be and remain a debt owing to the said Commissioners, to be paid in whole or *pro tanto* out of the first or other surplus from the next or any other year.

Proceedings where annual profits insufficient to liquidate various charges.

6. In this Act the word "plant" shall include buildings and all property of every kind used by the Board in connection with or incidental to the tramway system and undertaking.

Definition of "plant."