

[AS REPORTED FROM THE LOCAL BILLS COMMITTEE.]

*House of Representatives, 7th August, 1914.**Mr. Statham.*

DUNEDIN CITY COUNCIL EMPOWERING.

[LOCAL BILL.]

ANALYSIS.

Title.	10. Not less than £10,000 to be demanded of Commissioners at one time.
Preamble.	11. Commissioners may call for report in respect of demand made upon them.
1. Short Title.	12. Commissioners may pay amount of demand by instalments or may decline to pay. Council may apply to the Supreme Court.
2. Interpretation.	13. Whole or part of moneys held by Commissioners may be used for purpose of making up any insufficiency of sinking fund relative to loan at maturity.
3. Council may charge annual appropriations for renewals.	14. Commissioners not to be responsible to see to application of fund by Council.
4. Appropriations to be paid into separate banking account.	15. Commissioners may report to Council on sufficiency or otherwise of provision for renewal.
5. Appointment of Renewal Fund Commissioners; Local Bodies' Loans Act to apply.	
6. Annual payments to be made to Commissioners.	
7. How fund to be invested by Commissioners.	
8. How and for what purpose residue of fund to be used.	
9. Application of fund by Commissioners.	

A BILL INTITULED

AN ACT to empower the Dunedin City Council to appoint Commissioners with Authority to invest certain Portions of the Moneys standing to the Credit of its Trading Departments' Renewal Fund Account. Title.

5 WHEREAS the Dunedin City Council has established a Trading Departments' Renewal and Depreciation Fund Account by the payment into a separate banking account of certain annual appropriations against the revenue accounts it is required by law to keep Preamble.

10 in respect of its tramways, electric power and lighting supply, water-supply, gas-supply, and abattoir: And whereas the amount standing to the credit of the aforesaid Trading Departments' Renewal and Depreciation Fund Account at the thirty-first day of March, nineteen hundred and fourteen, amounted to one hundred and twelve

15 thousand seven hundred and forty-nine pounds eleven shillings and sixpence: And whereas it is desirable that provision should be made for the investment of a portion of this amount, together with a fixed proportion of all future appropriations that may from time to time be placed to the credit of the said account:

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

I. This Act may be cited as the Dunedin City Council Empowering Act, 1914. Short Title.

Interpretation.

2. In this Act, if not inconsistent with the context,—
 “ Council ” means the Dunedin City Council :
 “ Commissioners ” or “ the said Commissioners ” mean the
 Renewal Fund Commissioners appointed under this Act :
 “ Mayor ” means the Mayor for the time being of the City of 5
 Dunedin.

Council may charge
 annual
 appropriations for
 renewals.

3. In compiling the annual accounts showing revenue and
 expenditure in respect of the various trading undertakings under the
 control of the Council—to wit, the tramways, electric power and 10
 lighting supply, water-supply, gas-supply, and abattoir, it shall be
 lawful for the Council to charge against revenue in the several
 accounts respectively an annual appropriation to provide for renewals.
 These appropriations shall be exclusive of any amounts carried to the
 debit of the respective accounts for maintenance and repairs, and
 shall be devoted to the purposes hereinafter mentioned. It shall be 15

Struck out.

lawful for the Council from time to time to transfer to the General
 Account it is required to keep pursuant to the provisions of the
 Municipal Corporations Act, 1908, any surplus remaining to the
 credit of the respective separate accounts referred to in this section : 20

Provided that no moneys shall be so transferred till due provision
 is first made for all sums with which the said separate accounts are
 by law chargeable.

New.

lawful for the Council to compile an annual statement showing a 25
 profit and loss account in respect of each of the trading undertakings
 aforesaid, and to deal with any portion of the amount shown to be to
 the credit of the said profit and loss accounts by transfer to the
 Trading Departments' Renewal Fund Account, as hereinafter defined,
 and also to the General Account of the district fund it is required to 30
 keep pursuant to the provisions of the Municipal Corporations Act,
 1908. For all the purposes of audit by the Audit Office the said
 profit and loss accounts shall be deemed to be separate accounts, and
 shall be subject to the provisions of the Municipal Corporations Act,
 1908, relating to such accounts. 35

Appropriations to
 be paid into
 separate banking
 account.

4. The appropriations referred to in the *last preceding* section
 shall be paid into a separate banking account to be termed “ The
 Trading Departments' Renewal Fund Account ” (hereinafter called
 the said banking account).

Appointment of
 Renewal Fund
 Commissioners ;
 Local Bodies' Loans
 Act to apply.

5. Immediately upon the coming into operation of this Act the 40
 Council shall appoint three Commissioners, to be called “ The
 Renewal Fund Commissioners,” and sections thirty-five, thirty-six,
 and thirty-nine of the Local Bodies' Loans Act, 1913, shall, *mutatis*
mutandis, apply to the Commissioners to be so appointed in like
 manner as if they were Sinking Fund Commissioners appointed under 45
 said section thirty-five.

Annual payments
 to be made to
 Commissioners.

6. In respect of the amount standing to the credit of the
 said the Trading Departments' Renewal and Depreciation Fund
 Account at the thirty-first day of March, nineteen hundred and
 fourteen, being a sum of one hundred and twelve thousand seven 50
 hundred and forty-nine pounds eleven shillings and sixpence, it
 shall be obligatory upon the Council forthwith to pay to the said
 Commissioners fifty per centum of the said amount, and, in respect

of the remainder thereof, to pay the same into the said banking account as hereinbefore defined. It shall also be obligatory upon the Council to pay to the said Commissioners, in the month of April in each year, fifty per centum of the net amount of all appropriations paid into the said banking account during the year ending on the thirty-first day of March then last past. For the purpose of this section the expression "fifty per centum" shall be deemed to mean one-half of the amount as aforesaid taken to the nearest pound sterling.

10 7. The said Commissioners shall invest all funds or moneys received by them pursuant to the *last preceding* section in any class of security authorized by law for the investment of trust moneys, including the purchase of any debentures issued by the Council as security for the repayment of any loan lawfully raised or as of a temporary deposit with the said Council, or in the purchase of any debentures lawfully issued by the Dunedin Drainage and Sewerage Board. Separate accounts shall be kept by the said Commissioners of all moneys paid to or received by them in respect of the several undertakings specified in section *three* and in preparing the yearly statement of accounts pursuant to section thirty-nine of the Local Bodies' Loans Act, 1913., The Commissioners shall show in detail the amount of such funds or moneys paid to or received by the said Commissioners as aforesaid.

How fund to be invested by Commissioners.

25 8. The residue of the amount standing to the credit of the said banking account shall be retained by the Council and used by it in renewing any considerable portion of the plant that is prematurely worn out or has become obsolete or useless :

How and for what purpose residue of fund to be used.

30 Provided that no portion of the said residue shall be used for ordinary repairs and maintenance, meaning thereby those minor reparations which are from time to time made to the plant to keep the same in safe and efficient working-order.

35 9. All the funds or moneys mentioned in section *seven*, together with all accumulations of interest, shall be held by the said Commissioners upon trust to pay to the said Council, either in one sum or from time to time by instalments in respect of each of the said undertakings specified in section *three*, that portion of the said funds or moneys and interest standing to the credit of such undertaking for the purpose of renewing or replacing the plant of the undertaking or any part or parts thereof that may from time to time become worn out, obsolete, or incapable from any other cause of further usefulness :

Application of fund by Commissioners.

45 Provided that the Commissioners shall not be under any obligation to make any payment to the said Council in respect of any one undertaking for any of the purposes aforesaid, unless and until the amount standing to the credit thereof in the said banking account shall have been exhausted.

50 10. No demand shall be made by the Council upon the said Commissioners for any smaller sum than ten thousand pounds at one time, and such demand shall be accompanied by a copy of a resolution duly passed by the Council calling up such money and by a full specification of the works proposed to be done. Such resolution shall contain a statement that the money proposed to be called up is required to replace plant or material that has become worn out or

Not less than £10,000 to be demanded of Commissioners at one time.

obsolete or is incapable from any other cause of further usefulness, and shall be certified by the Mayor as a correct copy of the resolution of Council. For the purpose of the sum mentioned in this section as the minimum amount that the Council may at any one time call up, the demand so made upon the Commissioners may relate to more than one of the undertakings hereinbefore referred to. The Commissioners shall not pay or refund any amount in respect of any one of the various trading undertakings aforesaid in excess of the amount held by them to the credit of the said undertaking for the time being.

Commissioners may call for report in respect of demand made upon them.

11. The said Commissioners may call for a report by an engineer or other qualified person to be appointed by them, and such engineer or other person shall have the right to inquire into the reasons why the Council proposes to expend the money asked for, and the nature and extent of the work proposed to be done, and such engineer or other person shall report the result of his investigation and of his opinion upon the proposals of the Council to the said Commissioners. The said Commissioners are hereby authorized to pay to such engineer or other qualified person a reasonable sum for his services.

Commissioners may pay amount of demand by instalments or may decline to pay. Council may apply to the Supreme Court.

12. The said Commissioners may pay the money so demanded by instalments as the works proceed or may decline to pay the money except under any order of the Supreme Court or a Judge thereof, in which case the Council may, by summons in Chambers, apply for an order directing the said Commissioners to pay to the Council the money so demanded; and if the Court is of opinion that the Council has proved that the money required is necessary to replace or renew plant which has become worn out or obsolete or incapable from any other cause of further usefulness, the Court may make the order authorizing the payment of the money to the Council.

Whole or part of moneys held by Commissioners may be used for purpose of making up any insufficiency of sinking fund relative to loan at maturity.

13. If upon the maturity of any debentures issued by the Council the accrued sinking fund is insufficient to pay the debentures, it shall be lawful for the Council to call up from the Commissioners the whole or part of whatever moneys may be held by them in respect of the undertaking for which the said debentures were issued. The Commissioners may either pay the amount so demanded or may call for a report on the financial bearing of the Council's demands, and the provisions of sections *eleven* and *twelve* hereof shall, *mutatis mutandis*, apply to any demand made upon the Commissioners in terms of this section.

Commissioners not to be responsible to see to application of fund by Council.

14. The said Commissioners shall not be answerable for the misapplication or non-application, nor shall they be obliged to see to the application, of any moneys which may from time to time be paid by them to the Council under the provisions in that behalf hereinbefore contained.

Commissioners may report to Council on sufficiency or otherwise of provision for renewal.

15. It shall be competent for the Commissioners from time to time to report to the Council on the sufficiency or otherwise of the provision made by the Council for renewals by way of annual appropriations to the said banking account, and if, in the opinion of the said Commissioners, the amount so set aside by the Council in respect of any particular portion of the works or plant is inadequate to provide for all the purposes for which the said renewal fund was established, then the Commissioners may make any recommendation that to them appears necessary or advisable.