

GAS INDUSTRY AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Gas Industry Act 1958.

Clause 2 is intended to make it clear that the power given to the New Zealand Gas Council by section 13 (2) of the principal Act to grant financial assistance to the owner of any gas undertaking includes the power to make payments to other persons for the benefit of the undertaking or of its consumers. Such payments are to be deemed to be payments made to the owner of the undertaking. The amendment is retrospective to the date of the commencement of the principal Act, in order to validate such payments already made.

Clause 3 provides that where under an instrument securing any loan made by the Council the Council becomes entitled to exercise any right to enter into possession of any gas undertaking or to apply for a winding-up order or for the appointment of a receiver or liquidator, the Council shall be entitled to acquire and operate the undertaking. For this purpose the Council may manufacture and supply gas, and may maintain, renew, replace, and expand the undertaking. The Council may sell any undertaking acquired by it.

Hon. Mr Goosman

GAS INDUSTRY AMENDMENT

ANALYSIS

Title
1. Short Title

- 2. Subsidies and loans to owners of gas undertakings
- 3. Powers of Council where loan made to owner of gas undertaking

A BILL INTITULED

An Act to amend the Gas Industry Act 1958

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

1. Short Title—This Act may be cited as the Gas Industry Amendment Act 1961, and shall be read together with and deemed part of the Gas Industry Act 1958* (hereinafter referred to as the principal Act).

*1958, No. 43
Amendment: 1960, No. 64

No. 21—1

2. Subsidies and loans to owners of gas undertakings—

(1) Section 13 of the principal Act is hereby amended by inserting, after subsection (2), the following subsection:

“(2A) In the exercise of the powers conferred on it by subsection (2) of this section, the Council may make payments either to the owner of any gas undertaking or to any other person for the benefit of the undertaking or of its consumers. For the purposes of this Part of this Act, any such payment to any person other than the owner for the benefit of the undertaking or of its consumers shall be deemed to be payment to the owner of the undertaking.”

(2) This section shall be deemed to have come into force on the first day of April, nineteen hundred and fifty-nine, being the date of the commencement of the principal Act.

3. Powers of Council where loan made to owner of gas undertaking—The principal Act is hereby further amended by inserting, after section 14, the following section:

“14A. (1) Where, under an instrument securing any loan granted under section 13 of this Act or otherwise, the Council or any person acting on its behalf becomes entitled to exercise a right to enter into possession or to apply for the winding-up of any gas undertaking or to appoint a receiver or liquidator in respect of any gas undertaking, the Council may, if it considers it necessary in the interests of the consumers of the gas undertaking or for the protection of its security, acquire the undertaking and continue it in operation; and for this purpose the Council may manufacture and supply gas, and may maintain, renew, replace, and expand the undertaking acquired.”

“(2) The Council may sell any gas undertaking acquired by it.”