

[AS REPORTED FROM THE LOCAL BILLS COMMITTEE.]
House of Representatives, 21st August, 1940.

Mr. Denham

INVERCARGILL CITY COUNCIL TRAMWAY
DEPRECIATION FUND EMPOWERING

[LOCAL BILL]

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A BILL INTITULED

AN ACT to authorize the Transfer of the Accrued Title.
Tramways Depreciation Fund held by the Public
Trustee as Depreciation Fund Commissioner on
5 behalf of the Invercargill City Council towards the
Loan Redemption Payments and Interest owing or
hereafter to become due under the Loans in respect
of the Council's Tramway Undertaking.

WHEREAS pursuant to the powers conferred on it Preamble.
10 by the Tramways Act, 1908, the Invercargill City
Council (hereinafter called the Council) has established
a tramway ~~system~~ *undertaking* and is operating same at
a considerable annual loss: And whereas the Council
has a loan debt in respect of its said tramway
15 ~~undertaking amounting~~ *which amounted* at the thirty-
first day of March, nineteen hundred and forty, to the
sum of fifty-six thousand six hundred and five pounds
fourteen shillings and ninepence after allowing for
accrued sinking fund in respect of same ~~such debt being~~
20 ~~secured by loans under the Local Bodies' Loans Act,~~

1908: And whereas pursuant to the Invercargill *City*
Loans Conversion Order, 1934, made under the Local
Authorities Interest Reduction and Loans Conversion
Act, 1932-33, and published in *New Zealand Gazette*
dated the fifteenth day of February, nineteen hundred 5
and thirty-four, the Council is repaying its said
~~tramways loans loan debt~~ by annual instalments ~~of two~~
~~thousand pounds, or thereabouts,~~ of principal in
accordance with the said Loans Conversion Order, 1934:
And whereas, pursuant to section one hundred and 10
seventeen of the Municipal Corporations Act, 1933, the
Council has established a Tramways Depreciation Fund
~~Account~~ in respect of its tramway undertaking: And
whereas the Public Trustee is Depreciation Fund Com-
missioner in respect of the said Tramways Depreciation 15
Fund: And whereas the amount held by ~~the~~ said
the Public Trustee as Depreciation Fund Commissioner
at the credit of the said Depreciation Fund at the
thirty-first day of March, nineteen hundred and forty,
~~amounts~~ *amounted* to the sum of fifty-one thousand seven 20
hundred and ninety-three pounds twelve shillings and
sevenpence: And whereas the Council has been carry-
ing on its said tramway undertaking at a loss during
recent years exceeding five thousand pounds per annum:
And whereas the Council has decided to abolish the 25
said tramway ~~system~~ *undertaking* and, by advertisement
in the prescribed manner dated the nineteenth day of
June, nineteen hundred and thirty-nine, had given notice
of its intention to apply for an Order in Council autho-
rizing it to discontinue its said tramway ~~system~~ *under-* 30
taking, and in such advertisement had notified the
ratepayers of their opportunity to demand a poll as to
whether or not such Order in Council authorizing the
discontinuance of the said tramway ~~system~~ *undertaking*
should be applied for: And whereas no demand for 35
such poll having been received from the ratepayers
within the prescribed time, application for an Order
in Council authorizing the discontinuance of the said
tramway ~~system~~ *undertaking* and the service conducted
thereunder was duly made to the ~~Honourable~~ the 40
Minister of Public Works on the nineteenth day of July,
nineteen hundred and thirty-nine: And whereas owing
to the outbreak of war and the position of sterling funds

the Council finds it impracticable to abolish its tramway system- *undertaking* and change its system of transport at present, and it must continue the operation of its tramway system- *undertaking*: And whereas the

5 ~~payments of two thousand pounds per annum, or thereabouts hereinbefore mentioned annual instalments of principal in accordance with the said Loans Conversion Order~~ will extinguish the debt on the said tramway undertaking on the first day of May, nineteen hundred

10 and fifty-seven, as appears from the said Loans Conversion Order: And whereas, in view of the said provisions for extinguishment of the debt in respect of the tramway undertaking and of the Council's intention in the future to abolish its tramway system- *undertaking*

15 as above mentioned, the said Tramways Depreciation Fund is no longer required for the purpose for which it was established, and it is desirable that ~~same~~ *it* should be applied for the redemption of the tramways loans and interest thereon as hereinafter provided: And

20 whereas so long as the Council's tramway system- *undertaking* is being operated it is not desired to reduce the amount at the credit of the said Depreciation Fund below the sum of ten thousand pounds:

BE IT THEREFORE ENACTED by the General Assembly

25 of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Invercargill City Council Tramway Depreciation Fund Empowering Act, 1940.

Short Title.

30 2. (a) (1) The Public Trustee, as Depreciation Fund Commissioner, shall at the thirty-first day of March following the date of the coming into force of this Act ascertain the amount at credit of the Invercargill City Council Tramways Depreciation Fund Account

35 held by him, and shall calculate and assess the equal annual sums payable on the thirty-first day of March in each year that would extinguish and repay the said Depreciation Fund (including interest) on the thirty-first day of March, nineteen hundred and fifty-eight, and,

40 *subject to the provisions of this section*, he shall, during the month of April in each year ~~during the period from date of the coming into force of this Act and the said thirtieth day of April, until~~ nineteen hundred

Payments by Depreciation Fund Commissioner in respect of Tramways Depreciation Fund.

and fifty-eight, release and pay to the Council such assessed annual sum, and the Council shall credit such amount annually to the Council's Tramway Account and expend and apply ~~same~~ it for the purpose of meeting the standing charges by way of loan-redemption payments and interest in respect of the Council's tramway undertaking. ~~:-Provided, however, that~~ 5

(b) (2) Should the rate of interest earned by the said Depreciation Fund in the hands of the Depreciation Fund Commissioner at any time or times hereafter vary from the present rate the amounts of the annual payments to be made by the said Commissioner to the Council under the ~~foregoing clause hereof last preceding subsection~~ after the date or dates of such variation of interest shall be adjusted and varied so that the said Fund and interest thereon shall, *subject to the provisions of this section*, be repaid in full ~~on the thirty-first day of March, in the year~~ nineteen hundred and fifty-eight. ~~for the purposes aforesaid.~~ 10 15 20

(3) So long as the Council continues to operate ~~its present the tramway system~~ undertaking the amount in the hands of the Public Trustee as such Depreciation Fund Commissioner shall not be reduced below the sum of ten thousand pounds. 25

Disputes decided by Controller and Auditor-General.

3. If any dispute or difference shall arise between the Public Trustee and the Council as to the annual sum or sums to be paid under the ~~foregoing clause or clauses,~~ *last preceding section* the matter in dispute shall be referred to the Controller and Auditor-General for his decision, and his decision shall be final and binding on both parties to such dispute or difference. 30

Liability of Council in respect of Depreciation Fund.

4. The Council shall not be liable after the date of the passing of this Act to make any further payments to provide a Depreciation Fund in respect of its tramway undertaking. 35

Rights of debenture-holders.

5. Nothing in this Act shall affect the rights of the holders of debentures issued in respect of any of the Council's tramway loans.