

Amended by 1928 No. 46

New Zealand.

ANALYSIS.

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| <p>Title.</p> <ol style="list-style-type: none"> 1. Short Title. 2. Section 2 of principal Act amended. 3. Extending power of Governor-General to include area in an outer area of a district. 4. Expenses of Power Board elections. 5. Section 21 of principal Act amended. 6. Section 22 of principal Act amended. Repeal. 7. Interest in contract made before election or appointment not to disqualify member of Board in certain cases. 8. Partial exemption from general rates levied by Board in respect of properties in district for which electric power has not been made available. 9. Section 64 of principal Act amended. 10. Board may suspend sinking-fund payments in certain cases. Section 68 of principal Act consequentially amended. 11. Section 72 of principal Act amended. 12. Disposal of certain moneys held for purposes of section 72 of principal Act. 13. Section 73 of principal Act amended. 14. Board may authorize an Imprest Account. 15. Section 88 of principal Act amended. 16. Section 94 of principal Act amended. | <ol style="list-style-type: none"> 17. Restricting application of section 119 of principal Act. 18. Fire-insurance funds. 19. Board may establish accident funds. 20. Board to make charge to provide for depreciation in respect of its undertaking. 21. Board to appoint Commissioners of Depreciation Fund. 22. Moneys to be paid to Commissioners. 23. How fund to be invested by Commissioners. Accounts. 24. Application of Depreciation Fund by Commissioners. 25. Demands on Commissioners. 26. Commissioners may call for report in respect of demand made upon them. 27. Commissioners may pay amount of demand by instalments, or may decline to pay except on order of Supreme Court. 28. Commissioners may advance moneys out of Depreciation Fund for extensions of undertaking. 29. Commissioners not to be responsible to see to application of fund by Board. 30. Board may establish Reserve Fund for its undertaking. |
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1927, No. 76.

Title.

AN ACT to amend the Electric-power Boards Act, 1925.

[5th December, 1927.]

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 Electric-power Boards Amendment Act, 1927, and shall be read together with and deemed part of the Electric-power Boards Act, 1925 (hereinafter referred to as the principal Act).

Section 2 of principal Act amended.

2. Section two of the principal Act is hereby amended by repealing the definition of the term "constituent district," and substituting the following definition:—

"'Constituent district' means—

"(a) The whole or any part of a borough or county situated within an electric-power district:

“(b) The whole or any part of a town district situated within an electric-power district and not forming part of a county:

“(c) The whole or any part of a road district in a county in which the Counties Act, 1920, is not in force, or in or deemed to be in a county in which that Act is suspended.”

3. The power conferred on the Governor-General by subsection four of section three of the principal Act to include an area in an outer area of an electric-power district may be exercised in respect of any area forming part of an outer area of an adjoining electric-power district if the application for such inclusion is consented to by the Board of such last-mentioned district.

Extending power of Governor-General to include area in an outer area of a district.

4. (1) The reasonable cost of every election under the principal Act that is not held simultaneously with the election of members of any local authority, and the reasonable additional cost incurred by a local authority in respect of any election under the principal Act that is held simultaneously with the election of members of the local authority (except in every case the expenses of scrutineers and other expenses incurred by or on behalf of candidates), shall be paid by the Electric-power Board.

Expenses of Power Board elections.

(2) Any dispute arising as to the amount to be paid by an Electric-power Board to any local authority under this section shall be determined by the Audit Office after such inquiry as it thinks fit, and the decision of the Audit Office in any such dispute shall be final.

(3) Subsection seven of section thirteen of the principal Act is hereby repealed.

5. Paragraph (g) of section twenty-one of the principal Act is hereby amended as follows:—

Section 21 of principal Act amended.

(a) By omitting the words “five pounds,” and substituting the words “ten pounds”:

(b) By omitting the words “ten pounds altogether,” and substituting the words “twenty-five pounds altogether.”

6. (1) Paragraph (h) of subsection one of section twenty-two of the principal Act is hereby amended as follows:—

Section 22 of principal Act amended.

(a) By omitting the words “five pounds,” and substituting the words “ten pounds”:

(b) By omitting the words “ten pounds altogether,” and substituting the words “twenty-five pounds altogether”:

(c) By inserting in the proviso thereto, after the word “advertisements,” the words “or in any lease granted or agreed to be granted to or by the Board.”

(2) Subsection six of section twenty-two of the principal Act is hereby repealed.

Repeal.

7. Notwithstanding anything contained in sections twenty-one and twenty-two of the principal Act, no person shall be disqualified from being elected or appointed to be a member of the Board by virtue of his being concerned or interested in any contract made before his election or appointment if his obligation thereunder has been performed before such election or appointment; and any payment made thereafter by or on behalf of the Board pursuant to such contract shall not operate to disqualify such person from continuing to hold office, or be taken into

Interest in contract made before election or appointment not to disqualify member of Board in certain cases.

account for the purpose of computing the amount that may lawfully be paid to him as a member of the Board in the same financial year in respect of any contract or contracts.

8. Section fifty-six of the principal Act is hereby amended by adding thereto the following subsections:—

“(3) Before making a uniform rate under this section the Board may by special order determine that the full amount of such rate shall be payable with respect only to properties for which at the time of making such rate a supply of electric power will be available at the boundary thereof or at a point within ten chains of such boundary, either from the Board or from any licensee or other authority, and that with respect to properties for which such supply will not then be so available such portion only of the rate as may be fixed by the special order shall be payable, notwithstanding that with respect to any such property the whole rate may be demanded. ^{Add S.S. (3A) & (3B) 1923 Inset.}

“(4) It shall be the duty of the Clerk of any local authority that collects the proceeds of any rate under this section on behalf of the Board to supply to the Board ^{Take in addition 1923 Inset.} on the last day of each month a written statement setting forth the names of all ratepayers in the district of such local authority ^{Take in addition 1923 Inset.} who have during that month claimed that in accordance with the provisions of this section they are liable for ~~portion only of the rate,~~ together with a description of the several properties in question or a sufficient reference thereto to enable such properties to be identified.

“(5) In any proceedings for the recovery of a rate to which this section applies a certificate in writing under the hand of the Engineer or other responsible officer of the Board to the effect that electric power was, at the time the rate was made, available for any property to the extent referred to in subsection three hereof shall be conclusive evidence of that fact.

“(6) For the purposes of this section every continuous area of land occupied and used as one holding shall be deemed to be a separate property. Any such area shall be deemed to be continuous notwithstanding that it may be severed by a public road, or by a railway or river, if it is in fact occupied and used as one property.”

9. Subsection one of section sixty-four of the principal Act is hereby amended by adding thereto the following proviso:—

“Provided further that, except with the consent of the licensee, no such defined portion shall include the land occupied by any holder of a license granted under Part XII of the Public Works Act, 1908, or section five of the Public Works Amendment Act, 1908, or section nine of the Public Works Amendment Act, 1923, at any time before the Board has made a supply of electricity available to such land, if and while such land is supplied with electricity generated pursuant to such license.

10. (1) Where the Board raises a special loan for the purposes of the undertaking, or having taken over for the purposes of the undertaking electrical works from another public body assumes the liability for repayment of any special loan raised by such public body in respect of such works, it shall be lawful for the payments to the sinking fund established in respect of such loan to be suspended for such period and subject to such conditions as the Local Government Loans Board may

Partial exemption from general rates levied by Board in respect of properties in district for which electric power has not been made available.

Section 64 of principal Act amended.

Board may suspend sinking-fund payments in certain cases.

determine, if the revenues of the undertaking are insufficient to meet working-expenses of the undertaking, interest on such loan, and the depreciation charge hereinafter in this Act prescribed :

Provided that such suspension shall not be for a longer period than five years from the commencement of the financial year next after that in which such loan was raised or such liability assumed, and the amount of any payments suspended as aforesaid shall, after the period of suspension has expired, be paid to the sinking fund by such annual or other instalments as the Local Government Loans Board may direct.

(2) Section sixty-eight of the principal Act is hereby consequentially amended by omitting from paragraph (c) of subsection two and also from subsection three the words "or interest and sinking fund."

Section 68 of principal Act consequentially amended.

11. (1) Subsection one of section seventy-two of the principal Act is hereby amended by repealing paragraph (b) thereof.

Section 72 of principal Act amended.

(2) All moneys held by the Board on the passing of this Act for the purposes of the said paragraph (b) shall, in the month of April, nineteen hundred and twenty-eight, be paid to the Depreciation Fund Commissioners for the purposes of the Depreciation Fund established pursuant to section twenty hereof.

12. (1) On the establishment by the Board of a fund or funds pursuant to section eighteen hereof the Board shall transfer to the credit of such fund or funds all moneys theretofore appropriated by it under section seventy-two of the principal Act and set apart for the contingencies mentioned in paragraph (a) of subsection one of that section.

Disposal of certain moneys held for purposes of section 72 of principal Act.

(2) On the establishment by the Board of any fund or funds pursuant to section nineteen hereof the Board shall transfer to the credit of such fund or funds all moneys theretofore appropriated by it under the said section seventy-two and set apart for the contingencies mentioned in paragraph (c) of subsection one of that section.

(3) When the Board has made any transfer to any such fund pursuant to the foregoing provisions of this section it shall not thereafter be lawful for it to make any appropriation pursuant to the said section seventy-two for the contingencies mentioned in the said paragraph (a) or the said paragraph (c), as the case may require.

13. Subsection two of section seventy-three of the principal Act is hereby amended by adding thereto the words "or any other person authorized in that behalf by the Board."

Section 73 of principal Act amended.

14. (1) The Board may, pursuant to a resolution in that behalf, establish an Imprest Account, which shall, as the Board may determine, be kept in the Post Office Savings-bank or in any other bank within the meaning of the Banking Act, 1908.

Board may authorize an Imprest Account.

(2) The Imprest Account may be held jointly in the names of and be operated on by the Treasurer and one other person to be appointed in that behalf by the Board, or may, with the express approval in writing of the Audit Office, but not otherwise, be in the sole name of and be operated on by the Treasurer or other approved officer of the Board. Where the Imprest Account is held jointly in the names of the Treasurer and of one other person as aforesaid such last-mentioned person shall be either a responsible officer of the Board or a member of the Board.

(3) The Board shall from time to time by resolution fix the maximum amount that may be held at any time in the Imprest Account, not exceeding seventy-five pounds in any case where the Imprest Account

may be operated on by one person acting alone, and not exceeding such amount as the Audit Office may approve in any other case.

(4) Moneys in the Imprest Account shall be available only for the payment of casual wages and of emergency expenditure. A statement of all payments made from the Imprest Account shall be submitted to the Board for approval at its first ordinary meeting thereafter. The payment of moneys out of the Imprest Account for any purpose not hereby authorized shall be deemed to be the misappropriation of the funds of the Board.

(5) The provisions of section seventy-three of the principal Act shall be read subject to the provisions of this section.

Section 88 of principal Act amended.

15. Subsection one of section eighty-eight of the principal Act is hereby amended by omitting the words "as herein provided," and substituting the words "pursuant to any authority."

Section 94 of principal Act amended.

16. Section ninety-four of the principal Act is hereby amended as from the first day of March, nineteen hundred and twenty-seven, by omitting the words "or suffering any damage from the exercise of any of the powers hereby given," and substituting the words "and every person suffering any damage whatever from the exercise of any of the powers conferred by this Act."

Restricting application of section 119 of principal Act.

17. Notwithstanding anything to the contrary in section one hundred and nineteen of the principal Act, no moneys payable to the Board in respect of any electric fittings or equipment installed by it on any land or in any building thereon after the passing of this Act shall be a charge on such land or recoverable as a rate unless prior to such installation consent in writing to such charge is given—

Refer: 1928 Inset.

(a) By the owner of such land where it is not subject to any duly registered mortgage :

(b) By the owner and the mortgagee or mortgagees where the land is subject to any duly registered mortgage or mortgages.

Fire-insurance funds.

18. The Board may from time to time set aside out of its Power Fund Account any moneys to form a fund or funds for the re-erection, repair, or reinstatement of any buildings or other property of the Board that may become destroyed or damaged by fire, and may from time to time invest any moneys so set aside and pay the proceeds of such investment into the said fund or funds.

Board may establish accident funds.

19. (1) The Board may from time to time set aside out of its Power Fund Account any moneys to form a fund or funds to meet claims for accidents arising out of the exercise and performance by the Board of its powers, duties, and functions under the principal Act or any other Act; but no greater sum shall be set aside in any one year than the amount that at current rates would have been payable for that year in respect of the insurance of workers employed by the Board and in respect of insurance against public risk.

(2) The Board may from time to time invest any moneys so set aside and pay the proceeds into the said fund or funds.

Board to make charge to provide for depreciation in respect of its undertaking.

20. (1) The Board shall in each financial year, after making provision for the payment of interest and sinking fund in respect of any loans in connection with the undertaking carried on by it, and for maintenance and repairs, make a charge against the revenues of the undertaking to provide for full and proper depreciation of the assets of the undertaking :

Provided that it shall not be necessary for the Board in making any such charge for depreciation in respect of the undertaking existing at the commencement of this Act to take into account any failure by the Board at any time prior to such commencement to make sufficient provision for depreciation of the depreciable assets of the undertaking:

Provided further that if any dispute arises between the Audit Office and the Board as to the sufficiency of the charge made for depreciation the matter shall be referred to the Minister, whose decision shall be final.

(2) In ascertaining what is the full and proper depreciation to be provided in any year in accordance with the requirements of the last preceding subsection the Board may take into account—

(a) The extent to which moneys then available for renewing or replacing the depreciable assets of the undertaking, and for no other purpose, are proved to the satisfaction of the Audit Office to be in excess of the amount that would then represent full and proper provision for depreciation of the depreciable assets of the undertaking from the date of the establishment of the undertaking:

(b) Any expenditure during that year out of the revenues of the undertaking on renewals and replacements of the depreciable assets thereof.

(3) The amount of any charge for depreciation made in accordance with the foregoing provisions of this section shall be credited to a Depreciation Fund:

Provided that where in that year payments have been made out of the revenues of the undertaking to meet sinking-fund charges in respect of any loan-moneys expended on the creation of depreciable assets of the undertaking the Board may, if it thinks fit, deduct from the total amount of such charge for depreciation the total amount of such payments in respect of sinking-fund charges, and in such case the balance remaining shall be the amount that shall be charged against the revenues of the undertaking and credited to the Depreciation Fund.

21. (1) When the Board has credited a Depreciation Fund with the amount of the first charge made by it under the last preceding section it shall, save as provided in subsection three hereof, appoint three Commissioners, to be called "Depreciation Fund Commissioners," and thereupon sections forty, forty-one, and forty-four of the Local Bodies' Loans Act, 1926, shall, with the necessary modifications, apply to such Commissioners in like manner as if they were Sinking Fund Commissioners appointed under the said section forty.

Board to appoint
Commissioners of
Depreciation Fund.

(2) No member or employee of the Board shall be appointed a Commissioner under this section; and if any Commissioner becomes a member or employee of the Board he shall forthwith vacate his office as Commissioner.

(3) Notwithstanding anything in subsection one hereof, the Board may appoint the Public Trustee to be the sole Commissioner of the Depreciation Fund.

22. (1) The Board shall in the month of April of each year pay to the Depreciation Fund Commissioners all moneys credited in the

Moneys to be paid to
Commissioners.

previous financial year to the Depreciation Fund pursuant to section twenty hereof:

Provided that the Board may postpone until the expiration of a period of seven complete financial years after the year in which it commences the supply of electrical energy the making of any such payment as aforesaid falling due at any time within such period.

(2) In any case where the Board exercises the power of postponement conferred by the last preceding subsection it shall, at the expiration of such period of seven years, pay to the Depreciation Fund Commissioners the total amount then remaining unpaid either forthwith in one sum, or by successive annual instalments each of which shall be equal to at least one-fourteenth of such total amount. The first of such instalments shall be so paid in the financial year immediately following the expiration of such period of seven years.

How fund to be
invested by
Commissioners.

23. (1) The Commissioners may invest all moneys received by them pursuant to the last preceding section in the manner following, that is to say:—

- (a) In New Zealand Government securities; or
- (b) On deposit in any bank lawfully carrying on the business of banking in New Zealand, or in the Post Office Savings-bank; or
- (c) In the Common Fund of the Public Trust Office; or
- (d) In any other securities that may from time to time be authorized by the Governor-General in Council:

Provided that where the Public Trustee is appointed as the sole Depreciation Fund Commissioner he shall invest the moneys of the Depreciation Fund in the Common Fund of the Public Trust Office, or in such other manner as may be specially authorized in that behalf by the Governor-General in Council.

Accounts.

(2) Separate accounts shall be kept by the Commissioners of all moneys paid to or received by them in respect of the undertaking, and in preparing the yearly statement of accounts pursuant to section forty-four of the Local Bodies' Loans Act, 1926, as applied by this Act the Commissioners shall show in detail the amount of all moneys paid to or received by the Commissioners as aforesaid.

Application of
Depreciation Fund
by Commissioners.

24. All moneys received by the Commissioners as aforesaid in respect of the undertaking, together with all accumulations thereof, shall be held by the Commissioners upon trust to pay the same to the Board, either in one sum or from time to time by instalments in respect of that 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 economical usefulness in connection with the undertaking.

Demands on
Commissioners.

25. (1) Every demand made by the Board upon the Commissioners for any sum shall be accompanied by a copy of the resolution duly passed by the Board calling up such money, and by a full specification of the works proposed to be done. No such demand shall be for a less sum in any case than two hundred pounds, or for the total amount standing to the credit of the Depreciation Fund if that amount is less than two hundred pounds.

(2) Every such resolution of the Board 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 obsolete or is incapable from any other cause of further usefulness, and shall be certified by the Chairman and Clerk as a correct copy of the resolution.

26. (1) The Commissioners may call for a report by an engineer or other qualified person to be appointed by them in respect of any demand under the foregoing provisions of this Act.

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

(2) Such engineer or other person 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 work proposed to be done.

(3) The Commissioners may pay to such engineer or other qualified person, out of the moneys held by them in respect of the undertaking to which the report relates, a reasonable sum for his services.

27. (1) The Commissioners may pay the money so demanded 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 a summons in Chambers apply for an order directing the Commissioners to pay to the Board the money so demanded; and if the Court is satisfied 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 economical usefulness the Court may make an order authorizing the payment of the money to the Board.

Commissioners may pay amount of demand by instalments, or may decline to pay except on order of Supreme Court

(2) The decision of the Supreme Court in any such case shall be final.

28. (1) Notwithstanding anything to the contrary in sections twenty-four to twenty-seven hereof, the Commissioners may in their discretion advance to the Board for such period as they think fit any portion of the moneys held by them as aforesaid, to be utilized solely for the purpose of extensions to the existing works of the undertaking; and every such advance shall bear interest at such rate as the Commissioners from time to time, with the approval of the Audit Office, determine, to be paid half-yearly in each year to the Commissioners out of the revenues of the undertaking.

Commissioners may advance moneys out of Depreciation Fund for extensions of undertaking.

(2) No such advance shall be made except upon application of the Board made pursuant to a resolution in that behalf, accompanied by a full specification of the works proposed to be done.

(3) The provisions of section twenty-six hereof shall apply to applications under this section.

29. The Commissioners shall not be obliged to see to the application of any moneys which may from time to time be paid or advanced by them to the Board under the foregoing provisions of this Act.

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

30. (1) The Board, having established a Depreciation Fund as aforesaid in respect of its undertaking, may in any year make an appropriation from the revenue of the undertaking to provide a Reserve Fund.

Board may establish Reserve Fund for its undertaking.

(2) The Board shall in the month of April next following pay such appropriation into a separate bank account.

(3) The moneys paid into such account shall be applied for such extensions and permanent improvements of the undertaking in connection with which the fund is established as the Board thinks fit.

(4) If at any time the Depreciation Fund is insufficient for the purposes for which it is established the Board may use any part of the Reserve Fund for those purposes.

(5) The Board may from time to time, with the consent of the Audit Office, use any moneys forming part of the Reserve Fund for the purpose of recouping in whole or in part any deficiency in the Income and Expenditure Account.

(6) The Board may invest any part of the Reserve Fund in manner following :—

(a) In New Zealand Government securities : or

(b) On deposit in any bank lawfully carrying on the business of banking in New Zealand, or in the Post Office Savings-bank ; or

(c) In the Common Fund of the Public Trust Office ; or

(d) In any other securities that may from time to time be authorized by the Governor-General in Council.

(7) Separate accounts shall be kept by the Board of all moneys paid to or received by it in respect of such Reserve Fund, and all such accounts shall be audited by the Audit Office.

(8) No appropriation shall be made under this section so that the balance in the Reserve Fund shall at any time exceed an amount equal to one-quarter of the capital expenditure of the Board, and whenever the balance in the Reserve Fund amounts to a sum equal to one-quarter of such capital expenditure no further appropriations shall be made under this section until the balance has been reduced to a sum less than one-quarter of such capital expenditure.
