

New South Wales.



ANNO UNDECIMO

GEORGII V REGIS.

Act No. 40, 1920.

An Act to provide for the establishment and the carrying on of a Rural Bank Department of the Government Savings Bank ; to make better provision for financing farmers ; to make further provision for the management of the Government Savings Bank ; to repeal the Valuation of Land Act, 1916, so far as concerns the Government Savings Bank of New South Wales in respect to valuations for loans and investments ; to amend the Government Savings Bank Act, 1906, the Acts amending the same, and certain other Acts ; and for purposes consequent thereon or incidental thereto. [Assented to, 31st December, 1920.]

Government Savings Bank (Rural Bank).

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Short title.

1. This Act may be cited as the "Government Savings Bank (Rural Bank) Act, 1920," and shall be construed with the Government Savings Bank Act, 1906 (hereinafter referred to as the Principal Act), as amended by the Government Savings Bank Amendment Act, 1913, the Savings Banks Amalgamation Act, 1914, and the Government Savings Bank Amendment Act, 1914.

Amendment
of s. 3 of the
Principal
Act.

2. Section three of the Principal Act is repealed and the following section substituted therefor:—

Division of
Act.

3. This Act is divided into the following Parts:—

PART I.—PRELIMINARY—ss. 1-5.

PART II.—THE COMMISSIONERS—ss. 6-13.

PART III.—TRANSFER OF ASSETS AND LIABILITIES—ss. 14-21.

DIVISION 1.—*Savings Bank Department*—
ss. 14, 15.

DIVISION 2.—*Rural Bank Department*—
ss. 16-21.

PART IV.—ADMINISTRATION OF THE BANK—
ss. 22-36.

PART V.—SAVINGS BANK DEPARTMENT—ss.
37-48.

DIVISION 1.—*Deposits*—ss. 37-44.

DIVISION 2.—*Borrowing*—ss. 45-46.

DIVISION 3.—*Investments*—ss. 47-48.

PART VI.—RURAL BANK DEPARTMENT—ss.
48A-70.

DIVISION 1.—*Powers*—ss. 48A-48F.

DIVISION

Government Savings Bank (Rural Bank).

DIVISION 2.—*Issue of debentures and inscribed stock*—ss. 49-61.

DIVISION 3.—*Fixed or amortization loans*—ss. 62-68A.

DIVISION 4.—*General*—ss. 69-70.

PART VII.—SUPPLEMENTAL—ss. 71-95.

3. (1) The Government Savings Bank Amendment Repeal Act, 1920, is repealed.

(2) The Valuation of Land Act, 191C, is repealed so far as the same provides that valuations appearing in the valuation rolls shall be used for the purpose of loans and investments on mortgage of land by or on behalf of the bank.

4. Unless the context otherwise requires, the expression "Rural Bank Department" shall be substituted for the expression "Advance Department" whenever occurring in the Principal Act.

"Rural Bank Department" substituted for "Advance Department."

5. Section five of the Principal Act is repealed and the following section is substituted therefor:—

Amendment of s. 5 of Principal Act.

5. In this Act unless the context otherwise requires,—

Definitions.

"Advances to Settlers Acts" means the Advances to Settlers Act, 1899, the Advances to Settlers (Amendment) Act, 1901, and the Advances to Settlers (Amendment) Act, 1902.

"Advances to settlers board" means the board constituted by the Advances to Settlers Act, 1899.

"Amortization loan" means a loan secured by mortgage repayable with interest by equal instalments.

"Bank" means the bank constituted by this Act.

"Certificated conditional purchase" means conditional purchase as to which all conditions have been fulfilled except payment of the balance of purchase money.

"Commissioners"

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“Commissioners” means Commissioners of the bank.

“Crops” includes every kind of agricultural produce, vegetable, or fruit.

“Crown Lands Acts” includes the Western Lands Act, 1901, the Wentworth Irrigation Act, the Hay Irrigation Act, 1902, the Closer Settlement Act, 1904, the Irrigation Act, 1912, and any Acts amending or consolidating the same.

“Fixed loan” in Part VI means a loan on mortgage granted for a fixed term of years during which interest only is payable.

“President” means President of the bank.

“Regulation” means regulation under this Act.

“Treasurer” means Colonial Treasurer.

Amendment of
s. 13 of
Principal Act.

Acts done by
one Commis-
sioner.

6. Section thirteen of the Principal Act is repealed and the following section is substituted therefor:—

13. (1) The Commissioners may, by writing under their seal, declare that any acts of a specified class performed by any one Commissioner, and any documents of a specified class sealed or signed by one Commissioner, shall be of the same effect as if performed, sealed, or signed by the Commissioners.

(2) Any such declaration shall have the force of law.

(3) Any such declaration shall be revocable by the Commissioners by writing under their seal; and no such declaration shall prevent the exercise of any power by the Commissioners.

(4) Every such declaration and revocation shall be notified in the Gazette.

Amendment
of ss. 16 & 17
Ibid.

7. Sections sixteen and seventeen of the Principal Act are repealed and the following sections are substituted therefor:—

DIVISION 2.—Rural Bank Department.

Transfer of
assets and
liabilities.

16. The assets and liabilities of the Advance Department and of the Irrigation Department shall be transferred to the Rural Bank Department.

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17. (1) The indebtedness of the Advances for Homes Department to the Advance Department shall be undertaken by the Advances for Homes Department. Advance Department to undertake indebtedness.

(2) The Advances for Homes Department shall issue debentures to the Savings Bank Department for the indebtedness so undertaken and a similar amount of Advance Department debentures held by the Savings Bank Department shall be cancelled.

8. Section twenty-three of the Principal Act is repealed and the following section is substituted therefor:— Amendment of s. 23 of Principal Act.

23. (1) The business of the bank shall be carried on in three distinct and separate departments, namely— Departments of bank.

- (a) the Savings Bank Department;
- (b) the Rural Bank Department;
- (c) the Advances for Homes Department.

(2) Transactions and accounts relating to each department shall be kept separate from those relating to the other departments.

(3) No money belonging to any department shall be used for the purpose of any other department, and no liability incurred in respect of any department shall affect any other department or the funds thereof:

Provided that money to the credit of the Savings Bank Department at any branch may be used for the purposes of the Rural Bank Department; and money to the credit of the Rural Bank Department or Advances for Homes Department at any branch may be used for the purposes of the Savings Bank Department subject to monthly adjustments between the respective departments.

Provided further that the same officers may be employed in carrying on the operations of any of the said departments, but the cost of administration shall be equitably apportioned by the Commissioners between the respective departments.

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Amendment
of s. 24 of
Principal
Act.

9. Section twenty-four of the Principal Act is amended by omitting the word "either" in paragraph (b) and substituting therefor the word "any"; and by inserting at the end of paragraph (c) the words "and with or without obtaining any valuable consideration therefor."

Amendment
of s. 26 *Ibid.*

10. Section twenty-six of the Principal Act is amended by adding thereto the following paragraph:—

Any deficiency in the said reserve fund at the end of any financial year of the bank shall be made good from the Consolidated Revenue Fund upon such deficiency being certified to by the Commissioners.

Amendment
of s. 27 *Ibid.*

11. Section twenty-seven of the Principal Act is repealed and the following section is substituted therefor:—

Branches and
agencies.

27. The Commissioners may establish branches and agencies of the bank in New South Wales or elsewhere.

Amendment
of s. 32 *Ibid.*

12. Section thirty-two of the Principal Act is amended as follows:—Omit the last paragraph and substitute the following paragraphs:—

Control of
officers.

The Commissioners shall control the officers, servants, valuers, and agents of the bank and may make regulations in regard to such officers, servants, valuers, and agents.

Provided that nothing in this section shall affect the powers of the Court of Industrial Arbitration under the Industrial Arbitration Act, 1912, or any Act amending the same.

Amendment
of s. 37 (2)
Ibid.

13. Subsections two and 2A of section thirty-seven of the Principal Act are omitted and the following subsection is substituted therefor:—

Deposits of
minors.

(2) Deposits may be received from minors, but money standing to the credit of the account of a minor shall not be paid to such minor until such minor is able to write: Provided that such money may be paid at any time to the parent or guardian of such minor if the Commissioners are satisfied that such payment is necessary in order to provide for the support or advancement of such minor.

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14. Section thirty-eight of the Principal Act is amended by adding the words "estates or interests" at the end of paragraph (a).

Amendment
of s. 38 of
Principal
Act.

15. Section 38A of the Principal Act is omitted and the following section is substituted therefor:—

Amendment
of s. 38A
Ibid.

38A. Accounts may be opened by or on behalf of friendly, charitable, or other societies or institutions (including trade unions or industrial unions of employers or employees, or organisations registered or proclaimed under the Commonwealth Conciliation and Arbitration Act, 1904–1920) not carried on for purposes of trade or profit, municipalities and shires, or any Government department:

Deposits of
friendly and
other
societies and
muni-
cipalities.

Provided that in the case of any account opened by or on behalf of any municipality or shire, other than an account opened for the purpose of a sinking fund, the limit of deposit shall be one thousand pounds.

16. Section thirty-nine, subsection one, of the Principal Act is omitted, and the following subsection is substituted therefor:—

Amendment
of s. 39 (1)
Ibid.

29. (1) The Commissioners shall from time to time fix the rate of interest to be paid to depositors and may fix differential rates of interest according to the amount of the deposit. The Commissioners may by regulation fix a maximum sum not exceeding one thousand pounds on which interest shall be paid.

Interest on
deposits.

Provided that interest may be paid on an amount above one thousand pounds standing to the credit of the account of—

- (a) a friendly, charitable, or other society or institution (including a trade union or an industrial union of employers or employees or an organisation registered or proclaimed under the Commonwealth Conciliation and Arbitration Act, 1904–1920) not carried on for trade or profit; or
- (b) the council of any municipality or shire, being an account opened for the purpose of a sinking fund; on
- (c)

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(c) any Government department, but the Commissioners may limit the amount of any such account:

Provided also that the maximum rate of interest shall be paid upon any of the accounts referred to in paragraphs (a), (b), or (c) up to the maximum interest bearing balance fixed by the regulations under this subsection, and above that amount the rate of interest payable shall be a matter of agreement with the Commissioners.

Amendment
of s. 41 (2) of
Principal
Act.

17. Section forty-one, subsection two, of the Principal Act, is amended by omitting the words "in the Bank" and substituting therefor the words "or employees or organisations registered or proclaimed under the Commonwealth Conciliation and Arbitration Act, 1904-1920."

Amendment
of s. 42 *Ibid.*

18. Section forty-two of the Principal Act is omitted and the following section is substituted therefor:—

Funds of
deceased
depositor not
exceeding
£200.

42. (1) Where the amount standing to the credit of a depositor, exclusive of interest, at the date of the death of such depositor does not exceed two hundred pounds, and probate of the will of such depositor or letters of administration of his estate is or are not produced to the Commissioners within such time as they think reasonable, the Commissioners may pay or distribute the said amount, and any interest due thereon, to or among any of the following persons—

- (a) any person who has paid the funeral expenses of the depositor;
- (b) the widow or widower of the depositor;
- (c) the next-of-kin of the depositor;
- (d) the person appearing to the Commissioners to be entitled to take out probate of the will or letters of administration of the estate of the depositor;
- (e) the Public Trustee;
- (f) any creditor of the depositor;
- (g) any person undertaking to maintain the children (whether ex-nuptial or otherwise) of the depositor;
- (h) any child of the depositor (whether ex-nuptial or otherwise).

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(2) The receipt of any person mentioned in this section shall be a sufficient discharge to the Commissioners in respect of any sum paid to such person and such receipt may be signed by any person who is above the age of fourteen years, and shall be binding on any widow, widower, or next-of-kin, or person appointed as legal representative of the estate of the deceased depositor. Receipt.

(3) If the Commissioners under this section pay money to any person who is afterwards proved not to have been legally entitled thereto, the Commissioners shall not be liable at suit of any person who was so entitled. Indemnity to Com-missioners.

But this subsection shall not affect the remedy of the last-mentioned person against the person who received the money.

(4) The provisions of this section shall apply to the delivery of any bonds, debentures, or other securities held by the bank on behalf of a deceased depositor, the face value of which, when added to the balance to the credit of the account of the deceased depositor, does not exceed two hundred pounds. Delivery of securities.

19. Subsection two of section forty-three of the Principal Act is omitted and the following subsection is substituted therefor:— Amendment of s. 43 (2) of Principal Act.

(2) Every depositor shall on every anniversary of the day on which his account was opened produce, or cause to be produced, his pass-book at the office of the bank in which his account is kept, for the purpose of examination and verification. Pass-books.

20. Section forty-seven of the Principal Act is amended as follows:— Amendment of s. 47 *Ibid.*

In paragraph (a) omit "fifteen" and insert "twenty" and after the words "trading banks in the State" add the words "or Rural Bank Department."

In paragraph (b) (iii) after the words "Government securities" add the words "of the Commonwealth of Australia or"

Omit

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Omit paragraph (b) (iv) and substitute therefor the following:—

- (iv) Debentures issued by the Rural Bank Department or Advances for Homes Department; and

In paragraph (b) (v) after the word “debentures” add the words “or mortgages.”

At the end of paragraph (b) add the following:—

- (vi) upon deposit in the Treasury available at call such sum as the Commissioners shall consider necessary to set aside for the purpose of purchasing debentures from the Rural Bank Department or Advances for Homes Department.

Amendment
of Division 1
of Part VI of
Principal
Act.

21. Division 1 of Part VI of the Principal Act is renumbered and altered to Division 2, Issue of Debentures and Inscribed Stock; and a new Division 1 (sections 48A to 48F) is inserted as follows:—

PART VI.

RURAL BANK DEPARTMENT.

DIVISION 1.—*Powers.*

Commis-
sioners may
carry on
Rural Bank.

48A. The Commissioners shall be empowered to carry on the business of a Rural Bank and for such purpose may—

- (a) acquire, hold, sell, convey, lease, assign and otherwise assure land of any tenure;
- (b) receive money on deposit for a fixed term and pay interest thereon;
- (c) receive deposits to be inscribed as “Deposit Stock” repayable on notice as prescribed and pay interest thereon;
- (d) accept money on current account to be operated on by cheques;
- (e) issue bills and drafts and grant letters of credit;
- (f) discount bills, drafts, and Government securities;
- (g) borrow money;
- (h) grant overdrafts payable on demand, to agricultural, pastoral, rural or primary producers, or to persons carrying on industries

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industries immediately associated with rural pursuits, on the security of land, crops, wool, stock, plant or machinery, personal security, guarantees by co-operative credit societies or rural credit associations, promissory notes, bills of exchange, or any other security approved of by the Commissioners; and

- (i) deposit money in the Treasury or in any trading bank in the State, or in the Savings Bank Department.

48B. The Commissioners shall hold or retain in cash or on current account or on deposit available at not more than six months call twenty per centum of the quarterly average of the moneys held on deposit and on current account.

Deposits to be held in cash.

48C. The operations of the Rural Bank Department, except loans under Division 3 of Part VI of this Act, shall be effected through branches of the bank appointed by the Commissioners for that purpose: Provided that the Commissioners may restrict the classes of operations to be effected at any branch.

Operations to be effected through branches.

48D. The provisions of section forty-two of this Act shall apply to fixed deposits, deposit stock, and current accounts, up to an amount of one hundred pounds.

Sec. 42 to apply to deposits up to £100.

48E. The payment of all moneys due by the Rural Bank Department is guaranteed by the State.

Payment guaranteed.

48F. With the approval of the Governor the operations of the bank may be extended to include the general business of banking; in which event the Commissioners shall not be restricted in any way by the limitations of section 48A (h).

Power to extend operations of bank.

DIVISION 2.—Issue of debentures and inscribed stock.

22. Section forty-nine of the Principal Act is amended as follows:—

Amendment of s. 49 of Principal Act.

Subsection one: By omitting after the word “debentures” the words “in the form of Schedule Two or to the like purport” and by substituting the words “or inscribed stock.” Subsection

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Subsection two: By inserting after the word
“debentures” the words “or inscribed stock.”

Amendment
of s. 50 of
Principal
Act.

23. Section fifty of the Principal Act is repealed, and the following section substituted therefor:—

Amount of
issue.

50. The total amount of such debentures and inscribed stock so issued and uncanceled shall not at any time exceed, except with the consent of the Governor, five million pounds.

Amendment
of s. 52 *Ibid.*

24. Section fifty-two of the Principal Act is repealed and the following section substituted therefor:—

Signature.

52. Each debenture shall be signed by the Commissioners or by any one of the Commissioners in pursuance of the powers conferred by section thirteen of this Act, and shall be countersigned by an officer authorised by the Commissioners.

Amendment
of s. 53 *Ibid.*

25. Section fifty-three of the Principal Act is repealed and the following section is substituted therefor:—

Amount of
debentures.

53. Debentures shall be issued and stock inscribed in sums of ten pounds or multiples thereof and shall have such currency and bear such interest as the Commissioners may fix before the issue or inscription thereof.

Amendment
of s. 54 *Ibid.*

26. Section fifty-four of the Principal Act is amended by inserting after the word “debentures” the words “or inscribed stock,” and after the words “Savings Bank Department” the words “or Advances for Homes Department,” and by adding the following paragraphs (a) and (b):—

(a) The Treasurer is empowered to purchase such debentures or inscribed stock.

(b) At the request of the bearer of a debenture or the holder of inscribed stock the Commissioners may, in lieu thereof, issue to him inscribed stock or debentures as the case may be of the same currency and bearing the same interest.

Amendment
of ss. 56 & 59
Ibid.

27. Sections fifty-six and fifty-nine of the Principal Act are amended by inserting after the word “debentures” wherever occurring the words “and inscribed stock.”

28.

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28. Section ~~sixty~~ of the Principal Act is amended by inserting after the word "debentures" the words "or inscribed stock." Amendment of s. 60 of Principal Act.

29. Section sixty-one of the Principal Act is amended by inserting after the word "debentures" the words "and inscribed stock." Amendment of s. 61 *Ibid.*

30. Division 2—Loans, of Part VI of the Principal Act—is renumbered and altered to Division 3—Fixed or amortization loans on mortgage of land. Amendment of Division 2 of Part VI *Ibid.*

DIVISION 3.—FIXED OR AMORTIZATION LOANS.

31. Section sixty-two of the Principal Act is omitted and the following section is substituted therefor :— Amendment of s. 62 *Ibid.*

62. The Commissioners may grant fixed or amortization loans from the Rural Bank Department upon mortgage of— Lending of money on land, holdings or tenures.

(a) an estate in fee simple in any land in the State; or

(b) any holding or tenure under the Crown Lands Acts.

32. Section sixty-three of the Principal Act is omitted and the following section is substituted therefor :— Amendment of s. 63 *Ibid.*

63. (1) The Commissioners may specify the purposes for which any loan may be made, and may vary such purposes. Purposes for which loans may be made.

(2) If in the opinion of the Commissioners a loan granted for a specified purpose has not been applied to such purpose or to some other approved purpose, the Commissioners may cause the borrower's estate and interest in the land, holding or tenure to be sold, and the provisions of sections one hundred and nine to one hundred and fifteen, both inclusive, of the Conveyancing Act, 1919, shall apply to a sale under this section.

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Amendment
of s. 66 of
Principal Act
Repayment
of loan.

33. Section sixty-six of the Principal Act is omitted and the following section is substituted therefor:—

66. (1) Any borrower who is not in arrear with the payment of any instalment or any interest due in respect of his loan, may on any day fixed for the payment of any instalment or interest repay to the Commissioners the whole of his indebtedness or may at any time repay any portion thereof being five pounds or a multiple of five pounds.

(2) Where a portion only of the loan is so repaid, the Commissioners shall allow interest on the amount repaid at a rate to be fixed by them.

Such repayment shall not affect the obligation of the borrower to pay the instalments provided in the mortgage; but when the sum repaid with the interest thereon amounts to the balance of the loan, the Commissioners shall apply such sum in repayment of the loan and discharge the mortgage.

(3) In the case of a fixed loan the amount of such repayment shall be deducted from the amount of the loan, and thereafter interest shall be payable only on the reduced amount.

(4) If a borrower who has made repayments under this section subsequently falls into arrear with his instalments or interest, the Commissioners may apply any money so repaid to meet his overdue instalments or interest.

Amendment
of s. 68 *Ibid.*

34. Section sixty-eight of the Principal Act is omitted and the following section is substituted therefor:—

Amount of
loan and
nature of
security.

68. The following provisions shall apply to fixed or amortization loans:—

(a) No such loan shall be of less amount than fifty pounds nor more than two thousand pounds to any person.

(b) No such loan shall be made in respect of any land which is subject to a prior encumbrance, mortgage or charge (other than an encumbrance mortgage or charge in favour of the Commissioners), unless the money to be lent is to be used to pay off such prior encumbrance, mortgage or charge: Provided

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Provided that such loans may be made upon Western lands leases and homestead leases notwithstanding the existence of prior charges in respect of improvements so long as the amount of any such loan, when added to the amount owing or legally claimed in respect of such improvements, does not exceed fifty per centum of the sale value of the security as certified to by the Commissioners of the Western Land Board.

- (c) The amount of any such loan (except a loan under section sixty-four or paragraph (d) of this section) shall not exceed two-thirds of the sale value of the security.
- (d) In the case of holdings under the Crown Lands Acts (other than Western lands leases and homestead leases) in respect of which a certificate of conformity or of fulfilment of conditions has not issued, or which have not had a currency of five years from the date of confirmation, a loan not exceeding five hundred pounds, and not exceeding the value of the improvements effected or to be effected may be made on the guarantee of the Minister for Lands:

Provided that upon completion of the residence and improvement conditions in respect of any such holding the Commissioners, if they are satisfied with the security, may release the Minister for Lands from his guarantee:

Any loss on any loan so guaranteed shall be made good from the Consolidated Revenue Fund upon such loss being certified to by the Commissioners at the end of any financial year of the bank.

This paragraph shall not come into force until the publication of a proclamation by the Governor in the Gazette. Until such publication the Commissioners may make advances upon any such holding not exceeding
three-fourths

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three-fourths of the value of the improvements thereon: Provided that any such advance shall not exceed two-thirds of the sale value of the security.

- (e) In the case of Western lands leases (whether they have or have not had a currency of five years from the date of confirmation) and homestead leases, the loan shall not exceed fifty per centum of the estimated sale value of the security as certified by the Commissioners of the Western Land Board subject, however, to the limitations imposed by the proviso to subsection (b) of this section.
- (f) If any interest or instalment on any such loan is in arrear for more than twenty-one days, the Commissioners shall charge the borrower interest on such interest or instalment at a rate one per centum higher than the rate of interest specified in the mortgage.

New section
added after s. 68
of Principal Act.

Power to vary
rate of
interest.

35. The Principal Act is amended by the addition of the following new section:—

68A. In every fixed or amortization loan made after the passing of the Government Savings Bank (Rural Bank) Act, 1920, the Commissioners may vary the rate of interest not more than once in any period of five years and in the case of an amortization loan may alter the instalment accordingly:

Provided that six months notice in writing of any such variation shall be given by the Commissioners addressed to the borrower's last known place of abode.

New division
of Part VI
Ibid.

36. A new Division—4, General, of Part VI of the Principal Act is added to include sections sixty-nine and seventy.

DIVISION 4.—GENERAL.

Amendment
of s. 69
Ibid.

37. Section sixty-nine of the Principal Act is omitted, and the following section is substituted therefor:—

69.

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69. The following provisions shall apply where Forfeited Crown lands securities. land in respect of which any loan has been made by the Rural Bank Department is forfeited under the Crown Lands Acts :—

- (1) Upon forfeiture the land shall vest in the Commissioners for a period not exceeding twelve months from the date of forfeiture.
- (2) Within one month from the date of forfeiture the Minister for Lands (or the Water Conservation and Irrigation Commission if the land is within an Irrigation Area) shall notify the Commissioners in writing whether or not he or it intends to discharge the bank's claim. If the said Minister or the said Commission notifies the Commissioners of his or its intention to discharge the bank's claim, the land, upon receipt by the Commissioners of such notification, shall be divested from the Commissioners, and shall become subject to the provisions of the Crown Lands Acts or the Irrigation Acts (as the case may be) as if a loan had not been made by the bank thereon, and the amount of the said claim shall be paid to the Commissioners in pursuance of such notification by the said Minister or the said Commission before the end of the current financial year.
- (3) If payment of the said loan has been guaranteed by the Minister for Lands under section sixty-eight, paragraph (d), the said Minister upon service of notice in writing upon the Commissioners of his intention so to do, may deal with the land under the Crown Lands Acts as if it had not vested in the Commissioners, or he may require the Commissioners to sell the land.
- (4) Where the Minister for Lands or the said Commission (as the case may be) notifies the Commissioners in accordance with subsection two that he or it does not intend to discharge the bank's claim, or the Minister for Lands

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requests the Commissioners to sell the land as provided in subsection three, the Commissioners may sell the land to any person, and the purchaser shall hold the same subject to any conditions prescribed by the Crown Lands Acts which at the date of forfeiture were binding on the former holder but freed from any liability for any breach before such sale of any such conditions, and the purchaser shall have six months from the time of sale for complying with any unfulfilled improvement conditions in relation to the land.

The proceeds of such sale shall be applied in the following order:—

- (i) in payment of any outstanding moneys due under the Crown Lands Acts at the date of forfeiture not exceeding one year's rent or instalment (as the case may be);
- (ii) in satisfaction of the claim of the bank;
- (iii) in payment of any further sum due to the Crown at the date of forfeiture.

Any balance remaining thereafter shall be paid into the Treasury to the credit of the Consolidated Revenue.

Where the proceeds of any such sale upon being so applied are insufficient for payment in full of any such further sum due to the Crown at the date of forfeiture, the balance due to the Crown shall be charged upon the Consolidated Revenue.

- (5) If the Commissioners at any time within the said period of twelve months give notice in writing to the Minister for Lands or the Commission (as the case may be) that they are unable to sell the land the land may be disposed of as Crown land under the Crown Lands Acts and any money received by the Minister for Lands or Irrigation Commission (as the case may be) in respect of the improvements on the land shall, to the extent of the bank's claim, be paid to the Commissioners.

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38. Section seventy of the Principal Act is omitted and the following section is substituted therefor:—

Amendment
of s. 70 of
Principal Act.

70. The following provisions shall apply in respect of any land subject to a fixed or amortization loan:—

Dealings with
land subject
to loan.

- (a) Such land, holding or tenure shall not, nor shall any part thereof, be transferred, mortgaged, assigned, let, or sublet without the previous consent in writing of the Commissioners or of some officer appointed by the Commissioners in that behalf.
- (b) Any transfer, mortgage, assignment, letting, or subletting of such land, holding or tenure, or any part thereof, in contravention of this section, shall be void, and the Commissioners may cause the estate and interest in such land, holding, or tenure of any person guilty of any such contravention to be sold.
- (c) Where the owner or lessee of any such land, holding or tenure becomes bankrupt, the Commissioners may cause his estate and interest therein to be sold.

39. Section seventy-five of the Principal Act is hereby repealed.

Repeal of
s. 75 *Ibid.*

40. Section 75A of the Principal Act is omitted and the following section is substituted therefor:—

Amendment of
s. 75A *Ibid.*

75A. The powers and remedies conferred upon the Commissioners under this Act are not in any way limited or restricted by the provisions of the Crown Lands Acts.

Powers of
Commissioners
not limited by
Crown Lands
Acts.

41. The Principal Act is amended by the addition of the following new sections:—

New section
75c.

75c. Notwithstanding anything to the contrary in the Crown Lands Acts or in the regulations made thereunder the consent of the Minister for Lands (or in the case of irrigation farm leases, Wentworth and Hay irrigation leases, the consent of the Water Conservation and Irrigation Commission) shall not be required in connection with the registration of transfers to the Commissioners to secure advances made under this Act, nor shall such consent be required

Consent of
Minister for
Lands, &c.,
not required
to the regis-
tration of cer-
tain transfers.

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required in connection with the registration of transfers by way of release of mortgage to the original borrowers.

Crown Lands
Acts not to
affect mort-
gage or
transfer.

75D. Nothing in the Crown Lands Acts shall invalidate or affect any mortgage or transfer given or made under this Act to secure any loan or interest thereon or any remedy for the recovery thereof, and such mortgage or transfer may be given or made, and any sale or foreclosure may be effected thereunder, notwithstanding that the land, holding, or tenure, the subject of the mortgage or transfer, could not by the terms of the said Acts be transferred, assigned, or otherwise dealt with.

Amendment
of s. 76 of
Principal
Act.

42. Section seventy-six of the Principal Act is amended by inserting the words "or Solicitor-General" after the words "Attorney-General" wherever occurring.

Amendment
of s. 83 *Ibid*

43. Section eighty-three of the Principal Act is amended by the addition thereto of the following paragraph:—

(k) for issuing inscribed stock and deposit stock.

Addition of new
sections to
Principal Act.

44. The Principal Act is amended by the addition of the following new sections:—

Commissioners
may act as
agent of bank

86. The Commissioners may act as agents in Australia of any bank carrying on business in or outside Australia.

Bank may act
as agent of
Commissioner

87. The Commissioners may arrange with any other bank to act as the agent of the bank in any place, whether in or outside the State.

Attorney
may be
appointed.

88. The Commissioners may by writing under their seal appoint any person whether in the State or in any place beyond the State to be the attorney of the bank.

Clearing
house.

89. (1) The Commissioners shall be entitled if they so desire to be represented at and take part in the proceedings and transactions of any clearing-house or cheque clearing system in as full and ample manner as any other bank, and all banks represented at or taking part in such proceedings or transactions shall fully recognise the Commissioners and afford them all necessary facilities for transacting their banking business and operations and the exchanges in relation thereto. (2)

Government Savings Bank (Rural Bank).

(2) Any bank contravening or permitting the contravention of any of the provisions of this section shall be guilty of an offence and for each such offence shall be liable to a penalty of one hundred pounds.

90. The Commissioners may permit operations on any account in any department by a duly appointed attorney. Attorney may operate on account.

91. A trustee, executor, or administrator may invest or deposit any trust money on deposit or current account in the bank. Deposits by trustees.

92. The Commissioners are empowered to hold for safe custody, on behalf of any depositor, bonds or debentures or other securities of a like nature and may by regulation fix charges for such service. Custody of bonds.

93. All advances heretofore made by the Commissioners upon the security of Western lands leases are hereby validated. Validation of certain advances.

94. Any person who, as security for an advance under this Act— Penalty for non-disclosure.

(a) mortgages any land or chattel which is subject to a charge or encumbrance; or

(b) mortgages any land or chattel of which he is not the owner,

without disclosing to the Commissioners the existence of such charge or encumbrance, or that he is not the owner of such land or chattel, shall be guilty of an offence, and shall be liable to a penalty not exceeding one hundred pounds.

95. (1) Any person who, by word of mouth or in writing, makes a false statement with intent to defraud in connection with any application for a loan under this Act, shall be guilty of an offence, and shall be liable to a penalty not exceeding one hundred pounds. Penalty for false statement.

45. The Government Savings Bank Amendment Act, 1913, is amended as follows:— Amendment of the Government Savings Bank Amendment Act, 1913.

Section three, subsection one: Omit "Advance Department" and insert "Advances for Homes Department."

Sections

Government Savings Bank (Rural Bank).

Sections thirteen, fourteen and fifteen are omitted and the following sections are substituted therefor:—

Application
of sections of
Principal
Act.

13. The provisions of sections sixty-six and of paragraphs (b) and (f) of section sixty-eight, and sections 68A, sixty-nine, seventy, seventy-one, seventy-three, seventy-seven to eighty-five inclusive, ninety, ninety-four and ninety-five of the Principal Act, shall apply to loans made under this Part.

Application
of provisions
of Principal
Act to
debentures.

14. The provisions of Division 2 of Part VI of the Principal Act shall apply mutatis mutandis to the issue of debentures by the Advances for Homes Department.

Reserve
Fund.

15. The Commissioners shall set apart the net profits earned by the Advances for Homes Department during any year towards a reserve fund for meeting any loss or deficiency in connection with the transactions of the said department, and shall invest such fund in deposits with trading banks or the Rural Bank Department or the Treasury or in any of the investments provided for in section forty-seven, paragraph (b) (iii) and (v) of the Principal Act or in debentures issued by the Rural Bank Department.

Any deficiency in such fund at the end of any financial year of the bank shall be made good from the Consolidated Revenue Fund upon such deficiency being certified to by the Commissioners.

Section twenty is omitted and the following section is substituted therefor:—

Power to
invest money
repaid.

20. Upon repayment of any moneys loaned from the Rural Bank Department or Advances for Homes Department the Commissioners are empowered to invest the same until required for redemption of debentures and inscribed stock sold under the Principal Act in deposits with the Treasury, trading banks, the Rural Bank

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Bank Department or the Savings Bank Department, or in any of the class of investment provided for in paragraph (b) (iii), (iv), and (v) of section forty-seven of the Principal Act.

46. Section seventeen of the Savings Banks Amalgamation Act, 1914, is repealed:

Provided that the guarantee given by the Crown under subsection three thereof shall continue in force until all advances made under the provisions of this section, with interest thereon, are repaid.

Amendment
of s. 17 of the
Savings
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tion Act,
1914.

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By Authority :

WILLIAM APPLGATE GULLICK, Government Printer, Sydney, 1921.

I certify that this PUBLIC BILL, which originated in the LEGISLATIVE ASSEMBLY, has finally passed the LEGISLATIVE COUNCIL and the LEGISLATIVE ASSEMBLY of NEW SOUTH WALES.

W. S. MOWLE,
Clerk of the Legislative Assembly.

*Legislative Assembly Chamber,
Sydney, 23 December, 1920.*

New South Wales.



ANNO UNDECIMO

GEORGII V REGIS.

Act No. 40, 1920.

An Act to provide for the establishment and the carrying on of a Rural Bank Department of the Government Savings Bank; to make better provision for financing farmers; to make further provision for the management of the Government Savings Bank; to repeal the Valuation of Land Act, 1916, so far as concerns the Government Savings Bank of New South Wales in respect to valuations for loans and investments; to amend the Government Savings Bank Act, 1906, the Acts amending the same, and certain other Acts; and for purposes consequent thereon or incidental thereto. [Assented to, 31st December, 1920.]

BE

I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.

R. J. STUART-ROBERTSON,
Chairman of Committees of the Legislative Assembly.

Government Savings Bank (Rural Bank).

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Short title.

1. This Act may be cited as the "Government Savings Bank (Rural Bank) Act, 1920," and shall be construed with the Government Savings Bank Act, 1906 (hereinafter referred to as the Principal Act), as amended by the Government Savings Bank Amendment Act, 1913, the Savings Banks Amalgamation Act, 1914, and the Government Savings Bank Amendment Act, 1914.

Amendment
of s. 3 of the
Principal
Act.
Division of
Act.

2. Section three of the Principal Act is repealed and the following section substituted therefor:—

3. This Act is divided into the following Parts:—

PART I.—PRELIMINARY—ss. 1-5.

PART II.—THE COMMISSIONERS—ss. 6-13.

PART III.—TRANSFER OF ASSETS AND LIABILITIES—ss. 14-21.

DIVISION 1.—*Savings Bank Department*—
ss. 14, 15.

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ss. 16-21.

PART IV.—ADMINISTRATION OF THE BANK—
ss. 22-36.

PART V.—SAVINGS BANK DEPARTMENT—ss.
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DIVISION 2.—*Borrowing*—ss. 45-46.

DIVISION 3.—*Investments*—ss. 47-48.

PART VI.—RURAL BANK DEPARTMENT—ss.
48A-70.

DIVISION 1.—*Powers*—ss. 48A-48F.

DIVISION

Government Savings Bank (Rural Bank).

DIVISION 2.—*Issue of debentures and inscribed stock*—ss. 49-61.

DIVISION 3.—*Fixed or amortization loans*—ss. 62-68A.

DIVISION 4.—*General*—ss. 69-70.

PART VII.—SUPPLEMENTAL—ss. 71-95.

3. (1) The Government Savings Bank Amendment Repeat. Act, 1920, is repealed.

(2) The Valuation of Land Act, 1916, is repealed so far as the same provides that valuations appearing in the valuation rolls shall be used for the purpose of loans and investments on mortgage of land by or on behalf of the bank.

4. Unless the context otherwise requires, the expression "Rural Bank Department" shall be substituted for the expression "Advance Department" whenever occurring in the Principal Act. "Rural Bank Department" substituted for "Advance Department."

5. Section five of the Principal Act is repealed and the following section is substituted therefor:— Amendment of s. 5 of Principal Act.

5. In this Act unless the context otherwise Definitions. requires,—

"Advances to Settlers Acts" means the Advances to Settlers Act, 1899, the Advances to Settlers (Amendment) Act, 1901, and the Advances to Settlers (Amendment) Act, 1902.

"Advances to settlers board" means the board constituted by the Advances to Settlers Act, 1899.

"Amortization loan" means a loan secured by mortgage repayable with interest by equal instalments.

"Bank" means the bank constituted by this Act.

"Certificated conditional purchase" means conditional purchase as to which all conditions have been fulfilled except payment of the balance of purchase money.

"Commissioners"

Government Savings Bank (Rural Bank).

"Commissioners" means Commissioners of the bank.

"Crops" includes every kind of agricultural produce, vegetable, or fruit.

"Crown Lands Acts" includes the Western Lands Act, 1901, the Wentworth Irrigation Act, the Hay Irrigation Act, 1902, the Closer Settlement Act, 1904, the Irrigation Act, 1912, and any Acts amending or consolidating the same.

"Fixed loan" in Part VI means a loan on mortgage granted for a fixed term of years during which interest only is payable.

"President" means President of the bank.

"Regulation" means regulation under this Act.

"Treasurer" means Colonial Treasurer.

Amendment of
s. 13 of
Principal Act.

Acts done by
one Commis-
sioner.

6. Section thirteen of the Principal Act is repealed and the following section is substituted therefor:—

13. (1) The Commissioners may, by writing under their seal, declare that any acts of a specified class performed by any one Commissioner, and any documents of a specified class sealed or signed by one Commissioner, shall be of the same effect as if performed, sealed, or signed by the Commissioners.

(2) Any such declaration shall have the force of law.

(3) Any such declaration shall be revocable by the Commissioners by writing under their seal; and no such declaration shall prevent the exercise of any power by the Commissioners.

(4) Every such declaration and revocation shall be notified in the Gazette.

Amendment
of ss. 16 & 17
Ibid.

7. Sections sixteen and seventeen of the Principal Act are repealed and the following sections are substituted therefor:—

DIVISION 2.—Rural Bank Department.

Transfer of
assets and
liabilities.

16. The assets and liabilities of the Advance Department and of the Irrigation Department shall be transferred to the Rural Bank Department.

17.

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17. (1) The indebtedness of the Advances for Homes Department to the Advance Department shall be undertaken by the Advances for Homes Department. Advance Department to undertake indebtedness.

(2) The Advances for Homes Department shall issue debentures to the Savings Bank Department for the indebtedness so undertaken and a similar amount of Advance Department debentures held by the Savings Bank Department shall be cancelled.

8. Section twenty-three of the Principal Act is repealed and the following section is substituted therefor:— Amendment of s. 23 of Principal Act.

23. (1) The business of the bank shall be carried on in three distinct and separate departments, namely— Departments of bank.

- (a) the Savings Bank Department;
- (b) the Rural Bank Department;
- (c) the Advances for Homes Department.

(2) Transactions and accounts relating to each department shall be kept separate from those relating to the other departments.

(3) No money belonging to any department shall be used for the purpose of any other department, and no liability incurred in respect of any department shall affect any other department or the funds thereof:

Provided that money to the credit of the Savings Bank Department at any branch may be used for the purposes of the Rural Bank Department; and money to the credit of the Rural Bank Department or Advances for Homes Department at any branch may be used for the purposes of the Savings Bank Department subject to monthly adjustments between the respective departments.

Provided further that the same officers may be employed in carrying on the operations of any of the said departments, but the cost of administration shall be equitably apportioned by the Commissioners between the respective departments.

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Amendment
of s. 24 of
Principal
Act.

9. Section twenty-four of the Principal Act is amended by omitting the word "either" in paragraph (b) and substituting therefor the word "any"; and by inserting at the end of paragraph (c) the words "and with or without obtaining any valuable consideration therefor."

Amendment
of s. 26 *Ibid.*

10. Section twenty-six of the Principal Act is amended by adding thereto the following paragraph:—

Any deficiency in the said reserve fund at the end of any financial year of the bank shall be made good from the Consolidated Revenue Fund upon such deficiency being certified to by the Commissioners.

Amendment
of s. 27 *Ibid.*

11. Section twenty-seven of the Principal Act is repealed and the following section is substituted therefor:—

Branches and
agencies.

27. The Commissioners may establish branches and agencies of the bank in New South Wales or elsewhere.

Amendment
of s. 32 *Ibid.*

12. Section thirty-two of the Principal Act is amended as follows:—Omit the last paragraph and substitute the following paragraphs:—

Control of
officers.

The Commissioners shall control the officers, servants, valuers, and agents of the bank and may make regulations in regard to such officers, servants, valuers, and agents.

Provided that nothing in this section shall affect the powers of the Court of Industrial Arbitration under the Industrial Arbitration Act, 1912, or any Act amending the same.

Amendment
of s. 37 (2)
Ibid.

13. Subsections two and 2A of section thirty-seven of the Principal Act are omitted and the following subsection is substituted therefor:—

Deposits of
minors.

(2) Deposits may be received from minors, but money standing to the credit of the account of a minor shall not be paid to such minor until such minor is able to write: Provided that such money may be paid at any time to the parent or guardian of such minor if the Commissioners are satisfied that such payment is necessary in order to provide for the support or advancement of such minor.

14.

Government Savings Bank (Rural Bank).

14. Section thirty-eight of the Principal Act is amended by adding the words "estates or interests" at the end of paragraph (a).

Amendment
of s. 38 of
Principal
Act.

15. Section 38A of the Principal Act is omitted and the following section is substituted therefor:—

Amendment
of s. 38A
Ibid.

38A. Accounts may be opened by or on behalf of friendly, charitable, or other societies or institutions (including trade unions or industrial unions of employers or employees, or organisations registered or proclaimed under the Commonwealth Conciliation and Arbitration Act, 1904-1920) not carried on for purposes of trade or profit, municipalities and shires, or any Government department:

Deposits of
friendly and
other
societies and
muni-
cipalities.

Provided that in the case of any account opened by or on behalf of any municipality or shire, other than an account opened for the purpose of a sinking fund, the limit of deposit shall be one thousand pounds.

16. Section thirty-nine, subsection one, of the Principal Act is omitted, and the following subsection is substituted therefor:—

Amendment
of s. 39 (1)
Ibid.

39. (1) The Commissioners shall from time to time fix the rate of interest to be paid to depositors and may fix differential rates of interest according to the amount of the deposit. The Commissioners may by regulation fix a maximum sum not exceeding one thousand pounds on which interest shall be paid.

Interest on
deposits.

Provided that interest may be paid on an amount above one thousand pounds standing to the credit of the account of—

- (a) a friendly, charitable, or other society or institution (including a trade union or an industrial union of employers or employees or an organisation registered or proclaimed under the Commonwealth Conciliation and Arbitration Act, 1904-1920) not carried on for trade or profit; or
- (b) the council of any municipality or shire, being an account opened for the purpose of a sinking fund; or
- (c)

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(c) any Government department, but the Commissioners may limit the amount of any such account:

Provided also that the maximum rate of interest shall be paid upon any of the accounts referred to in paragraphs (a), (b), or (c) up to the maximum interest bearing balance fixed by the regulations under this subsection, and above that amount the rate of interest payable shall be a matter of agreement with the Commissioners.

Amendment
of s. 41 (2) of
Principal
Act.

17. Section forty-one, subsection two, of the Principal Act, is amended by omitting the words "in the Bank" and substituting therefor the words "or employees or organisations registered or proclaimed under the Commonwealth Conciliation and Arbitration Act, 1904-1920."

Amendment
of s. 42 *Ibid.*

18. Section forty-two of the Principal Act is omitted and the following section is substituted therefor:—

Funds of
deceased
depositor not
exceeding
£200.

42. (1) Where the amount standing to the credit of a depositor, exclusive of interest, at the date of the death of such depositor does not exceed two hundred pounds, and probate of the will of such depositor or letters of administration of his estate is or are not produced to the Commissioners within such time as they think reasonable, the Commissioners may pay or distribute the said amount, and any interest due thereon, to or among any of the following persons—

- (a) any person who has paid the funeral expenses of the depositor;
- (b) the widow or widower of the depositor;
- (c) the next-of-kin of the depositor;
- (d) the person appearing to the Commissioners to be entitled to take out probate of the will or letters of administration of the estate of the depositor;
- (e) the Public Trustee;
- (f) any creditor of the depositor;
- (g) any person undertaking to maintain the children (whether ex-nuptial or otherwise) of the depositor;
- (h) any child of the depositor (whether ex-nuptial or otherwise).

(2)

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(2) The receipt of any person mentioned in this section shall be a sufficient discharge to the Commissioners in respect of any sum paid to such person and such receipt may be signed by any person who is above the age of fourteen years, and shall be binding on any widow, widower, or next-of-kin, or person appointed as legal representative of the estate of the deceased depositor. Receipt.

(3) If the Commissioners under this section pay money to any person who is afterwards proved not to have been legally entitled thereto, the Commissioners shall not be liable at suit of any person who was so entitled. Indemnity to Commissioners.

But this subsection shall not affect the remedy of the last-mentioned person against the person who received the money.

(4) The provisions of this section shall apply to the delivery of any bonds, debentures, or other securities held by the bank on behalf of a deceased depositor, the face value of which, when added to the balance to the credit of the account of the deceased depositor, does not exceed two hundred pounds. Delivery of securities.

19. Subsection two of section forty-three of the Principal Act is omitted and the following subsection is substituted therefor:— Amendment of s. 43 (2) of Principal Act.

(2) Every depositor shall on every anniversary of the day on which his account was opened produce, or cause to be produced, his pass-book at the office of the bank in which his account is kept, for the purpose of examination and verification. Pass-books.

20. Section forty-seven of the Principal Act is amended as follows:— Amendment of s. 47 Ibid.

In paragraph (a) omit "fifteen" and insert "twenty" and after the words "trading banks in the State" add the words "or Rural Bank Department."

In paragraph (b) (iii) after the words "Government securities" add the words "of the Commonwealth of Australia or"

Omit

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Omit paragraph (b) (iv) and substitute therefor the following:—

(iv) Debentures issued by the Rural Bank Department or Advances for Homes Department; and

In paragraph (b) (v) after the word "debentures" add the words "or mortgages."

At the end of paragraph (b) add the following:—

(vi) upon deposit in the Treasury available at call such sum as the Commissioners shall consider necessary to set aside for the purpose of purchasing debentures from the Rural Bank Department or Advances for Homes Department.

Amendment
of Division 1
of Part VI of
Principal
Act.

21. Division 1 of Part VI of the Principal Act is renumbered and altered to Division 2, Issue of Debentures and Inscribed Stock; and a new Division 1 (sections 48A to 48F) is inserted as follows:—

PART VI.

RURAL BANK DEPARTMENT.

DIVISION 1.—*Powers.*

Commis-
sioners may
carry on
Rural Bank.

48A. The Commissioners shall be empowered to carry on the business of a Rural Bank and for such purpose may—

- (a) acquire, hold, sell, convey, lease, assign and otherwise assure land of any tenure;
- (b) receive money on deposit for a fixed term and pay interest thereon;
- (c) receive deposits to be inscribed as "Deposit Stock" repayable on notice as prescribed and pay interest thereon;
- (d) accept money on current account to be operated on by cheques;
- (e) issue bills and drafts and grant letters of credit;
- (f) discount bills, drafts, and Government securities;
- (g) borrow money;
- (h) grant overdrafts payable on demand, to agricultural, pastoral, rural or primary producers, or to persons carrying on industries

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industries immediately associated with rural pursuits, on the security of land, crops, wool, stock, plant or machinery, personal security, guarantees by co-operative credit societies or rural credit associations, promissory notes, bills of exchange, or any other security approved of by the Commissioners; and

- (i) deposit money in the Treasury or in any trading bank in the State, or in the Savings Bank Department.

48B. The Commissioners shall hold or retain in cash or on current account or on deposit available at not more than six months call twenty per centum of the quarterly average of the moneys held on deposit and on current account.

Deposits to be held in cash.

48C. The operations of the Rural Bank Department, except loans under Division 3 of Part VI of this Act, shall be effected through branches of the bank appointed by the Commissioners for that purpose: Provided that the Commissioners may restrict the classes of operations to be effected at any branch.

Operations to be effected through branches.

48D. The provisions of section forty-two of this Act shall apply to fixed deposits, deposit stock, and current accounts, up to an amount of one hundred pounds.

Sec. 42 to apply to deposits up to £100.

48E. The payment of all moneys due by the Rural Bank Department is guaranteed by the State.

Payment guaranteed.

48F. With the approval of the Governor the operations of the bank may be extended to include the general business of banking; in which event the Commissioners shall not be restricted in any way by the limitations of section 48A (h).

Power to extend operations of bank.

DIVISION 2.—Issue of debentures and inscribed stock.

22. Section forty-nine of the Principal Act is amended as follows:—

Amendment of s. 49 of Principal Act.

Subsection one: By omitting after the word “debentures” the words “in the form of Schedule Two or to the like purport” and by substituting the words “or inscribed stock.”

Subsection

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Subsection two: By inserting after the word "debentures" the words "or inscribed stock."

Amendment
of s. 50 of
Principal
Act.

Amount of
issue.

23. Section fifty of the Principal Act is repealed, and the following section substituted therefor:—

50. The total amount of such debentures and inscribed stock so issued and uncanceled shall not at any time exceed, except with the consent of the Governor, five million pounds.

Amendment
of s. 52 *Ibid.*

Signature.

24. Section fifty-two of the Principal Act is repealed and the following section substituted therefor:—

52. Each debenture shall be signed by the Commissioners or by any one of the Commissioners in pursuance of the powers conferred by section thirteen of this Act, and shall be countersigned by an officer authorised by the Commissioners.

Amendment
of s. 53 *Ibid.*

Amount of
debentures.

25. Section fifty-three of the Principal Act is repealed and the following section is substituted therefor:—

53. Debentures shall be issued and stock inscribed in sums of ten pounds or multiples thereof and shall have such currency and bear such interest as the Commissioners may fix before the issue or inscription thereof.

Amendment
of s. 54 *Ibid.*

26. Section fifty-four of the Principal Act is amended by inserting after the word "debentures" the words "or inscribed stock," and after the words "Savings Bank Department" the words "or Advances for Homes Department," and by adding the following paragraphs (a) and (b):—

(a) The Treasurer is empowered to purchase such debentures or inscribed stock.

(b) At the request of the bearer of a debenture or the holder of inscribed stock the Commissioners may, in lieu thereof, issue to him inscribed stock or debentures as the case may be of the same currency and bearing the same interest.

Amendment
of ss. 56 & 59
Ibid.

27. Sections fifty-six and fifty-nine of the Principal Act are amended by inserting after the word "debentures" wherever occurring the words "and inscribed stock."

28.

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28. Section sixty of the Principal Act is amended by inserting after the word "debentures" the words "or inscribed stock." Amendment of s. 60 of Principal Act.

29. Section sixty-one of the Principal Act is amended by inserting after the word "debentures" the words "and inscribed stock." Amendment of s. 61 *Ibid.*

30. Division 2—Loans, of Part VI of the Principal Act—is renumbered and altered to Division 3—Fixed or amortization loans on mortgage of land. Amendment of Division 2 of Part VI *Ibid.*

DIVISION 3.—FIXED OR AMORTIZATION LOANS.

31. Section sixty-two of the Principal Act is omitted and the following section is substituted therefor :— Amendment of s. 62 *Ibid.*

62. The Commissioners may grant fixed or amortization loans from the Rural Bank Department upon mortgage of— Lending of money on land, holdings or tenures.

(a) an estate in fee simple in any land in the State; or

(b) any holding or tenure under the Crown Lands Acts.

32. Section sixty-three of the Principal Act is omitted and the following section is substituted therefor :— Amendment of s. 63 *Ibid.*

63. (1) The Commissioners may specify the purposes for which a loan may be made, and may vary such purposes. Purposes for which loans may be made.

(2) If in the opinion of the Commissioners a loan granted for a specified purpose has not been applied to such purpose or to some other approved purpose, the Commissioners may cause the borrower's estate and interest in the land, holding or tenure to be sold, and the provisions of sections one hundred and nine to one hundred and fifteen, both inclusive, of the Conveyancing Act, 1919, shall apply to a sale under this section.

33.

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Amendment
of s. 66 of
Principal Act
Repayment
of loan.

33. Section sixty-six of the Principal Act is omitted and the following section is substituted therefor:—

66. (1) Any borrower who is not in arrear with the payment of any instalment or any interest due in respect of his loan, may on any day fixed for the payment of any instalment or interest repay to the Commissioners the whole of his indebtedness or may at any time repay any portion thereof being five pounds or a multiple of five pounds.

(2) Where a portion only of the loan is so repaid, the Commissioners shall allow interest on the amount repaid at a rate to be fixed by them.

Such repayment shall not affect the obligation of the borrower to pay the instalments provided in the mortgage; but when the sum repaid with the interest thereon amounts to the balance of the loan, the Commissioners shall apply such sum in repayment of the loan and discharge the mortgage.

(3) In the case of a fixed loan the amount of such repayment shall be deducted from the amount of the loan, and thereafter interest shall be payable only on the reduced amount.

(4) If a borrower who has made repayments under this section subsequently falls into arrear with his instalments or interest, the Commissioners may apply any money so repaid to meet his overdue instalments or interest.

Amendment
of s. 68 *Ibid.*

34. Section sixty-eight of the Principal Act is omitted and the following section is substituted therefor:—

Amount of
loan and
nature of
security.

68. The following provisions shall apply to fixed or amortization loans:—

- (a) No such loan shall be of less amount than fifty pounds nor more than two thousand pounds to any person.
- (b) No such loan shall be made in respect of any land which is subject to a prior encumbrance, mortgage or charge (other than an encumbrance mortgage or charge in favour of the Commissioners), unless the money to be lent is to be used to pay off such prior encumbrance, mortgage or charge: Provided

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Provided that such loans may be made upon Western lands leases and homestead leases notwithstanding the existence of prior charges in respect of improvements so long as the amount of any such loan, when added to the amount owing or legally claimed in respect of such improvements, does not exceed fifty per centum of the sale value of the security as certified to by the Commissioners of the Western Land Board.

- (c) The amount of any such loan (except a loan under section sixty-four or paragraph (d) of this section) shall not exceed two-thirds of the sale value of the security.
- (d) In the case of holdings under the Crown Lands Acts (other than Western lands leases and homestead leases) in respect of which a certificate of conformity or of fulfilment of conditions has not issued, or which have not had a currency of five years from the date of confirmation, a loan not exceeding five hundred pounds, and not exceeding the value of the improvements effected or to be effected may be made on the guarantee of the Minister for Lands:

Provided that upon completion of the residence and improvement conditions in respect of any such holding the Commissioners, if they are satisfied with the security, may release the Minister for Lands from his guarantee:

Any loss on any loan so guaranteed shall be made good from the Consolidated Revenue Fund upon such loss being certified to by the Commissioners at the end of any financial year of the bank.

This paragraph shall not come into force until the publication of a proclamation by the Governor in the Gazette. Until such publication the Commissioners may make advances upon any such holding not exceeding three-fourths

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three-fourths of the value of the improvements thereon: Provided that any such advance shall not exceed two-thirds of the sale value of the security.

- (e) In the case of Western lands leases (whether they have or have not had a currency of five years from the date of confirmation) and homestead leases, the loan shall not exceed fifty per centum of the estimated sale value of the security as certified by the Commissioners of the Western Land Board subject, however, to the limitations imposed by the proviso to subsection (b) of this section.
- (f) If any interest or instalment on any such loan is in arrear for more than twenty-one days, the Commissioners shall charge the borrower interest on such interest or instalment at a rate one per centum higher than the rate of interest specified in the mortgage.

New section
added after s. 68
of Principal Act.

Power to vary
rate of
interest.

35. The Principal Act is amended by the addition of the following new section:—

68A. In every fixed or amortization loan made after the passing of the Government Savings Bank (Rural Bank) Act, 1920, the Commissioners may vary the rate of interest not more than once in any period of five years and in the case of an amortization loan may alter the instalment accordingly:

Provided that six months notice in writing of any such variation shall be given by the Commissioners addressed to the borrower's last known place of abode.

New division
of Part VI
Ibid.

36. A new Division—4, General, of Part VI of the Principal Act is added to include sections sixty-nine and seventy.

DIVISION 4.—GENERAL.

Amendment
of s. 69
Ibid.

37. Section sixty-nine of the Principal Act is omitted, and the following section is substituted therefor:—

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69. The following provisions shall apply where land in respect of which any loan has been made by the Rural Bank Department is forfeited under the Crown Lands Acts:—

Forfeited
Crown lands
securities.

- (1) Upon forfeiture the land shall vest in the Commissioners for a period not exceeding twelve months from the date of forfeiture.
- (2) Within one month from the date of forfeiture the Minister for Lands (or the Water Conservation and Irrigation Commission if the land is within an Irrigation Area) shall notify the Commissioners in writing whether or not he or it intends to discharge the bank's claim. If the said Minister or the said Commission notifies the Commissioners of his or its intention to discharge the bank's claim, the land, upon receipt by the Commissioners of such notification, shall be divested from the Commissioners, and shall become subject to the provisions of the Crown Lands Acts or the Irrigation Acts (as the case may be) as if a loan had not been made by the bank thereon, and the amount of the said claim shall be paid to the Commissioners in pursuance of such notification by the said Minister or the said Commission before the end of the current financial year.
- (3) If payment of the said loan has been guaranteed by the Minister for Lands under section sixty-eight, paragraph (d), the said Minister upon service of notice in writing upon the Commissioners of his intention so to do, may deal with the land under the Crown Lands Acts as if it had not vested in the Commissioners, or he may require the Commissioners to sell the land.
- (4) Where the Minister for Lands or the said Commission (as the case may be) notifies the Commissioners in accordance with subsection two that he or it does not intend to discharge the bank's claim, or the Minister for Lands requests

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requests the Commissioners to sell the land as provided in subsection three, the Commissioners may sell the land to any person, and the purchaser shall hold the same subject to any conditions prescribed by the Crown Lands Acts which at the date of forfeiture were binding on the former holder but freed from any liability for any breach before such sale of any such conditions, and the purchaser shall have six months from the time of sale for complying with any unfulfilled improvement conditions in relation to the land.

The proceeds of such sale shall be applied in the following order:—

- (i) in payment of any outstanding moneys due under the Crown Lands Acts at the date of forfeiture not exceeding one year's rent or instalment (as the case may be);
- (ii) in satisfaction of the claim of the bank;
- (iii) in payment of any further sum due to the Crown at the date of forfeiture.

Any balance remaining thereafter shall be paid into the Treasury to the credit of the Consolidated Revenue.

Where the proceeds of any such sale upon being so applied are insufficient for payment in full of any such further sum due to the Crown at the date of forfeiture, the balance due to the Crown shall be charged upon the Consolidated Revenue.

- (5) If the Commissioners at any time within the said period of twelve months give notice in writing to the Minister for Lands or the Commission (as the case may be) that they are unable to sell the land the land may be disposed of as Crown land under the Crown Lands Acts and any money received by the Minister for Lands or Irrigation Commission (as the case may be) in respect of the improvements on the land shall, to the extent of the bank's claim, be paid to the Commissioners.

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38. Section seventy of the Principal Act is omitted and the following section is substituted therefor:—

Amendment of s. 70 of Principal Act.

70. The following provisions shall apply in respect of any land subject to a fixed or amortization loan:—

Dealings with land subject to loan.

- (a) Such land, holding or tenure shall not, nor shall any part thereof, be transferred, mortgaged, assigned, let, or sublet without the previous consent in writing of the Commissioners or of some officer appointed by the Commissioners in that behalf.
- (b) Any transfer, mortgage, assignment, letting, or subletting of such land, holding or tenure, or any part thereof, in contravention of this section, shall be void, and the Commissioners may cause the estate and interest in such land, holding, or tenure of any person guilty of any such contravention to be sold.
- (c) Where the owner or lessee of any such land, holding or tenure becomes bankrupt, the Commissioners may cause his estate and interest therein to be sold.

39. Section seventy-five of the Principal Act is hereby repealed.

Repeal of s. 75 *Ibid.*

40. Section 75A of the Principal Act is omitted and the following section is substituted therefor:—

Amendment of s. 75A *Ibid.*

75A. The powers and remedies conferred upon the Commissioners under this Act are not in any way limited or restricted by the provisions of the Crown Lands Acts.

Powers of Commissioners not limited by Crown Lands Acts.

41. The Principal Act is amended by the addition of the following new sections:—

New section 75c.

75c. Notwithstanding anything to the contrary in the Crown Lands Acts or in the regulations made thereunder the consent of the Minister for Lands (or in the case of irrigation farm leases, Wentworth and Hay irrigation leases, the consent of the Water Conservation and Irrigation Commission) shall not be required in connection with the registration of transfers to the Commissioners to secure advances made under this Act, nor shall such consent be required

Consent of Minister for Lands, &c., not required to the registration of certain transfers.

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required in connection with the registration of transfers by way of release of mortgage to the original borrowers.

Crown Lands
Acts not to
affect mort-
gage or
transfer.

75D. Nothing in the Crown Lands Acts shall invalidate or affect any mortgage or transfer given or made under this Act to secure any loan or interest thereon or any remedy for the recovery thereof, and such mortgage or transfer may be given or made, and any sale or foreclosure may be effected thereunder, notwithstanding that the land, holding, or tenure, the subject of the mortgage or transfer, could not by the terms of the said Acts be transferred, assigned, or otherwise dealt with.

Amendment
of s. 76 of
Principal
Act.

42. Section seventy-six of the Principal Act is amended by inserting the words "or Solicitor-General" after the words "Attorney-General" wherever occurring.

Amendment
of s. 83 *Ibid.*

43. Section eighty-three of the Principal Act is amended by the addition thereto of the following paragraph:—

(k) for issuing inscribed stock and deposit stock.

Addition of new
sections to
Principal Act.

44. The Principal Act is amended by the addition of the following new sections:—

Commissioners
may act as
agent of bank.

86. The Commissioners may act as agents in Australia of any bank carrying on business in or outside Australia.

Bank may act
as agent of
Commissioners.

87. The Commissioners may arrange with any other bank to act as the agent of the bank in any place, whether in or outside the State.

Attorney
may be
appointed.

88. The Commissioners may by writing under their seal appoint any person whether in the State or in any place beyond the State to be the attorney of the bank.

Clearing
house.

89. (1) The Commissioners shall be entitled if they so desire to be represented at and take part in the proceedings and transactions of any clearing-house or cheque clearing system in as full and ample manner as any other bank, and all banks represented at or taking part in such proceedings or transactions shall fully recognise the Commissioners and afford them all necessary facilities for transacting their banking business and operations and the exchanges in relation thereto. (2)

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(2) Any bank contravening or permitting the contravention of any of the provisions of this section shall be guilty of an offence and for each such offence shall be liable to a penalty of one hundred pounds.

90. The Commissioners may permit operations on any account in any department by a duly appointed attorney. Attorney may operate on account.

91. A trustee, executor, or administrator may invest or deposit any trust money on deposit or current account in the bank. Deposits by trustees.

92. The Commissioners are empowered to hold for safe custody, on behalf of any depositor, bonds or debentures or other securities of a like nature and may by regulation fix charges for such service. Custody of bonds.

93. All advances heretofore made by the Commissioners upon the security of Western lands leases are hereby validated. Validation of certain advances.

94. Any person who, as security for an advance under this Act— Penalty for non-disclosure.

(a) mortgages any land or chattel which is subject to a charge or encumbrance; or

(b) mortgages any land or chattel of which he is not the owner,

without disclosing to the Commissioners the existence of such charge or encumbrance, or that he is not the owner of such land or chattel, shall be guilty of an offence, and shall be liable to a penalty not exceeding one hundred pounds.

95. (1) Any person who, by word of mouth or in writing, makes a false statement with intent to defraud in connection with any application for a loan under this Act, shall be guilty of an offence, and shall be liable to a penalty not exceeding one hundred pounds. Penalty for false statement.

45. The Government Savings Bank Amendment Act, 1913, is amended as follows:— Amendment of the Government Savings Bank Amendment Act, 1913.

Section three, subsection one: Omit "Advance Department" and insert "Advances for Homes Department."

Sections

Government Savings Bank (Rural Bank).

Sections thirteen, fourteen and fifteen are omitted and the following sections are substituted therefor:—

Application
of sections of
Principal
Act.

13. The provisions of sections sixty-six and of paragraphs (b) and (f) of section sixty-eight, and sections 68A, sixty-nine, seventy, seventy-one, seventy-three, seventy-seven to eighty-five inclusive, ninety, ninety-four and ninety-five of the Principal Act, shall apply to loans made under this Part.

Application
of provisions
of Principal
Act to
debentures.

14. The provisions of Division 2 of Part VI of the Principal Act shall apply mutatis mutandis to the issue of debentures by the Advances for Homes Department.

Reserve
Fund.

15. The Commissioners shall set apart the net profits earned by the Advances for Homes Department during any year towards a reserve fund for meeting any loss or deficiency in connection with the transactions of the said department, and shall invest such fund in deposits with trading banks or the Rural Bank Department or the Treasury or in any of the investments provided for in section forty-seven, paragraph (b) (iii) and (v) of the Principal Act or in debentures issued by the Rural Bank Department.

Any deficiency in such fund at the end of any financial year of the bank shall be made good from the Consolidated Revenue Fund upon such deficiency being certified to by the Commissioners.

Section twenty is omitted and the following section is substituted therefor:—

Power to
invest money
repaid.

20. Upon repayment of any moneys loaned from the Rural Bank Department or Advances for Homes Department the Commissioners are empowered to invest the same until required for redemption of debentures and inscribed stock sold under the Principal Act in deposits with the Treasury, trading banks, the Rural Bank

Government Savings Bank (Rural Bank).

Bank Department or the Savings Bank Department, or in any of the class of investment provided for in paragraph (b) (iii), (iv), and (v) of section forty-seven of the Principal Act.

46. Section seventeen of the Savings Banks Amalgamation Act, 1914, is repealed:

Provided that the guarantee given by the Crown under subsection three thereof shall continue in force until all advances made under the provisions of this section, with interest thereon, are repaid.

Amendment
of s. 17 of the
Savings
Banks
Amalgama-
tion Act,
1914.

*In the name and on behalf of His Majesty I assent
to this Act.*

W. E. DAVIDSON,
Governor.
Government House,
Sydney, 31st December, 1920.

This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

W. S. MOWLE,
Clerk of the Legislative Assembly.
Legislative Assembly Chamber,
Sydney, 16 December, 1920, A.M.

New South Wales.



ANNO UNDECIMO

GEORGI V REGIS.

Act No. , 1920.

An Act to provide for the establishment and the carrying on of a Rural Bank Department of the Government Savings Bank; to make better provision for financing farmers; to make further provision for the management of the Government Savings Bank; to repeal the Valuation of Land Act, 1916, so far as concerns the Government Savings Bank of New South Wales in respect to Valuations for Loans and Investments; to amend the Government Savings Bank Act, 1906, the Acts amending the same, and certain other Acts; and for purposes consequent thereon or incidental thereto.

Government Savings Bank (Rural Bank).

BE it enacted by the King's Most Excellent Majesty,
by and with the advice and consent of the Legis-
lative Council and Legislative Assembly of New South
Wales in Parliament assembled, and by the authority of
5 the same, as follows:—

1. This Act may be cited as the “Government Savings Bank (Rural Bank) Act, 1920,” and shall be construed with the Government Savings Bank Act, 1906 (hereinafter referred to as the Principal Act), as
10 amended by the Government Savings Bank Amendment Act, 1913, the Savings Banks Amalgamation Act, 1914, and the Government Savings Bank Amendment Act, 1914.

2. Section three of the Principal Act is repealed and
15 the following section substituted therefor:—

Short title.

Amendment
of s. 3 of the
Principal
Act.

3. This Act is divided into the following Parts:—

PART I.—PRELIMINARY—ss. 1-5.

PART II.—THE COMMISSIONERS—ss. 6-13.

20 PART III.—TRANSFER OF ASSETS AND LIABILITIES—ss. 14-21.

DIVISION 1.—*Savings Bank Department*—
ss. 14, 15.

DIVISION 2.—*Rural Bank Department*—
ss. 16-21.

25 PART IV.—ADMINISTRATION OF THE BANK—
ss. 22-36.

PART V.—SAVINGS BANK DEPARTMENT—ss.
37-48.

DIVISION 1.—*Deposits*—ss. 37-44.

30 DIVISION 2.—*Borrowing*—ss. 45-46.

DIVISION 3.—*Investments*—ss. 47-48.

PART VI.—RURAL BANK DEPARTMENT—ss.
48A-70.

DIVISION 1.—*Powers*—ss. 48A-48F.

DIVISION

Government Savings Bank (Rural Bank).

DIVISION 2.—*Issue of debentures and inscribed stock*—ss. 49-61.

DIVISION 3.—*Fixed or amortization loans*—ss. 62-68A.

5 DIVISION 4.—*General*—ss. 69-70.

PART VII.—SUPPLEMENTAL—ss. 71-95.

3. (1) The Government Savings Bank Amendment Repeal Act, 1920, is repealed.

(2) The Valuation of Land Act, 1916, is repealed
10 so far as the same provides that valuations appearing in the valuation rolls shall be used for the purpose of loans and investments on mortgage of land by or on behalf of the bank.

4. Unless the context otherwise requires, the
15 expression "Rural Bank Department" shall be substituted for the expression "Advance Department" wherever occurring in the Principal Act.

"Rural Bank Department" substituted for "Advance Department."

5. Section five of the Principal Act is repealed and the following section is substituted therefor:—

Amendment of s. 5 of Principal Act.

20 5. In this Act unless the context otherwise requires,—

Definitions.

"Advances to Settlers Acts" means the Advances to Settlers Act, 1899, the Advances to Settlers (Amendment) Act, 1901, and the Advances to Settlers (Amendment) Act, 1902.

25 "Advances to settlers board" means the board constituted by the Advances to Settlers Act, 1899.

30 "Amortization loan" means a loan secured by mortgage repayable with interest by equal instalments.

"Bank" means the bank constituted by this Act.

35 "Certificated conditional purchase" means conditional purchase as to which all conditions have been fulfilled except payment of the balance of purchase money.

"Commissioners"

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- “Commissioners” means Commissioners of the bank.
- “Crops” includes every kind of agricultural produce, vegetable, or fruit.
- 5 “Crown Lands Acts” includes the Western Lands Act, 1901, the Wentworth Irrigation Act, the Hay Irrigation Act, 1902, the Closer Settlement Act, 1904, the Irrigation Act, 1912, and any Acts amending or consolidating the same.
- 10 “Fixed loan” in Part VI means a loan on mortgage granted for a fixed term of years during which interest only is payable.
- “President” means President of the bank.
- 15 “Regulation” means regulation under this Act.
- “Treasurer” means Colonial Treasurer.
- 6.** Section thirteen of the Principal Act is repealed and the following section is substituted therefor:— Amendment of s. 13 *Ibid.*
- 20 13. (1) The Commissioners may, by writing under their seal, declare that any acts of a specified class performed by any one Commissioner, and any documents of a specified class sealed or signed by one Commissioner, shall be of the same effect as if performed, sealed, or signed by the Commissioners. Acts done by one Commissioner.
- 25 (2) Any such declaration shall have the force of law.
- (3) Any such declaration shall be revocable by the Commissioners by writing under their seal; and no such declaration shall prevent the exercise
- 30 of any power by the Commissioners.
- (4) Every such declaration and revocation shall be notified in the Gazette.
- 7.** Sections sixteen and seventeen of the Principal Act are repealed and the following sections are Amendment of ss. 16 & 17 *Ibid.*
- 35 substituted therefor:—

DIVISION 2.—Rural Bank Department.

16. The assets and liabilities of the Advance Department and of the Irrigation Department shall be transferred to the Rural Bank Department. Transfer of assets and liabilities.

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17. (1) The indebtedness of the Advances for Homes Department to the Advance Department shall be undertaken by the Advances for Homes Department. Advance Department to undertake indebtedness.

5 (2) The Advances for Homes Department shall issue debentures to the Savings Bank Department for the indebtedness so undertaken and a similar amount of Advance Department debentures held by the Savings Bank Department shall be
10 cancelled.

8. Section twenty-three of the Principal Act is repealed and the following section is substituted therefor:— Amendment of s. 23 of Principal Act.

23. (1) The business of the bank shall be carried on in three distinct and separate departments, Departments of bank.
15 namely—

- (a) the Savings Bank Department;
- (b) the Rural Bank Department;
- (c) the Advances for Homes Department.

20 (2) Transactions and accounts relating to each department shall be kept separate from those relating to the other departments.

(3) No money belonging to any department shall be used for the purpose of any other department, and no liability incurred in respect of any department shall affect any other department or the funds thereof:

25 Provided that money to the credit of the Savings Bank Department at any branch may be used for the purposes of the Rural Bank Department; and money to the credit of the Rural Bank Department or Advances for Homes Department at any branch may be used for the purposes of the Savings Bank Department subject to monthly adjustments
30 between the respective departments.

35 Provided further that the same officers may be employed in carrying on the operations of any of the said departments, but the cost of administration shall be equitably apportioned by the Commissioners
40 between the respective departments.

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9. Section twenty-four of the Principal Act is ^{Amendment} amended by omitting the word "either" in paragraph (b) ^{of s. 24 of} and substituting therefor the word "any"; and by ^{Principal} inserting at the end of paragraph (c) the words "with ^{Act.} 5 or without obtaining any valuable consideration therefor, and "

10. Section twenty-six of the Principal Act is ^{Amendment} amended by adding thereto the following paragraph:— ^{of s. 26 Ibid.}

Any deficiency in the said Reserve Fund at the 10 end of any financial year of the bank shall be made good from the Consolidated Revenue Fund upon such deficiency being certified to by the Commissioners.

11. Section twenty-seven of the Principal Act is ^{Amendment} repealed and the following section is substituted there- ^{of s. 27 Ibid.} 15 for:—

27. The Commissioners may establish branches ^{Branches and} and agencies of the bank in New South Wales or ^{agencies.} elsewhere.

12. Section thirty-two of the Principal Act is ^{Amendment} amended as follows:—Omit the last paragraph and sub- ^{of s. 32 Ibid.} 20 stitute the following paragraphs:—

The Commissioners shall control the officers, ^{Control of} servants, valuers, and agents of the bank and may ^{officers.} 25 make regulations in regard to such officers, servants, valuers, and agents.

Provided that nothing in this section shall affect the powers of the Court of Industrial Arbitration under the Industrial Arbitration Act, 1912, or any Act amending the same.

30 **13.** Subsections two and 2A of section thirty-seven ^{Amendment} of the Principal Act are omitted and the following sub- ^{of s. 37 (2)} section is substituted therefor:— ^{Ibid.}

(2) Deposits may be received from minors, but ^{Deposits of} money standing to the credit of the account of a ^{minors.} 35 minor shall not be paid to such minor until such minor is able to write: Provided that such money may be paid at any time to the parent or guardian of such minor if the Commissioners are satisfied that such payment is necessary in order to provide 40 for the support or advancement of such minor.

14.

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14. Section thirty-eight of the Principal Act is amended by adding the words "estates or interests" at the end of paragraph (a).

Amendment
of s. 38 of
Principal
Act.

15. Section 38A of the Principal Act is omitted and the following section is substituted therefor:—

Amendment
of s. 38A
Ibid.

38A. Accounts may be opened by or on behalf of friendly, charitable, or other societies or institutions (including trade unions or industrial unions of employers or employees, or organisations registered or proclaimed under the Commonwealth Conciliation and Arbitration Act, 1904–1920) not carried on for purposes of trade or profit, municipalities and shires, or any Government department:

Deposits of
friendly and
other
societies and
muni-
cipalities.

Provided that in the case of any account opened by or on behalf of any municipality or shire, other than an account opened for the purpose of a sinking fund, the limit of deposit shall be one thousand pounds.

16. Section thirty-nine, subsection one, of the Principal Act is omitted, and the following subsection is substituted therefor:—

Amendment
of s. 39 (1)
Ibid.

39. (1) The Commissioners shall from time to time fix the rate of interest to be paid to depositors and may fix differential rates of interest according to the amount of the deposit. The Commissioners may by regulation fix a maximum sum not exceeding one thousand pounds on which interest shall be paid.

Interest on
deposits.

Provided that interest may be paid on an amount above one thousand pounds standing to the credit of the account of—

(a) a friendly, charitable, or other society or institution (including a trade union or an industrial union of employers or employees or an organisation registered or proclaimed under the Commonwealth Conciliation and Arbitration Act, 1904–1920) not carried on for trade or profit; or

(b) the council of any municipality or shire, being an account opened for the purpose of a sinking fund; or

(c)

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(c) any Government department,
but the Commissioners may limit the amount of
any such account:

5 Provided also that the maximum rate of interest
shall be paid upon any of the accounts referred
to in paragraphs (a), (b), or (c) up to the
maximum interest bearing balance fixed by the
regulations under this subsection, and above that
10 amount the rate of interest payable shall be a
matter of agreement with the Commissioners.

17. Section forty-one, subsection two, of the
Principal Act, is amended by omitting the words "in
the Bank" and substituting therefor the words "or
employees or organisations registered or proclaimed
15 under the Commonwealth Conciliation and Arbitration
Act, 1904-1920."
Amendment
of s. 41 (2) of
Principal
Act.

18. Section forty-two of the Principal Act is omitted
and the following section is substituted therefor:—
Amendment
of s. 42 *Ibid.*

20 42. (1) Where the amount standing to the credit
of a depositor, exclusive of interest, at the date of
the death of such depositor does not exceed two
hundred pounds, and probate of the will of such
depositor or letters of administration of his estate
is or are not produced to the Commissioners within
25 such time as they think reasonable, the Commis-
sioners may pay or distribute the said amount, and
any interest due thereon, to or among any of the
following persons—
Funds of
deceased
depositor not
exceeding
£200.

- 30 (a) any person who has paid the funeral expenses
of the depositor;
(b) the widow or widower of the depositor;
(c) the next-of-kin of the depositor;
(d) the person appearing to the Commissioners
35 to be entitled to take out probate of the will
or letters of administration of the estate of
the depositor;
(e) the Public Trustee;
(f) any creditor of the depositor;
(g) any person undertaking to maintain the
30 children (whether ex-nuptial or otherwise)
of the depositor;
(h) any child of the depositor (whether ex-
nuptial or otherwise). (2)

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(2) The receipt of any person mentioned in this section shall be a sufficient discharge to the Commissioners in respect of any sum paid to such person and such receipt may be signed by any person who is above the age of fourteen years, and shall be binding on any widow, widower, or next-of-kin, or person appointed as legal representative of the estate of the deceased depositor.

(3) If the Commissioners under this section pay money to any person who is afterwards proved not to have been legally entitled thereto, the Commissioners shall not be liable at suit of any person who was so entitled.

But this subsection shall not affect the remedy of the last-mentioned person against the person who received the money.

(4) The provisions of this section shall apply to the delivery of any bonds, debentures, or other securities held by the bank on behalf of a deceased depositor, the face value of which, when added to the balance to the credit of the account of the deceased depositor, does not exceed two hundred pounds.

19. Subsection two of section forty-three of the Principal Act is omitted and the following subsection is substituted therefor:—

(2) Every depositor shall on every anniversary of the day on which his account was opened produce, or cause to be produced, his pass-book at the office of the bank in which his account is kept, for the purpose of examination and verification.

20. Section forty-seven of the Principal Act is amended as follows:—

In paragraph (a) omit "fifteen" and insert "twenty" and after the words "trading banks in the State" add the words "or Rural Bank Department."

In paragraph (b) (iii) after the words "Government securities" add the words "of the Commonwealth of Australia or"

Omit

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Omit paragraph (b) (iv) and substitute therefor the following :—

(iv) Debentures issued by the Rural Bank Department or Advances for Homes Department; and

In paragraph (b) (v) after the word “debentures” add the words “or mortgages.”

At the end of paragraph (b) add the following :—

(vi) upon deposit in the Treasury available at call such sum as the Commissioners shall consider necessary to set aside for the purpose of purchasing debentures from the Rural Bank Department or Advances for Homes Department.

21. Division 1 of Part VI of the Principal Act is renumbered and altered to Division 2, Issue of Debentures and Inscribed Stock; and a new Division 1 (sections 48A to 48G) is inserted as follows :—

Amendment of Division 1 of Part VI of Principal Act.

PART VI.

RURAL BANK DEPARTMENT.

DIVISION 1.—*Powers.*

48A. The Commissioners shall be empowered to carry on the business of a Rural Bank and for such purpose may—

Commissioners may carry on Rural Bank.

- (a) acquire, hold, sell, convey, lease, assign and otherwise assure land of any tenure;
- (b) receive money on deposit for a fixed term and pay interest thereon;
- (c) receive deposits to be inscribed as “Deposit Stock” repayable on notice as prescribed and pay interest thereon;
- (d) accept money on current account to be operated on by cheques;
- (e) issue bills and drafts and grant letters of credit;
- (f) discount bills, drafts, and Government securities;
- (g) borrow money;
- (h) grant overdrafts payable on demand, to agricultural, pastoral, rural or primary producers, or to persons carrying on industries

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5 industries immediately associated with rural pursuits, on the security of land, crops, wool, stock, plant or machinery, personal security, guarantees by co-operative credit societies or rural credit associations, promissory notes, bills of exchange, or any other security approved of by the Commissioners; and

10 (i) deposit money in the Treasury or in any trading bank in the State, or in the Savings Bank Department.

15 48B. The Commissioners shall hold or retain in cash or on current account or on deposit available at not more than six months call twenty per centum of the quarterly average of the moneys held on deposit and on current account. Deposits to be held in cash.

20 48c. The operations of the Rural Bank Department, except loans under Division 3 of Part VI of this Act, shall be effected through branches of the bank appointed by the Commissioners for that purpose: Provided that the Commissioners may restrict the classes of operations to be effected at any branch. Operations to be effected through branches.

25 48D. The provisions of section forty-two of this Act shall apply to fixed deposits, deposit stock, and current accounts, up to an amount of one hundred pounds. Sec. 42 to apply to deposits up to £100.

30 48E. The payment of all moneys due by the Rural Bank Department is guaranteed by the State. Payment guaranteed.

48F. With the approval of the Governor the operations of the bank may be extended to include the general business of banking; in which event the Commissioners shall not be restricted in any way by the limitations of section 48A (h). Power to extend operations of bank.

35 DIVISION 2.—*Issue of debentures and inscribed stock.*

22. Section forty-nine of the Principal Act is amended as follows:— Amendment of s. 49 of Principal Act.

40 Subsection one: By omitting after the word “debentures” the words “in the form of Schedule Two or to the like purport” and by substituting the words “or inscribed stock.” Subsection

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Subsection two: By inserting after the word
“debentures” the words “or inscribed stock.”

23. Section fifty of the Principal Act is repealed, Amendment
and the following section substituted therefor:— of s. 50 of
Principal
Act.

5 **50.** The total amount of such debentures and
inscribed stock so issued and uncanceled shall not Amount of
at any time exceed, except with the consent of the issue.
Governor, five million pounds.

24. Section fifty-two of the Principal Act is repealed Amendment
10 and the following section substituted therefor:— of s. 52 *Ibid.*

52. Each debenture shall be signed by the Com- Signature.
missioners or by any one of the Commissioners in
pursuance of the powers conferred by section
thirteen of this Act, and shall be countersigned
15 by an officer authorised by the Commissioners.

25. Section fifty-three of the Principal Act is Amendment
repealed and the following section is substituted there- of s. 53 *Ibid.*
for:—

20 **53.** Debentures shall be issued and stock inscribed Amount of
in sums of ten pounds or multiples thereof and debentures.
shall have such currency and bear such interest as
the Commissioners may fix before the issue or
inscription thereof.

26. Section fifty-four of the Principal Act is amended Amendment
25 by inserting after the word “debentures” the words of s. 54 *Ibid.*
“or inscribed stock,” and after the words “Savings
Bank Department” the words “or Advances for Homes
Department,” and by adding the following paragraphs
• (a) and (b):—

30 (a) The Treasurer is empowered to purchase such
debentures or inscribed stock.

35 (b) At the request of the bearer of a debenture or
the holder of inscribed stock the Commissioners
may, in lieu thereof, issue to him inscribed stock
or debentures as the case may be of the same
currency and bearing the same interest.

27. Sections fifty-six and fifty-nine of the Principal Amendment
Act are amended by inserting after the word “deben- of ss. 56 & 59
tures” wherever occurring the words “and inscribed *Ibid.*
40 stock.”

28.

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28. Section sixty of the Principal Act is amended by inserting after the word "debentures" the words "or inscribed stock." Amendment of s. 60 of Principal Act.

29. Section sixty-one of the Principal Act is amended by inserting after the word "debentures" the words "and inscribed stock." Amendment of s. 61 *Ibid.*

30. Division 2—Loans, of Part VI of the Principal Act—is renumbered and altered to Division 3—Fixed or amortization loans on mortgage of land. Amendment of Division 2 of Part VI *Ibid.*

DIVISION 3.—FIXED OR AMORTIZATION LOANS.

31. Section sixty-two of the Principal Act is omitted and the following section is substituted therefor :— Amendment of s. 62 *Ibid.*

62. The Commissioners may grant fixed or amortization loans from the Rural Bank Department upon mortgage of— Lending of money on land, holdings or tenures.

(a) an estate in fee simple in any land in the State; or

(b) any holding or tenure under the Crown Lands Acts.

32. Section sixty-three of the Principal Act is omitted and the following section is substituted therefor :— Amendment of s. 63 *Ibid.*

63. (1) The Commissioners may specify the purposes for which any loan may be made, and may vary such purposes.

(2) If in the opinion of the Commissioners a loan granted for a specified purpose has not been applied to such purpose or to some other approved purpose, the Commissioners may cause the borrower's estate and interest in the land, holding or tenure to be sold, and the provisions of sections one hundred and nine to one hundred and fifteen, both inclusive, of the Conveyancing Act, 1919, shall apply to a sale under this section. Purposes for which loans may be made.

33.

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33. Section sixty-six of the Principal Act is omitted and the following section is substituted therefor :—

Amendment
of s. 66 of
Principal Act
Repayment
of loan.

5 66. (1) Any borrower who is not in arrear with the payment of any instalment or any interest due in respect of his loan, may on any day fixed for the payment of any instalment or interest repay to the Commissioners the whole of his indebtedness or may at any time repay any portion thereof being five pounds or a multiple of five pounds.

10 (2) Where a portion only of the loan is so repaid, the Commissioners shall allow interest on the amount repaid at a rate to be fixed by them.

15 Such repayment shall not affect the obligation of the borrower to pay the instalments provided in the mortgage; but when the sum repaid with the interest thereon amounts to the balance of the loan, the Commissioners shall apply such sum in repayment of the loan and discharge the mortgage.

20 (3) In the case of a fixed loan the amount of such repayment shall be deducted from the amount of the loan, and thereafter interest shall be payable only on the reduced amount.

25 (4) If a borrower who has made repayments under this section subsequently falls into arrear with his instalments or interest, the Commissioners may apply any money so repaid to meet his overdue instalments or interest.

34. Section sixty-eight of the Principal Act is omitted and the following section is substituted therefor :—

Amendment
of s. 68 *Ibid.*

68. The following provisions shall apply to fixed or amortization loans :—

Amount of
loan and
nature of
security.

35 (a) No such loan shall be of less amount than fifty pounds nor more than two thousand pounds to any person.

40 (b) No such loan shall be made in respect of any land which is subject to a prior encumbrance, mortgage or charge (other than an encumbrance mortgage or charge in favour of the Commissioners), unless the money to be lent is to be used to pay off such prior encumbrance, mortgage or charge: Provided

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5 Provided that such loans may be made
 upon Western lands leases and homestead
 leases notwithstanding the existence of prior
 charges in respect of improvements so long
 as the amount of any such loan, when added
 to the amount owing or legally claimed in
 respect of such improvements, does not
 exceed fifty per centum of the sale value of
 the security as certified to by the Commis-
10 sioners of the Western Land Board.

(c) The amount of any such loan (except a loan
under section sixty-four or paragraph (d) of
this section) shall not exceed two-thirds of
the sale value of the security.

15 (d) In the case of holdings under the Crown
 Lands Acts (other than Western lands leases
 and homestead leases) in respect of which a
 certificate of conformity or of fulfilment of
 conditions has not issued, or which have not
20 had a currency of five years from the date
 of confirmation, a loan not exceeding five
 hundred pounds, and not exceeding the value
 of the improvements effected or to be effected
 may be made on the guarantee of the Minister
25 for Lands :

 Provided that upon completion of the
 residence and improvement conditions in
 respect of any such holding the Commis-
30 sioners, if they are satisfied with the
 security, may release the Minister for Lands
 from his guarantee :

 Any loss on any loan so guaranteed
 shall be made good from the Consolidated
35 Revenue Fund upon such loss being certified
 to by the Commissioners at the end of any
 financial year of the bank.

 This paragraph shall not come into force
 until the publication of a proclamation by
40 the Governor in the Gazette. Until such
 publication the Commissioners may make
 advances upon any such holding not exceeding
 three-fourths

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three-fourths of the value of the improvements thereon: Provided that any such advance shall not exceed two-thirds of the sale value of the security.

5 (e) In the case of Western lands leases (whether they have or have not had a currency of five years from the date of confirmation) and homestead leases, the loan shall not
10 exceed fifty per centum of the estimated sale value of the security as certified by the Commissioners of the Western Land Board subject, however, to the limitations imposed by the proviso to subsection (b) of this section.

15 (f) If any interest or instalment on any such loan is in arrear for more than twenty-one days, the Commissioners shall charge the borrower interest on such interest or instalment at a rate one per centum higher than the rate
20 of interest specified in the mortgage.

35. The Principal Act is amended by the addition of the following new section:—

68A. In every fixed or amortization loan made after the passing of the Government Savings Bank (Rural Bank) Act, 1920, the Commissioners may
25 vary the rate of interest not more than once in any period of five years and in the case of an amortization loan may alter the instalment accordingly:

30 Provided that six months notice in writing of any such variation shall be given by the Commissioners addressed to the borrower's last known place of abode.

36. A new Division—4, General, of Part VI of the Principal Act is added to include sections sixty-nine and
35 seventy.

DIVISION 4.—GENERAL.

37. Section sixty-nine of the Principal Act is omitted, and the following section is substituted there-
for:—

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69. The following provisions shall apply where ^{Forfeited Crown Lands securities.} land in respect of which any loan has been made by the Rural Bank Department is forfeited under the Crown Lands Acts :—

- 5 (1) Upon forfeiture the land shall vest in the Commissioners for a period not exceeding twelve months from the date of forfeiture.
- 10 (2) Within one month from the date of forfeiture the Minister for Lands (or the Water Conservation and Irrigation Commission if the land is within an Irrigation Area) shall notify the Commissioners in writing whether or not he or it intends to discharge the bank's claim. If the said Minister or the said Commission notifies the Commissioners of his or its intention to discharge the bank's claim, the land, upon receipt by the Commissioners of such notification, shall be divested from the Commissioners, and shall become subject to the provisions of the Crown Lands Acts or the Irrigation Acts (as the case may be) as if a loan had not been made by the bank thereon, and the amount of the said claim shall be paid to the Commissioners in pursuance of such notification by the said Minister or the said Commission before the end of the current financial year.
- 20 (3) If payment of the said loan has been guaranteed by the Minister for Lands under section sixty-eight, paragraph (d), the said Minister upon service of notice in writing upon the Commissioners of his intention so to do, may deal with the land under the Crown Lands Acts as if it had not vested in the Commissioners, or he may require the Commissioners to sell the land.
- 25 (4) Where the Minister for Lands or the said Commission (as the case may be) notifies the Commissioners in accordance with subsection two that he or it does not intend to discharge the bank's claim, or the Minister for Lands
- 30
- 35
- 40

Government Savings Bank (Rural Bank).

- 5 requests the Commissioners to sell the land
as provided in subsection three, the Commis-
sioners may sell the land to any person, and
the purchaser shall hold the same subject to
any conditions prescribed by the Crown
Lands Acts which at the date of forfeiture
were binding on the former holder but freed
from any liability for any breach before such
10 sale of any such conditions, and the purchaser
shall have six months from the time of sale
for complying with any unfulfilled improve-
ment conditions in relation to the land.
- The proceeds of such sale shall be applied in the
following order :—
- 15 (i) in payment of any outstanding moneys
due under the Crown Lands Acts at the
date of forfeiture not exceeding one
year's rent or instalment (as the case
may be) ;
- 20 (ii) in satisfaction of the claim of the bank ;
(iii) in payment of any further sum due to
the Crown at the date of forfeiture.
- Any balance remaining thereafter shall be paid
into the Treasury to the credit of the
25 Consolidated Revenue.
- Where the proceeds of any such sale upon being
so applied are insufficient for payment in full
of any such further sum due to the Crown
at the date of forfeiture, the balance due
30 to the Crown shall be charged upon the
Consolidated Revenue.
- (5) If the Commissioners at any time within the
said period of twelve months give notice in
writing to the Minister for Lands or the
35 Commission (as the case may be) that they
are unable to sell the land the land may
be disposed of as Crown land under the
Crown Lands Acts and any money received
by the Minister for Lands or Irrigation
40 Commission (as the case may be) in respect
of the improvements on the land shall, to
the extent of the bank's claim, be paid to
the Commissioners.

Government Savings Bank (Rural Bank).

38. Section seventy of the Principal Act is omitted and the following section is substituted therefor:—

Amendment
of s. 70 of
Principal Act.

70. The following provisions shall apply in respect of any land subject to a fixed or amortization loan:—

Dealings with
land subject
to loan.

(a) Such land, holding or tenure shall not, nor shall any part thereof, be transferred, mortgaged, assigned, let, or sublet without the previous consent in writing of the Commissioners or of some officer appointed by the Commissioners in that behalf.

(b) Any transfer, mortgage, assignment, letting, or subletting of such land, holding or tenure, or any part thereof, in contravention of this section, shall be void, and the Commissioners may cause the estate and interest in such land, holding, or tenure of any person guilty of any such contravention to be sold.

(c) Where the owner or lessee of any such land, holding or tenure becomes bankrupt, the Commissioners may cause his estate and interest therein to be sold.

39. Section seventy-five of the Principal Act is hereby repealed.

Repeal of
s. 75 *Ibid.*

40. Section 75A of the Principal Act is omitted and the following section is substituted therefor:—

Amendment of
s. 75A *Ibid.*

75A. The powers and remedies conferred upon the Commissioners under this Act are not in any way limited or restricted by the provisions of the Crown Lands Acts.

Powers of
Commissioners
not limited by
Crown Lands
Acts.

41. The Principal Act is amended by the addition of the following new sections:—

New section
75C.

75c. Notwithstanding anything to the contrary in the Crown Lands Acts or in the regulations made thereunder the consent of the Minister for Lands (or in the case of irrigation farm leases, Wentworth and Hay irrigation leases, the consent of the Water Conservation and Irrigation Commission) shall not be required in connection with the registration of transfers to the Commissioners to secure advances made under this Act, nor shall such consent be required

Consent of
Minister for
Lands, &c.,
not required
to the regis-
tration of cer-
tain transfers.

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required in connection with the registration of transfers by way of release of mortgage to the original borrowers.

- 5 75D. Nothing in the Crown Lands Acts shall
invalidate or affect any mortgage or transfer given
or made under this Act to secure any loan or
interest thereon or any remedy for the recovery
thereof, and such mortgage or transfer may be given
or made, and any sale or foreclosure may be effected
10 thereunder, notwithstanding that the land, holding,
or tenure, the subject of the mortgage or transfer,
could not by the terms of the said Acts be trans-
ferred, assigned, or otherwise dealt with.

Crown Lands
Acts not to
affect mort-
gage or
transfer.

- 15 **42.** Section seventy-six of the Principal Act is
amended by inserting the words "or Solicitor-General"
after the words "Attorney-General" wherever occurring.

Amendment
of s. 76 of
Principal
Act.

- 43.** Section eighty-three of the Principal Act is
amended by the addition thereto of the following
paragraph:—
20 (k) for issuing inscribed stock and deposit stock.

Amendment
of s. 83 *Ibid.*

- 44.** The Principal Act is amended by the addition
of the following new sections:—

Addition of new
sections to
Principal Act.

- 25 86. The Commissioners may act as agents in
Australia of any bank carrying on business in or
outside Australia.

Commissioners
may act as
agent of bank.

87. The Commissioners may arrange with any
other bank to act as the agent of the bank in any
place, whether in or outside the State.

Bank may act
as agent of
Commissioners.

- 30 88. The Commissioners may by writing under
their seal appoint any person whether in the State
or in any place beyond the State to be the attorney
of the bank.

Attorney
may be
appointed.

- 35 89. (1) The Commissioners shall be entitled if
they so desire to be represented at and take part in
the proceedings and transactions of any clearing-
house or cheque clearing system in as full and ample
manner as any other bank, and all banks repre-
sented at or taking part in such proceedings
or transactions shall fully recognise the Com-
missioners and afford them all necessary facilities
40 for transacting their banking business and operations
and the exchanges in relation thereto.

Clearing
house.

(2)

Government Savings Bank (Rural Bank).

(2) Any bank contravening or permitting the contravention of any of the provisions of this section shall be guilty of an offence and for each such offence shall be liable to a penalty of one hundred pounds.

90. The Commissioners may permit operations on any account in any department by a duly appointed attorney. Attorney may operate on account.

91. A trustee, executor, or administrator may invest or deposit any trust money on deposit or current account in the bank. Deposits by trustees.

92. The Commissioners are empowered to hold for safe custody, on behalf of any depositor, bonds or debentures or other securities of a like nature and may by regulation fix charges for such service. Custody of bonds.

93. All advances heretofore made by the Commissioners upon the security of Western lands leases are hereby validated. Validation of certain advances.

94. Any person who, as security for an advance under this Act— Penalty for non-disclosure.

(a) mortgages any land or chattel which is subject to a charge or encumbrance; or

(b) mortgages any land or chattel of which he is not the owner,

without disclosing to the Commissioners the existence of such charge or encumbrance, or that he is not the owner of such land or chattel, shall be guilty of an offence, and shall be liable to a penalty not exceeding one hundred pounds.

95. (1) Any person who, by word of mouth or in writing, makes a false statement with intent to defraud in connection with any application for a loan under this Act, shall be guilty of an offence, and shall be liable to a penalty not exceeding one hundred pounds. Penalty for false statement.

45. The Government Savings Bank Amendment Act, 1913, is amended as follows:—

Section three, subsection one: Omit "Advance Department" and insert "Advances for Homes Department."

Sections

Government Savings Bank (Rural Bank).

Sections thirteen, fourteen and fifteen are omitted and the following sections are substituted therefor:—

5 13. The provisions of sections sixty-six and of paragraphs (b) and (f) of section sixty-eight, and sections 68A, sixty-nine, seventy, seventy-one, seventy-three, seventy-seven to eighty-five inclusive, ninety, ninety-four and ninety-five of the Principal Act, shall apply to loans made under this Part. Application of sections of Principal Act.

10 14. The provisions of Division 2 of Part VI of the Principal Act shall apply mutatis mutandis to the issue of debentures by the Advances for Homes Department. Application of provisions of Principal Act to debentures.

15 15. The Commissioners shall set apart the net profits earned by the Advances for Homes Department during any year towards a reserve fund for meeting any loss or deficiency in connection with the transactions of the said department, and shall invest such fund in deposits with trading banks or the Rural Bank Department or the Treasury or in any of the investments provided for in section forty-seven, paragraph (b) (iii) and (v) of the Principal Act or in debentures issued by the Rural Bank Department. Reserve Fund.

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30 Any deficiency in such fund at the end of any financial year of the bank shall be made good from the Consolidated Revenue Fund upon such deficiency being certified to by the Commissioners.

Section twenty is omitted and the following section is substituted therefor:—

35 20. Upon repayment of any moneys loaned from the Rural Bank Department or Advances for Homes Department the Commissioners are empowered to invest the same until required for redemption of debentures and inscribed stock sold under the Principal Act in deposits with the Treasury, trading banks, the Rural Bank Power to invest money repaid.

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Government Savings Bank (Rural Bank).

Bank Department or the Savings Bank Department, or in any of the class of investment provided for in paragraph (b) (iii), (iv), and (v) of section forty-seven of the Principal Act.

5 **46.** Section seventeen of the Savings Banks Amalgamation Act, 1914, is repealed: Amendment of s. 17 of the Savings Banks Amalgamation Act, 1914.

10 Provided that the guarantee given by the Crown under subsection three thereof shall continue in force until all advances made under the provisions of this section, with interest thereon, are repaid.

