

## STATE BANK BILL, 1981

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### EXPLANATORY NOTE

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

The following Bills are cognate with this Bill:—

- Miscellaneous Acts (State Bank) Repeal and Amendment Bill, 1981.
- Statutory and Other Offices Remuneration (State Bank) Bill, 1981.

The object of this Bill is to constitute the State Bank of New South Wales as a successor to the Rural Bank of New South Wales and to define the functions of the State Bank.

The Bill contains the following provisions:—

- Clause 1. Short title.
- Clause 2. Commencement.
- Clause 3 provides that the Act binds the Crown.
- Clause 4. Arrangement.
- Clause 5. Interpretation.

Clause 6 provides that references in any other Act or statutory instrument to the State Bank shall be construed as a reference to the State Bank of New South Wales.

Part II contains clauses 7–12 which are provisions relating to the constitution of the State Bank and the State Bank Board which is to be the governing body of the Bank. The State Bank Board is to consist of 7 directors of whom 2, the managing director and the deputy managing director, are to be full-time directors and 5, of whom 1 is to be an elected director, are to be part-time directors.

Part III contains clauses 13–35 which are provisions relating to the general banking business of the Bank.

Clause 13 provides that the Bank shall carry on general banking business and specifies particular powers that the Bank may exercise in the conduct of that business.

Clause 14 confers on the Bank rights with respect to participating in any clearing house or cheque clearing system.

Clause 15 specifies the Bank's minimum liquidity ratio.

Clause 16 provides that the payment of moneys due by the Bank in respect of its general banking business is guaranteed by the Government of New South Wales.

Clause 17 empowers the Bank to establish branches and agencies.

Clause 18 empowers the Bank to act as the agent of another bank.

Clause 19 empowers the Bank to act as an agent of the Commonwealth or of any State (including New South Wales) and of certain other persons in respect of functions incidental to the business of the Bank.

Clause 20 empowers the Bank to appoint an attorney of the Bank.

Clause 21 empowers the Bank to appoint another bank as its agent.

Clause 22 confers on the Bank borrowing powers and enables it to issue debentures or inscribed stock as evidence of its obligation to repay borrowed money.

Clause 23 enables the Bank to apply a loan obtained by it under the provisions referred to in clause 22 for the general banking business or the Government agency business of the Bank.

Clause 24 contains provisions with respect to the replacement of debentures that have been lost, etc.

Clause 25 provides that the due repayment of money borrowed pursuant to the provisions referred to in clause 22 is guaranteed by the Government of New South Wales.

Clause 26 provides that the Bank shall be indemnified by the Crown against liability in respect of debentures and inscribed stock issued in respect of loans applied for the purposes of the Government agency business of the Bank.

Clause 27 exempts certain instruments used with respect to debentures or inscribed stock of the Bank from stamp duty.

Clause 28 enables the exchange of debentures for inscribed stock of the same value, and vice versa.

Clause 29 entitles the holder of a coupon annexed to a debenture to the interest represented by the coupon.

Clause 30 provides for the distribution of the Bank's profits so that one-half is required to be paid to the Treasurer and the remaining one-half is available for use in the general banking business of the Bank.

Clause 31 empowers the Bank and the State of New South Wales to vary certain agreements made under the Commonwealth and State Banks Agreements Ratification Act, 1931.

Clause 32 provides for the sharing of profits and losses under the agreement set out in the First Schedule to the Commonwealth and State Banks Agreements Ratification Act, 1931, and enables any profits to be used in the general banking business of the bank.

Clause 33 enables the Bank, in certain circumstances, to vary interest payable to it in respect of a loan.

Clause 34 empowers the Bank to distribute certain assets of a deceased customer to the value of \$4,000 or, where some other amount has been prescribed, the other amount.

Clause 35 empowers the Bank to use the services of employees of Government Departments or statutory bodies under certain circumstances.

Part IV contains sections 36-60 which relate to the operation of the Bank where it is acting in its capacity as agent for the Government of New South Wales or any body constituted by or under any Act.

Part V contains clauses 61-79 which are general provisions with respect to the general banking business of the Bank and the agency business of the Bank.

Clause 61 provides that the provisions of the Crown Lands Acts do not invalidate or affect any mortgage or transfer given or made to the Bank to secure a loan or interest thereon.

Clause 62 dispenses with the necessity for obtaining the consent of the Minister for Lands or the Water Resources Commission to the registration of the transfer of Crown lands the subject of a security for a loan made under the proposed Act.

Clause 63 provides for the registration of transfers pursuant to the exercise by the Bank of a power of sale under a mortgage or other security of Crown lands.

Clause 64 removes certain charges and, in the case of Crown lands, certain terms and conditions from lands sold by the Bank for non-payment of principal or interest of money loaned or for a breach of any covenant in a mortgage securing any such money.

Clause 65 provides that the Crown Lands Acts do not limit or restrict the powers and remedies conferred upon the Bank under the proposed Act.

Clause 66 contains provisions with respect to the manner in which the Bank may deal with forfeited Crown lands over which there is a mortgage, lien or charge in favour of the Bank.

Clause 67 empowers the Bank to make any application or exercise any right, power or privilege under the Crown Lands Act in respect of any forfeited Crown lands which were subject to a mortgage, lien or charge in its favour as if it were a holder or owner subject to mortgage of the land.

Clause 68 empowers a trustee to invest trust funds on deposit or current account in the Bank or in debentures or inscribed stock issued by the Bank.

Clause 69 requires the Bank to keep proper accounts and to submit an annual statement of accounts to the Minister, together with an Auditor-General's certificate thereon, for presentation to Parliament.

Clause 70 contains provisions with respect to the auditing of the Bank's accounts.

Clause 71 requires the Bank to furnish an annual report to the Minister with respect to the operations of the Bank.

Clause 72 imposes certain restrictions on directors of the Bank with respect to their financial dealings with the Bank.

Clause 73 provides for the maintenance of a fund to be called the "Employees' Relief Fund" (formerly the Officers' Relief Fund) and for the Bank to utilise that fund for the benefit of its employees.

Clause 74 provides for the maintenance of a medical benefits scheme for the benefit of employees of the Bank, certain directors of the Bank, certain retired directors and employees of the Bank, the widow or widower of certain retired directors and retired employees of the Bank.

Clause 75 provides that employees may retire from the service of the Bank at the age of 60 years but may continue after that age up to the age of 65 years unless they retire or are retired from the service of the Bank before the age of 65.

Clause 76 provides that penalties imposed by the Act may be recovered before a stipendiary magistrate or any 2 justices in petty sessions.

Clause 77 empowers the Bank to make certain by-laws with respect to its powers.

Clause 78 empowers the Governor to make regulations for the purposes of the proposed Act.

Clause 79 contains provisions enabling by-laws or regulations made under the Act to have a differential operation.

Schedule 1 contains provisions relating to the directors of the Bank and the procedure of the State Bank Board.

The Bill also makes other provisions of a consequential or ancillary nature.

**STATE BANK BILL, 1981**

No. , 1981.

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**A BILL FOR**

**An Act to constitute the State Bank of New South Wales and to define its functions; and for other purposes.**

[MR WRAN—15 April, 1981.]

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See also Miscellaneous Acts (State Bank) Repeal and Amendment Bill, 1981; and Statutory and Other Offices Remuneration (State Bank) Amendment Bill, 1981.

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**BE** it enacted by the Queen'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:—

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**PART I.**

**PRELIMINARY.**

**Short title.**

1. This Act may be cited as the "State Bank Act, 1981".

**Commencement.**

- 10 2. (1) This section and section 1 shall commence on the date of assent to this Act.

(2) Except as provided by subsection (1), this Act shall commence on such day as may be appointed by the Governor in respect thereof and as may be notified by proclamation published in the Gazette.

- 15 (3) For the purpose of enabling the director referred to in clause 2 (1) (c) of Schedule 1 to be appointed, any act, matter or thing may be done before that day as if the whole of this Act commenced on the date of assent to this Act.

- 20 (4) Except for the purposes referred to in clause 10 of Schedule 2 of the Miscellaneous Acts (State Bank) Repeal and Amendment Act, 1981, a director shall not take office before the day appointed and notified under subsection (2).

**Act binds Crown.**

3. This Act binds the Crown.

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**Arrangement.**

4. This Act is divided as follows:—

PART I.—PRELIMINARY—*ss.* 1–6.

PART II.—STATE BANK OF NEW SOUTH WALES—*ss.* 7–12.

5 PART III.—GENERAL BANKING FUNCTIONS OF THE BANK—*ss.* 13–35.

PART IV.—GOVERNMENT AGENCIES—*ss.* 36–60.

DIVISION 1.—*General*—*ss.* 36–48.

DIVISION 2.—*Rural Industries Agency*—*ss.* 49, 50.

DIVISION 3.—*Advances to Settlers Agency*—*ss.* 51, 52.

10 DIVISION 4.—*Irrigation Agency*—*ss.* 53, 54.

DIVISION 5.—*Rural Assistance Agency*—*ss.* 55–57.

DIVISION 6.—*Special Industries Agency*—*ss.* 58–60.

PART V.—GENERAL—*ss.* 61–79.

15 SCHEDULE 1.—PROVISIONS RELATING TO DIRECTORS AND PRO-  
CEDURE OF THE BOARD.

**Interpretation.**

5. (1) In this Act, except in so far as the context or subject-matter otherwise indicates or requires—

20 “Bank” means the State Bank of New South Wales constituted under section 7;

“Board” means the State Bank Board constituted by section 8 (1);

“by-law” means a by-law made under this Act;

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5 “Crown Lands Acts” means the Crown Lands Acts, as defined in section 5 (1) of the Crown Lands Consolidation Act, 1913, and includes the Western Lands Act, 1901, the Wentworth Irrigation Act, the Hay Irrigation Act, 1902, the Closer Settlement Act, 1904, the Irrigation Act, 1912, the Returned Soldiers Settlement Act, 1916, and any other enactment by which provision is made for the disposal of Crown lands, as defined in that subsection;

“director” means a director of the Board;

“financial year” means a year ended 30th June;

10 “function” includes power, authority and duty;

“general banking business” means any business of the Bank other than agency business, as defined in section 36 (1);

15 “irrigation area” means irrigation area constituted under the Irrigation Act, 1912, the Wentworth Irrigation Act, or the Hay Irrigation Act, 1902;

“prescribed” means prescribed by the regulations;

“regulation” means a regulation made under this Act.

(2) A reference in this Act to the exercise of a function includes, where that function is a duty, a reference to the performance of that duty.

20 (3) In relation to the Bank—

(a) the reference in section 38 (subsection (ii) excepted) of the Interpretation Act, 1897, to a common seal shall be construed as a reference to an official seal; and

(b) section 38 (ii) of that Act shall have no effect.

25 **References to the Bank.**

6. A reference in any other Act or in any regulation, by-law or other statutory instrument or in any other document, whether of the same or a different kind, to the State Bank shall be construed as a reference to the Bank.

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**PART II.**

**STATE BANK OF NEW SOUTH WALES.**

**Constitution of the Bank.**

7. There is hereby constituted a corporation with the corporate name  
5 "State Bank of New South Wales".

**Constitution of the Board.**

8. (1) There is hereby constituted a State Bank Board.

(2) The Board shall consist of 7 directors who shall be appointed by the  
Governor.

10 (3) In the event of the office of any director becoming vacant, a per-  
son shall, subject to Schedule 1, be appointed to fill the vacancy.

(4) Schedule 1 has effect with respect to the directors and the  
procedure of the Board.

**Functions of the Board.**

15 9. (1) The Board is the governing body of the Bank.

(2) Subject to this Act, the Board has power to determine the policy  
of the Bank in relation to any matter, and to control the affairs of the Bank.

(3) It is the duty of the Board, within the limits of its powers, to ensure  
that the policy of the Bank is directed to the greatest advantage of the  
20 people of New South Wales and has due regard to the stability and balanced  
development of the economy of the State.

(4) Any act, matter or thing done in the name of, or on behalf of, the  
Bank by the Board, or with the authority of the Board, shall be deemed to  
have been done by the Bank.

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**Functions of managing director.**

**10.** Subject to section 9 (2), the managing director of the Bank shall be responsible for the management of the Bank.

**Functions of deputy managing director.**

5 **11. (1)** The deputy managing director of the Bank shall have such functions (including functions delegated to the managing director under section 12 (1)) as the managing director of the Bank directs.

**(2) Where—**

10 (a) the managing director is prevented by illness or absence from exercising any function of his office; or

(b) there is a vacancy in the office of managing director,  
the deputy managing director shall have the functions of that office (including functions delegated to the managing director under section 12 (1)) and any  
15 subsection shall be deemed to have been done by him as the managing  
director.

**(3)** No person shall be concerned to inquire whether or not any occasion has arisen requiring or authorising the deputy managing director to act in the office of managing director pursuant to subsection (2).

**20 Delegation by the Board.**

**12. (1)** The Board may, by instrument in writing, delegate to—

(a) the managing director of the Bank;

25 (b) a committee comprised of directors, including the managing director of the Bank or a director nominated by the managing director;  
or

(c) an employee of the Bank,

the exercise of such of the functions of the Board as are specified in the instrument.

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(2) A function the exercise of which has been delegated under this section may, while the delegation remains unrevoked, be exercised from time to time in accordance with the terms of the delegation.

(3) A delegation under this section may be made subject to such conditions or limitations as to the exercise of any function delegated or as to time or circumstances as may be specified in the instrument of delegation.

(4) Notwithstanding any delegation under this section, the Board may continue to exercise any function delegated.

(5) Any act or thing done or suffered by a delegate acting in the exercise of a delegation under this section has the same force and effect as it would have if it had been done or suffered by the Board and shall be deemed to have been done or suffered by the Board.

(6) An instrument purporting to have been signed by a delegate of the Board in his capacity as such a delegate shall in all courts and before all persons acting judicially be received in evidence as if it were an instrument duly executed by the Board and shall, until the contrary is proved, be deemed to be an instrument signed by a delegate of the Board.

(7) In subsection (6), a reference to a delegate includes a reference to the chairman of a committee to which the exercise of a function has been delegated under subsection (1).

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PART III.

GENERAL BANKING FUNCTIONS OF THE BANK.

**General banking business.**

13. (1) The Bank shall carry on general banking business.

25 (2) The general banking business of the Bank may be carried on within or outside New South Wales.

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(3) The Bank has such powers as are necessary for the purpose of carrying on general banking business.

(4) Without limiting the generality of subsection (3), the Bank has power, in addition to any other powers conferred on it by this or any other Act—

- (a) to receive money on current account, on fixed deposit or in any other manner determined by the Bank from time to time;
- (b) to borrow money;
- (c) to lend money;
- 10 (d) to insure or provide for insurance against the death of or personal injury to any borrower from the Bank;
- (e) to buy, sell, discount and re-discount bills of exchange, promissory notes and treasury bills;
- 15 (f) to buy and sell securities issued by the Commonwealth and other securities;
- (g) to buy, sell and otherwise deal in foreign currency, specie and gold and other precious metals;
- (h) to establish credits and give guarantees;
- (i) to issue bills and drafts and effect transfers of money;
- 20 (j) to provide safe deposit vaults and hire out safe deposit boxes therein;
- (k) to underwrite loans and issues of shares, debentures, inscribed stock and other securities and interests;
- 25 (l) to acquire and hold real and personal property and to sell, mortgage, lease or otherwise dispose of any such property;
- (m) to erect buildings and to dispose of those buildings on such terms and conditions as the Bank may from time to time determine;
- (n) to act as a trustee;
- 30 (o) to operate a registry of shares, debentures, inscribed stock and other securities and interests; and
- (p) to do anything incidental to any of its powers.

*State Bank.***Clearing-house.**

14. (1) The Bank is entitled 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 a manner as any other bank, and all banks represented  
5 at or taking part in any such proceedings or transactions, and any person conducting, or participating in the conduct of, any clearing-house or cheque clearing system shall fully recognise the Bank and afford it all necessary facilities for transacting its banking business and operations and the exchanges in relation thereto.

10 (2) A bank or person referred to in subsection (1) shall not contravene or permit the contravention of subsection (1).

Penalty: \$5,000.

**Liquidity.**

15 (1) The Bank shall hold or retain in cash, or in a form prescribed by subsection (2), not less than 20 per cent of the quarterly average of the moneys held by the Bank in any manner referred to in section 13 (4) (a).

(2) For the purposes of subsection (1), the prescribed forms are:—

- (a) securities issued by the Commonwealth;
- 20 (b) securities issued by any body constituted by an Act, being securities that are for a loan the repayment of which is guaranteed by the Government of New South Wales and that are listed on any recognised stock exchange in Australia;
- 25 (c) securities issued by any body constituted by an Act of the Commonwealth, being securities that are for a loan the repayment of which is guaranteed by the Government of the Commonwealth and that are listed on any recognised stock exchange in Australia;
- (d) on current account or deposit available at not more than 6 months' call;
- 30 (e) investments in the official short term money market available at not more than 6 months' call;

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(f) bills of exchange accepted or endorsed by a bank, as defined in section 5 (1) of the Banking Act 1959 of the Commonwealth, and maturing within 6 months; and

5 (g) such other investments as may from time to time be approved by the Treasurer.

**Payment guaranteed.**

16. (1) The payment of all moneys due by the Bank in respect of its general banking business is guaranteed by the Government of New South Wales.

10 (2) Any liability arising from the guarantee referred to in subsection (1) shall be met out of the Consolidated Revenue Fund, which is hereby appropriated accordingly.

**Branches and agencies.**

15 17. The Bank may establish branches and agencies of the Bank whether in or outside New South Wales, and may restrict the classes of operations to be effected at any branch or agency.

**Bank may act as agent of another bank.**

18. The Bank may act as agent of any bank carrying on business in or outside New South Wales.

**20 Bank may act as agent of Commonwealth or States, etc.**

25 19. (1) The Bank may, with the approval of the Minister, enter into any agreement or arrangement with the Commonwealth or with any State (including New South Wales), with any authority of the Commonwealth or of any State or with any person for the performance by the Bank, whether as agent or otherwise, of such acts and the exercise of such functions as appear to be advantageous, relevant or incidental to the business of the Bank.

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(2) For the purpose of carrying out any such agreement or arrangement, the Bank may do all such acts and exercise all such functions as the Bank deems necessary or convenient.

(3) The power conferred on the Bank to enter into an agreement or arrangement under subsection (1) is in addition to any other powers conferred on the Bank by this Act.

**Attorney may be appointed.**

20. The Bank may appoint any person, whether in or outside New South Wales, to be the attorney of the Bank.

**10 Bank may appoint another bank as agent.**

21. The Bank may arrange with any other bank to act as the agent of the Bank in any place, whether in or outside New South Wales.

**Bank's borrowing powers.**

22. (1) The Bank may, from time to time, with the consent of the Treasurer, borrow money and issue debentures or inscribed stock to evidence the obligation of the Bank to repay money so borrowed and, where payable, to pay interest thereon, as provided by the by-laws.

(2) The total amount of debentures and inscribed stock issued by the Bank under subsection (1) and uncanceled shall not at any time exceed—

(a) except as provided in paragraph (b)—\$200,000,000; or

(b) where a larger amount is prescribed—that larger amount.

(3) A debenture issued under subsection (1) and a coupon originally annexed to the debenture (whether or not the coupon is separated from the debenture) may be transferred by delivery.

(4) Inscribed stock of the Bank is transferable in the books of the Bank as provided by the by-laws.

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**Application of loans.**

23. (1) Any loan obtained by the Bank under section 22 (1) may be applied for such purposes of the general banking business, or the agency business, as defined in section 36 (1), of the Bank as the Bank may determine.

5 (2) Any liability of the Bank in respect of any such loan shall be met—

(a) except as provided in paragraph (b), by the Bank out of funds derived from the conduct of its general banking business; or

10 (b) where the loan was applied for the purpose of any agency, referred to in section 36 (2), out of the funds of that agency.

**Replacement of lost, etc., debentures.**

24. (1) If a debenture issued by the Bank is lost, stolen, destroyed, mutilated or defaced before it has been redeemed, the Bank may issue a debenture in its place upon proof to the satisfaction of the Bank of the loss, 15 theft or destruction, or upon surrender of the mutilated or defaced debenture, and upon receiving security or indemnity satisfactory to it against double payment if the missing debenture is thereafter presented for payment.

(2) A debenture issued under subsection (1) with interest coupon 20 annexed shall bear the same date, number, principal sum and rate of interest as the debenture it replaces.

(3) Subsection (1) applies to and in respect of a lost, stolen, destroyed, mutilated or defaced coupon in the same way as it applies to and in respect of a lost, stolen, destroyed, mutilated or defaced debenture.

**Guarantee.**

25 25. (1) The due repayment of any money borrowed by the Bank as referred to in section 22 (1) and, where payable, due payment of interest and other charges relating thereto—

(a) are a charge on the moneys and securities held by the Bank, otherwise than on behalf of customers of the Bank; and

30 (b) are guaranteed by the Government of New South Wales.

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(2) Any liability arising from the guarantee referred to in subsection (1) (b) shall be discharged out of the Consolidated Revenue Fund, without further appropriation than this Act.

(3) The charge referred to in subsection (1) (a) does not prejudice or affect the powers of the Bank to reconvey, release or discharge any securities held by it or the properties comprised therein, to sell or convey those securities or properties, to foreclose those securities or properties or to deal with those securities or properties.

**Indemnity.**

10 26. The Bank shall be deemed to be indemnified by the Crown against any liability in respect of debentures and inscribed stock issued in respect of loans applied for the purposes of the agency business of the Bank, as referred to in section 23 (1), to the extent to which the liability is not recoverable from the assets relating to the agency concerned.

**15 Exemption from stamp duty.**

27. Contract notes for or relating to the purchase of, and transfers of, debentures and inscribed stock issued by the Bank under this Act to secure the repayment of a loan shall be deemed to be included in the general exemptions from stamp duty under Part III of the Stamp Duties Act, 1920, 20 contained in the Second Schedule to that Act.

**Exchange of securities.**

28. At the request of the bearer of a debenture or the holder of inscribed stock, the Bank may issue one in place of the other but only if the one issued is in the same currency and bears the same interest as the one in place 25 of which it was issued.

**Payment of interest on debentures.**

29. The holder of a coupon originally annexed to a debenture issued by the Bank (whether or not the coupon is separated from the debenture) is entitled to receive payment from the Bank of the interest specified in the 30 coupon upon presentation on or after the date when, and at the place where, the interest is payable.

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**Distribution of Bank's profits.**

30. (1) After making such deductions as the Bank thinks fit (being deductions in respect of the estimated losses or deficiencies in connection with its general banking business) from the earnings derived from that business, 5 the Bank shall deal with the net profits earned during any financial year as provided by subsection (2).

(2) The net profits of the Bank derived from the general banking business of the Bank in each financial year, as certified to by the Auditor-General, shall be dealt with as follows:—

10 (a) one-half shall be paid to the Treasurer for payment into the Consolidated Revenue Fund; and

(b) one-half shall be placed to the credit of a Reserve Fund of the Bank for meeting any loss or deficiency in connection with that business.

15 (3) Any deficiency in the Reserve Fund at the end of any financial year shall be made good from the Consolidated Revenue Fund upon the deficiency being certified to by the Auditor-General and the Consolidated Revenue Fund is hereby appropriated accordingly.

(4) The Reserve Bank referred to in subsection (2) (b) may be used 20 in the general banking business of the Bank.

**Power to vary certain agreements.**

31. (1) Notwithstanding the Commonwealth and State Banks Agreements Ratification Act, 1931, and the agreements copies of which are set out in the First and Second Schedules to that Act, the State of New South Wales 25 and the Bank may make any agreement or agreements with the appropriate corporation referred to in the Commonwealth Banks Act 1959 of the Parliament of the Commonwealth varying, modifying or altering any of the provisions of those agreements.

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(2) The Bank's power to make any agreement under subsection (1) does not extend to making any such agreement which has the effect of increasing the monetary liability of New South Wales or of the Bank unless the proposed agreement has been approved by a resolution of each House of Parliament.

**Sharing of profits and losses under Savings Bank Agreement.**

32. (1) All amounts received by the Bank under clause 11 of the agreement, a copy of which is set out in the First Schedule to the Commonwealth and State Banks Agreements Ratification Act, 1931, shall be paid to the credit of a Special Reserve Account in the Bank, which shall be charged with the amounts which the Bank is liable to pay under that clause to the appropriate corporation referred to in the Commonwealth Banks Act 1959 of the Parliament of the Commonwealth.

(2) The Special Reserve Account referred to in subsection (1)—

- 15 (a) shall be applied in meeting any liability of the Bank under clause 11 of the agreement referred to in subsection (1); and
- (b) to the extent that it is not so applied, may be used in the general banking business of the Bank.

20 (3) Any income derived by the Bank from the use of the Special Reserve Account referred to in subsection (1) in the manner referred to in subsection (2) (b) does not form part of that account.

**Power to vary rate of interest.**

33. (1) In every fixed or amortisation loan, the Bank shall have the following powers:—

- 25 (a) to reduce the rate of interest at its discretion at any time and from time to time;
- (b) where the rate of interest has been reduced below that payable under the security, to increase, at any time and from time to time, the reduced rate of interest up to but not above the rate payable under the security, on giving one month's notice in writing of any such increase to the borrower at his last known place of business or abode; and
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(c) not more than once in any period of 3 years to increase the rate of interest beyond that stipulated for in the security on giving 6 months' notice in writing of the increase to the borrower at his last place of business or abode.

5 (2) In the case of an amortisation loan, when a variation is made in the rate of interest, the instalment may be altered accordingly.

**Distribution of assets of deceased customer.**

34. (1) In this section—

10 “assets”, in relation to a customer, means money held by the Bank to the credit of the customer and any bonds, debentures or other like securities held by the Bank on behalf of the customer;

“prescribed amount” means—

- 15 (a) except as provided by paragraph (b), the amount of \$4,000; or  
(b) where some other amount has been prescribed, that other amount.

(2) For the purposes of subsection (3), the value of assets, other than money, shall be taken to be the face value of the assets.

(3) Where—

- 20 (a) a customer of the Bank dies;  
(b) the Bank holds assets of the customer; and  
(c) probate of the will, or letters of administration of the estate, of the customer is or are not produced to the Bank within such time as the Bank thinks reasonable,

25 the Bank may pay, transfer or deliver the assets and any interest thereon, whenever it becomes or became due, up to a total value not exceeding the prescribed amount, to any one or more of the following persons and, if more than one, in such proportions as the Bank thinks fit:—

- (d) a person who has paid the funeral expenses of the customer;  
30 (e) the widow or widower of the customer;

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- (f) the next of kin of the customer;
- (g) the person appearing to the Bank to be entitled to take out probate of the will, or letters of administration of the estate, of the customer;
- 5 (h) the Public Trustee;
- (i) a creditor of the customer;
- (j) a person undertaking to maintain the children of the customer;
- (k) a child of the customer.

10 (4) The receipt of any person referred to in subsection (3) (d)–(k) who is above the age of 14 years shall be a sufficient discharge to the Bank in respect of any assets paid, transferred or delivered to that person.

15 (5) If, under this section, the Bank pays, transfers or delivers any assets to any person who is afterwards proved not to have been legally entitled thereto, the Bank shall not, in respect of those assets, be liable at the suit of any person who was so entitled but any remedy of a person so entitled as against the person to whom the assets were paid, transferred or delivered is not affected by this section.

**Use of employees of Government Departments, etc.**

20 35. The Bank may, with the approval of the Government Department or statutory body concerned and of the Minister administering the Department or the Act under which the statutory body is constituted, make use of the services of any person employed in the Department or in the service of the statutory body, as the case may be, on such terms and conditions as may be so approved.

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**PART IV.**

**GOVERNMENT AGENCIES.**

**DIVISION 1.—General.**

**Interpretation: Pt. IV.**

5 **36. (1)** In this Part, “agency business” means the business in respect of an agency.

(2) A reference in this Part to an agency is a reference to an appointment held by the Bank under section 37 in respect of the functions, the exercise of which the Bank is appointed to undertake pursuant to the  
10 appointment and to any other agency established under this Part.

**Constitution of agencies.**

**37. (1)** The Governor may, by order, appoint the Bank to undertake, as an agent or otherwise, the exercise, on behalf of the Government of New South Wales or any body constituted by or under any Act, of such functions  
15 as are specified in the order.

(2) An order made under subsection (1), or a subsequent order made by the Governor, may make provision with respect to the payment to the Bank of any money owing to or held by the Government or any body referred to in subsection (1) with respect to any of the functions for which  
20 an agency is established and any such order shall have effect according to its tenor.

**Agencies.**

**38. (1)** The Bank shall exercise the functions conferred or imposed upon it in respect of its several agencies.

25 (2) Separate accounts shall be kept by the Bank in respect of each agency.

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(3) There shall be provided from time to time to the Bank for the purposes of this Part—

- (a) such moneys as may be appropriated by Parliament;
- (b) such moneys as the Treasurer may make available to the Bank;
- 5 (c) such part of the proceeds of the sale of debentures or inscribed stock as may be applied under section 23 (1) for the purposes of the agency business of any agency.

**Agency business to be separate.**

39. (1) The agency business of the Bank shall be carried on separately  
10 and distinctly from the general banking business of the Bank.

(2) Transactions and accounts relating to the agency business of the Bank shall be kept separate from those relating to the general banking business of the Bank.

(3) Except as expressly provided in this Act, no moneys held by  
15 the Bank in respect of its agency business shall be used in connection with its general banking business and no liability incurred in respect of either such business affects the other business or the funds thereof.

(4) Moneys held by the Bank at any branch or agency may be used  
20 in connection with either the agency business of the Bank or the general banking business of the Bank, subject to monthly adjustments as between the respective businesses.

(5) The same employees may be employed in administering the  
25 agency business of the Bank and the general banking business of the Bank and the total costs of administration shall be appropriated by the Bank between the respective businesses as it may determine.

**Accounts for each agency.**

40. (1) For each agency there shall be opened a banking account in the Bank and to the credit of that account shall be deposited all moneys received by the Bank in respect of the agency.

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(2) The Bank may keep such further accounts as it deems necessary in respect of each agency to record the operations of the agency.

(3) The liability of the Bank in respect of each agency shall be separately shown in the books of the Bank.

5 (4) In the account for each agency the Treasurer shall from time to time—

(a) be credited with—

- 10 (i) any amounts or further amounts to become due to the Bank for capital moneys, as defined in section 41 (1), in respect of the functions to which the agency relates;
- (ii) so much of any moneys appropriated by Parliament for the purposes of an agency as is allotted by the Bank in respect of the functions to which the agency relates;
- 15 (iii) any amounts made available to the Bank for the purposes of the functions to which the agency relates under section 38 (3) (b);
- (iv) revenue which becomes due to the Bank in respect of the agency;
- 20 (v) such part of the proceeds of the sale of debentures or inscribed stock as may be applied under section 23 (1) for the purposes of the agency business of the agency; and
- (vi) such other moneys as are required by the regulations to be credited to the account; and

25 (b) be debited with—

- (i) the amount by which the indebtedness of any person to the Bank in respect of the agency is reduced by or under this or any other Act;
- 30 (ii) the amounts of any losses on realisation of any security belonging to the agency;
- (iii) the amount due to the Bank in respect of the agency by any person on forfeiture of land or on surrender of land or cancellation of a contract or arrangement for the sale of land, where the land becomes available for disposal
- 35 under the Crown Lands Acts;

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- (iv) so much of revenue moneys paid to the Treasurer in pursuance of section 41 (4) as is attributable to the agency;
- (v) so much of any money paid to the Treasurer in pursuance of section 41 (5) as is attributable to the agency; and
- 5 (vi) such other amounts as are required by the regulations to be debited to the account.

**Monthly transfers to agencies.****41. (1) In this section—**

10 “agency” does not include an agency which, under the regulations, is excluded from the operation of this section;

“capital moneys” means repayments of principal sums advanced to debtors in respect of an agency and of moneys disbursed by the Bank on behalf of any such debtors and all other moneys received by the Bank in respect of an agency that are not revenue moneys;

15 “revenue moneys” means moneys received in respect of an agency for rentals, interest, water rates and charges and all moneys received in respect of an agency—

- (a) for purchase money or otherwise in respect of sale of land within the Coomealla Irrigation Area;
- 20 (b) for purchase money or otherwise in respect of sales of land in pursuance of sections 11B and 11C of the Irrigation Act, 1912,

and includes such other moneys as the Bank may decide are revenue moneys.

25 (2) As soon as practicable after the end of each month the Bank shall ascertain in respect of each account for an agency the amount of the preceding month's credits which represents capital moneys and the amount of those credits which represents revenue moneys and shall transfer the amount which represents capital moneys to the credit of an account in the  
30 Bank styled “Government Agencies Capital Account” and the amount which represents revenue moneys to the credit of an account in the Bank styled “Government Agencies Revenue Account”.

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(3) The Bank may make transfers to the capital and revenue accounts, referred to in subsection (2), of credits arising during a month without waiting to do so until after the end of the succeeding month but, if it does so, it shall, at the end of the succeeding month, make such adjustments as are necessary to produce the result required by subsection (2).

(4) The money standing to the credit of the Government Agencies Revenue Account shall be paid to the Treasurer as and when available.

(5) The Bank may utilise moneys standing to the credit of the Government Agencies Capital Account for the purpose of administering and continuing and of making loans or capital expenditure in respect of any agency, or may at any time when moneys are available repay to the Treasurer the whole or any part of any moneys appropriated by Parliament for the purposes of the agencies or made available by the Treasurer in pursuance of section 38 (3) (b).

**15 Interest on money in Government Agencies Capital and Revenue Accounts, etc.**

**42.** The money standing to the credit of the Government Agencies Capital Account and the Government Agencies Revenue Account and any of the accounts mentioned in section 40 (1) or (2) shall bear interest at such rate or rates, if any, as may be agreed upon from time to time by the Treasurer and the Bank.

**Power of Treasurer to fix interest rates, etc., in certain cases.**

**43. (1)** The Treasurer may, in respect of any agency, give directions with respect to the rate of interest to be charged, the maximum amount which may be advanced to any borrower or expended on behalf of any applicant and the period and the purposes for which a loan may be made where the rate, amount, period or purposes is or are not regulated by or under any Act.

(2) The Bank shall give effect to any such direction.

(3) Any such direction may be given only so as to apply generally in respect of a class of borrower, applicant or loan.

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(4) Subsection (1) does not apply in respect of any agency which, under the regulations, is excluded from the operation of that subsection.

**Costs of administration.**

44. The whole of the costs of administration—

- 5 (a) except as provided by paragraph (b), of every agency carried on by the Bank as certified to by the Bank shall be paid by the Treasurer to the Bank from time to time as and when required and shall be charged on the Consolidated Revenue Fund, which is hereby appropriated accordingly; and
- 10 (b) of any agency specified in regulations shall, if the regulations so require, be debited by the Bank against the account for that agency.

**Bank's powers with respect to agency debtors.**

45. (1) Without limiting any other powers of the Bank, the Bank may, 15 where any moneys are due and payable in relation to any function in respect of which an agency is established, do any of the following things:—

- (a) ask, demand, sue for, recover and receive the moneys, and give effectual receipts and discharges for the moneys;
- (b) allow further time for payment of moneys;
- 20 (c) settle, adjust, compromise, postpone or consolidate the debts relating to the moneys or any claims in respect of any agency;
- (d) require the person indebted to it in respect of the moneys to execute such securities as it may deem necessary;
- 25 (e) with the concurrence of the Auditor-General, write off either wholly or in part any debt relating to the moneys which in the opinion of the bank is not recoverable;
- 30 (f) take any other action whatever for or towards the recovery of the moneys or the better securing of the repayment of the moneys, or the preservation or protection of any security for the repayment of the moneys, whether by way of sale or foreclosure of mortgaged property or the taking of new or additional security or otherwise.

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(2) Subsection (1) does not apply to any agency which, under the regulations, is excluded from the operation of that subsection.

**Power of Bank to make appropriations.**

46. (1) Where the same person is indebted to the Bank in respect of 5 more than one agency or in respect of its general banking business and also any one or more agencies, the Bank may appropriate any moneys received by it (which are not otherwise appropriated by the person paying them) in satisfaction or in part satisfaction of the indebtedness of the person as the Bank may determine.

10 (2) Any amount payable to the Bank in respect of any agency by any person shall be paid at such branch or agency of the Bank or in such manner as the Bank may determine and notify in writing to the person.

**Statement in writing by director or authorised employee prima facie evidence.**

47. A statement in writing signed by a director or an employee of the 15 Bank, duly authorised by the Bank for the purposes of this section, that—

(a) on a specified day a specified amount was due and owing to the Bank in respect of an agency—

(i) by a specified person; or

(ii) under or in accordance with a specified security; or

20 (b) a security, or the debt thereby secured, or any money due thereunder, or the right to recover any money or debt, is vested in the Bank in respect of a particular agency,

is admissible in any proceedings and is prima facie evidence of the matters so stated.

**25 Indemnity.**

48. The Bank is hereby indemnified by the Government of New South Wales in respect of any act done by it and of any losses, costs or damages incurred by it in the bona fide exercise of the functions conferred or imposed upon it in respect of its agency business.

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**DIVISION 2.—Rural Industries Agency.****Rural Industries Agency.**

49. There shall be within the Bank an agency called the "Rural Industries Agency".

**5 Powers of Bank in respect of Rural Industries Agency.**

50. The Bank may, through the Rural Industries Agency, at its discretion, make advances, upon such securities and at such rates of interest and subject to such covenants, conditions and provisions as it may impose—

- 10 (a) for the assistance or relief of persons engaged in agricultural, pastoral or dairying pursuits or in primary production of any kind;
- (b) to any dairy farmer or beef cattle breeder for the purpose of purchasing suitable bulls to improve his herds;
- 15 (c) to any grazier for the purpose of purchasing suitable rams to improve his flocks;
- (d) to any pig farmer for the purpose of purchasing suitable boars to improve his stock; or
- (e) to such persons and for such purposes as the Minister may from time to time determine.

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**DIVISION 3.—Advances to Settlers Agency.****Advances to Settlers Agency.**

51. There shall be within the Bank an agency called the "Advances to Settlers Agency".

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**Powers of Bank in respect of Advances to Settlers Agency.**

52. The Bank may, through the Advances to Settlers Agency, at its discretion and with the primary object of relieving unemployment, make advances, upon such securities and at such rates of interest and subject to 5 such covenants, conditions and provisions as it may impose—

- (a) to any farmer, grazier or landholder—
  - (i) for ringbarking, suckering, clearing land for cultivation, felling or rolling scrub, fencing, water conservation, extermination of rabbits or construction of silos;
  - 10 (ii) for the erection of buildings and other structures on dairy farms to provide for share-farmers; or
  - (iii) for any purpose of a like nature;
- (b) to any landholder or settler taking up land with the object of dairy farming, for the purpose of purchasing stock or providing 15 necessary improvements or plant; or
- (c) to such persons and for such purposes as the Minister may from time to time determine.

**DIVISION 4.—Irrigation Agency.****Irrigation Agency.**

20 53. There shall be within the Bank an agency called the "Irrigation Agency".

**Powers of Bank in respect of Irrigation Agency.**

54. (1) The Bank may, through the Irrigation Agency, at its discretion, make loans, upon such securities and at such rates of interest and subject 25 to such covenants, conditions and provisions as it may impose, to persons holding under any tenure any land in any irrigation area.

(2) The Bank may, through the Irrigation Agency, exercise the functions conferred or imposed upon the Bank by this Division, or by the Wentworth Irrigation Act, the Hay Irrigation Act, 1902, the Irrigation Act, 30 1912, the Crown Lands Consolidation Act, 1913, or the Water Act, 1912.

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DIVISION 5.—*Rural Assistance Agency.***Rural Assistance Agency.**

**55.** There shall be within the Bank an agency called the "Rural Assistance Agency".

**5 Bank to be agent of Rural Assistance Board for certain purposes.**

**56. (1)** The Bank through the Rural Assistance Agency is the agent of the Rural Assistance Board for the purpose of receiving all moneys due or owing to that Board on any account whatever and, to the exclusion of that Board, has the sole authority to give receipts and discharges in the name of that Board for those moneys.

**(2)** The agency of the Bank under subsection (1) does not prejudice or affect the right, duty and obligation of the Rural Assistance Board to take in its name and at its discretion any necessary action for the recovery or for the protection of any moneys due or owing to that Board or of the securities for those moneys and does not confer on the Bank the right, duty or obligation to take any such action.

**Functions of Bank in respect of Rural Assistance Agency.**

**57. (1)** The Bank shall, through the Rural Assistance Agency—

(a) in the name of the Rural Assistance Board—

- 20 (i) make advances to farmers in respect of whom a stay order has been granted under the Rural Assistance Act, 1932, of such moneys upon such securities and subject to such covenants, conditions and provisions as that Board may in its absolute discretion direct;
- 25 (ii) make any payment or advances, or make available any moneys, pursuant to an authority given by that Board under section 13 or 14 of that Act; and
- 30 (iii) make any payments pursuant to a direction of that Board under subparagraph (2) of clause 13 of the Schedule to that Act;

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5 (b) become and be the agent of that Board for the purpose of receiving all moneys due or owing to that Board in respect of any advance or payment made under paragraph (a) and any security for those moneys and have, to the exclusion of that Board, the sole authority to give receipts and discharges for those moneys; and

10 (c) provide and furnish all necessary staff, office space, stationery, plant and equipment required and do and perform all necessary actions and services for carrying into effect all the directions and decisions of that Board.

(2) The total amount to be advanced under subsection (1) (a) shall not exceed the total sum available to the Bank for the purpose of the agency, together with such further amounts as the Bank may in its discretion make available from the Government Agencies Account.

15 DIVISION 6.—*Special Industries Agency.*

**Interpretation: Pt. IV, Div. 6.**

58. In this Division “account” means the account which is kept by the Bank in accordance with section 38 (2) and which relates to the Special Industries Agency.

20 **Special Industries Agency.**

59. There shall be within the Bank an agency called the “Special Industries Agency”.

**Functions of Bank in respect of Special Industries Agency.**

25 60. (1) The Bank shall, at the request of the Minister administering the State Development and Country Industries Assistance Act, 1966, make payments from the account for the purpose of the acquisition, the development, or the acquisition and development, of land in accordance with Part IIIA of that Act for the purpose of any special industry referred to in section 34A (1) (c) of that Act.

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(2) Out of the account, there shall be paid to the Treasurer such amounts at such times as the Treasurer may from time to time determine.

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## PART V.

## GENERAL.

**5 Crown Lands Acts do not affect mortgage or transfer.**

61. Nothing in the Crown Lands Acts invalidates or affects any mortgage or transfer given or made to the Bank to secure any loan or interest thereon or any remedy for the recovery thereof, and any such mortgage or transfer may be given or made, and any sale or foreclosure may be effected there-  
10 under, notwithstanding that the land the subject of the mortgage or transfer could not by the terms of those Acts be transferred, assigned or otherwise dealt with.

**Consent of Minister for Lands, etc., not required to the registration of certain transfers.**

15 62. Notwithstanding anything to the contrary in the Crown Lands Acts or in the regulations thereunder, the consent of the Minister for Lands or the Water Resources Commission, as the case may be, is not required in connection with the registration of transfers to the Bank to secure loans made under this Act, and such a consent is not required in connection with the  
20 registration of transfers by way of release of mortgage to the original borrower.

**Registration of transfers, etc.**

63. (1) Where the Bank exercises its powers of sale, under or by virtue of any mortgage or other security, of any land held under the provisions  
25 of the Crown Lands Acts, the transfer by way of sale under those Acts and made in exercise of the Bank's power of sale shall, subject to compliance by the purchaser with subsection (2), be registered by the Minister

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for Lands or the Water Resources Commission, as the case may be, notwithstanding the non-payment at the time of registration of any amounts due to the Crown.

(2) The purchaser acquiring land in pursuance of any transfer referred to in subsection (1) shall undertake to pay the amount due to the Crown, as so referred to, at the times and in the manner to be agreed upon by the Minister for Lands or the Water Resources Commission, as the case may be, and the Bank.

**Conditions attached to land sold on default of mortgagor.**

10 **64.** Where land is sold by the Bank for non-payment of principal or interest of money lent or for breach of any covenant in the instrument of mortgage securing the money—

- (a) the land is freed from any charge in respect of the loan; and
- 15 (b) where the land was at the time of the sale subject to conditions prescribed by the Crown Lands Acts, the purchaser shall hold it subject to those conditions but freed from any liability for any breach before the sale of any such condition, and the purchaser shall have 6 months from the time of sale for complying with any unfulfilled improvement conditions in relation to the land.

**20 Powers of Bank not limited by Crown Lands Acts.**

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

**Forfeited Crown lands securities.**

25 **66. (1)** In this section, “appropriate authority”, in relation to any land, means—

- (a) except as provided by paragraph (b), the Minister for Lands; or
- (b) where the land is within an irrigation area, the Water Resources Commission.

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**(2)** Where land which is subject to a mortgage, lien or charge in favour of the Bank is forfeited under the Crown Lands Acts—

- 5 (a) the land vests in the Bank for a period of 2 years after the date the forfeiture takes effect, or for such further period after that date as the appropriate authority determines;
- (b) within one month after the date the forfeiture takes effect, or such further period as may be agreed to by the Bank, the appropriate authority shall notify the Bank in writing whether or not he or it intends to discharge the Bank's claim;
- 10 (c) if the appropriate authority notifies the Bank of his or its intention to discharge the Bank's claim, the land, upon receipt by the Bank of that notification, is divested from the Bank and becomes subject to the provisions of the Crown Lands Acts, as if a loan had not been made by the Bank thereon, and the amount of the claim shall be paid to the Bank in pursuance of that notification
- 15 by the appropriate authority before the end of the then current financial year; and
- (d) where the appropriate authority notifies the Bank in accordance with paragraph (b) that he or it does not intend to discharge the Bank's claim or the appropriate authority requests the Bank to sell the land, the Bank may sell the land to any person and the purchaser shall hold it subject to any conditions prescribed by the Crown Lands Acts which, at the date of the forfeiture, were binding on the former holder but freed from any liability
- 20 for any breach before the sale of any such conditions, and the purchaser shall have 6 months from the time of the sale to comply with any unfulfilled improvement conditions in relation to the land.
- 25

**(3)** The proceeds of any sale made pursuant to subsection (2) (d) shall be applied in the following order:—

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- (a) first in payment of any outstanding moneys due under the Crown Lands Acts at the date of the forfeiture, not exceeding one year's rent or instalment, as the case may be;
- (b) then in satisfaction of the claim of the Bank; and
- 35 (c) then in payment of any further amount due to the Crown at the date of the forfeiture.

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(4) Any balance remaining after the application of the proceeds of a sale in accordance with subsection (3) shall be paid into the Treasury to the credit of the Consolidated Revenue Fund.

(5) Where the proceeds of any sale made pursuant to subsection 5 (2) (d) are, after being applied in accordance with subsection (3), insufficient for payment in full of any further sum due to the Crown, as referred to in subsection (3) (c), the balance due to the Crown shall be charged upon the Consolidated Revenue Fund.

(6) If the Bank at any time within the applicable period under 10 subsection (2) (a) gives notice in writing to the appropriate authority that it is unable to sell the land, the land may, subject to subsection (7), be disposed of as Crown lands under the Crown Lands Acts, and any money received by the appropriate authority in respect of the improvements on the land shall, to the extent of the Bank's claim, be paid to the Bank.

15 (7) At any time before the appropriate authority notifies the land as being available for any class of holding the Bank may revoke in writing any notice given by it under subsection (6) and that subsection thereupon ceases to have any effect in respect of the land.

(8) A sale made pursuant to subsection (2) (d) may be made on such 20 terms and conditions as the Bank thinks fit.

(9) Upon any sale by the Bank pursuant to subsection (2) (d), the purchaser is not bound to see or inquire as to whether a case has arisen to authorise the sale.

(10) The Bank may, while any land is vested in it pursuant to 25 subsection (2) (a), lease or otherwise manage the land and any amount received by the Bank in respect of the land, by way of rental or otherwise, shall be applied in reduction of the amount due to the Bank in respect of the land.

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*State Bank.*

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**Powers, etc., of Bank in respect of lands vested in it under section 66.**

67. (1) Where any land has become vested in the Bank by the operation of section 66, the Bank may, while the land remains so vested, make any application or exercise any right, power or privilege which under the Crown 5 Lands Acts might be made or exercised by a holder or owner, subject to mortgage, of land of the like tenure which is not liable to forfeiture.

(2) Where, in consequence of any application made or right, power or privilege exercised by the Bank under subsection (1), the tenure of the land so vested in the Bank is altered, the Bank may exercise the powers 10 conferred upon it by section 66 as if the land vested in it had been land of the altered tenure.

**Investment of trust funds, etc.**

68. (1) A trustee, unless expressly forbidden by the instrument, if any, creating the trust, may invest any trust funds in his hands, whether at that 15 time in a state of investment or not, on deposit or current account in the Bank or in debentures or inscribed stock issued by the Bank and an investment made pursuant to this subsection shall be deemed to be an investment in a security authorised by the Trustee Act, 1925.

(2) The Bank or an employee of the Bank is not competent to 20 receive notice of an express, implied or constructive trust affecting a deposit or current account in the Bank or a debenture, coupon or inscribed stock issued by the Bank.

**Statement of accounts.**

69. (1) The Bank shall cause to be kept proper accounts and records 25 in relation to all of its operations.

(2) The Bank shall, as soon as practicable, but within 6 months, after the end of each financial year of the Bank, prepare and submit to the Minister for presentation to Parliament a statement of accounts, together with the Auditor-General's certificate given under this section in relation 30 to the statement.

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(3) The statement of accounts shall be in a form approved by the Auditor-General after consultation with the Bank, and shall include such information as is requested by him, and shall exhibit a true and fair view of the financial position and transactions of the Bank.

5 (4) The Bank shall, as soon as practicable, but within 4 months, after the end of the financial year to which a statement of accounts relates, transmit the statement to the Auditor-General for verification and certification.

(5) The Auditor-General's certificate shall state that he has audited  
10 the accounts of the Bank relating to the relevant financial year, and shall indicate whether the statement of accounts complies with subsection (3), and shall set forth any qualifications subject to which the certificate is given.

(6) Nothing in this section prevents the alteration of the statement of accounts, with the approval of the Auditor-General, after its receipt by him  
15 and before its submission to the Minister.

(7) The Minister shall lay the statement of accounts, or cause it to be laid, together with the Auditor-General's certificate, before both Houses of Parliament as soon as practicable after the receipt by him of the statement.

**Audit.**

20 70. (1) The accounts and records of financial transactions of the Bank shall be inspected and audited by the Auditor-General.

(2) For the purposes of any such inspection and audit, the Auditor-General or a person authorised by him is entitled at all reasonable times to full and free access to the accounts, records, documents and papers of  
25 the Bank and may make copies thereof or take extracts therefrom.

(3) The Auditor-General or a person authorised by him may require a person, being a director or other person engaged in the administration of this Act, to furnish him with such information in the possession of the person or to which the person has access as the Auditor-General or authorised  
30 person considers necessary for the purposes of the functions of the Auditor-General under this Act, and the person shall comply with the requirement.

Penalty: \$200.

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(4) The Auditor-General may dispense with all or any part of the detailed inspection and audit of any accounts or records referred to in subsection (1).

(5) The Auditor-General shall report to the Bank and the Minister 5 on the result of any such inspection and audit, and as to such irregularities or other matters as in his judgment call for special notice or as are prescribed.

**Annual report of Bank.**

71. (1) The Bank shall, as soon as practicable but within 6 months after the end of each financial year, prepare and forward to the Minister 10 a full report of the operations of the Bank during that financial year and of such other matters relating to the Bank as it thinks fit should be included in the report.

(2) The Minister shall cause a copy of each report forwarded to him under subsection (1) to be laid before each House of Parliament as soon 15 as practicable after he receives the report.

**Restrictions on directors' financial dealings with Bank.**

72. (1) A director is not entitled to borrow, either directly or indirectly, from the Bank.

(2) The provisions of subsection (1) do not apply to a director 20 referred to in clause 2 (1) (a) or (c) of Schedule 1 in respect of a loan made by the Bank to the director for—

- (a) the purchase of a home;
- (b) the erection, improvement or enlargement of a home; or
- (c) the purpose of discharging any mortgage, charge or encumbrance 25 existing in respect of a home, occupied or to be occupied by him.

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*State Bank.*

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(3) A director is not entitled to receive, either directly or indirectly, from the Bank any payment except the entitlements of his office as a director or any benefit, other than such a payment.

(4) Subsection (3) does not prevent a director referred to in clause 5 2 (1) (a) or (c) of Schedule (1) from receiving any payment, other than the entitlements of his office, or any benefit on the same terms and conditions as apply to employees of the Bank.

(5) The reference in subsection (4) to a payment or benefit does not include a reference to a loan.

10 (6) Nothing in subsection (1) or (3) affects any transaction made by a director with the Bank before he became a director.

**Employees' Relief Fund.**

73. (1) There shall be a fund, called the "Employees' Relief Fund" kept by the Bank.

15 (2) The Bank shall pay into the Employees' Relief Fund such amounts as the Governor may from time to time approve.

(3) The Bank may make loans from the Employees' Relief Fund or grants from the income of that fund to—

(a) employees of the Bank;

20 (b) dependants of employees of the Bank; or

(c) dependants of persons who have died and were employees of the Bank when they died.

(4) The Bank may apply any part of the income of the Employees' Relief Fund to assist any society or association formed among employees 25 of the Bank for their benefit, welfare or education.

*State Bank.***Medical benefits scheme.**

**74. (1)** The Bank may maintain a scheme having as its objects the provision of benefits by way of grants from the funds of the Bank—

- 5 (a) to employees of the Bank and the director referred to in clause 2 (1) (a) or (c) of Schedule 1; and
- (b) subject to subsection (2), to retired directors referred to in clause 2 (1) (a) or (c) of that Schedule, to retired employees of the Bank and to the widow or widower of any such retired director or retired employee,
- 10 to assist them to pay medical, dental, optical, pharmaceutical, ambulance and hospital expenses and expenses of a like nature incurred in respect of themselves and their dependants.

**(2)** In respect of a person referred to in subsection (1) (b), subsection (1) applies only where the retired director or employee concerned had, 15 in the opinion of the Bank, given long and satisfactory service to the Bank.

**Retirement of employees.**

**75. (1)** An employee of the Bank—

- (a) may retire from the service of the Bank upon his attaining the age of 60 years; or
- 20 (b) may continue in the service of the Bank after he has attained that age, but—
- (i) may retire from the service of the Bank; or
- (ii) the Bank may cause the employee to be retired from the service of the Bank,
- 25 at any time after he has attained that age and before he attains the age of 65 years.

**(2)** An employee who attains the age of 65 years shall thereupon retire from the service of the Bank.

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**Recovery of penalties.**

76. Any penalty imposed by this Act or the regulations may be recovered before a stipendiary magistrate or any 2 justices in petty sessions.

**By-laws.**

5 77. (1) The Bank may make by-laws, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed by by-laws or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act and, in particular, for or with respect to—

- 10 (a) the management of the Bank and the conduct of its business;  
(b) any function conferred or imposed on the Bank;  
(c) the custody and use of the official seal of the Bank; and  
(d) the hiring out or renting of, and access to, safe deposit facilities  
15 provided by the Bank and limiting the Bank's liability in respect of property held by the Bank in safe custody.

(2) A by-law made by the Bank shall be sealed with the official seal of the bank and submitted for the consideration and approval of the Governor.

20 (3) The by-laws may impose a penalty not exceeding \$200 for any breach thereof.

**Regulations.**

78. (1) The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed  
25 for the carrying out or giving effect to this Act and, in particular, for or with respect to—

- (a) any matter with respect to which by-laws may be made by the Bank; and  
30 (b) functions of persons or bodies, including the Crown, in relation to the conduct of agencies, as defined in section 36 (2).

*State Bank.*

(2) A regulation shall, to the extent of any inconsistency with any by-law made by the Bank, prevail over that by-law.

(3) The regulations may impose a penalty not exceeding \$200 for any breach thereof.

5 **Differential operation of by-laws or regulations.**

79. A provision of a regulation or by-law may—

- (a) apply generally or be limited in its application by reference to specified exceptions or factors;
- 10 (b) apply differently according to different factors of a specified kind; or
- (c) authorise any matter or thing to be from time to time determined, applied or regulated by any specified person or body,
- or may do any combination of those things.

SCHEDULE 1.

15

(Sec. 8 (4).)

**PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD.**

**Interpretation: Sch. 1.**

1. (1) In this Schedule—

“full-time director” means a director referred to in clause 2 (1) (a);

20 “part-time director” means a director referred to in clause 2 (1) (b) or (c).

(2) In this Schedule, a reference to a subclause is, unless a contrary intention appears, a reference to a subclause of the clause in which the reference occurs.

**Full-time and part-time directors.**

2. (1) Of the directors—

25 (a) 2 shall, in and by the instruments by which they are appointed, be appointed as full-time directors;

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*State Bank.*

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**SCHEDULE 1—continued.****PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—continued.**

- 5 (b) 4 shall be persons nominated for appointment as directors by the Minister and shall, in and by the instruments by which they are appointed, be appointed as part-time directors; and
- (c) 1 shall be a person elected in the manner prescribed by regulations made under clause 3 and shall, in and by the instrument by which he is appointed, be appointed as a part-time director.
- 10 (2) A person of or above the age of 65 years is not eligible to be appointed a director.

**Elected director.**

3. (1) In this clause, "elected director" means the director referred to in clause 2 (1) (c).
- (2) Regulations may be made for or with respect to the election of a person to 15 hold office as elected director.
- (3) The Electoral Commissioner for New South Wales, or a person employed in the office of the Electoral Commissioner and nominated by him, shall be the returning officer for an election, and shall have and may exercise the functions conferred or imposed on the returning officer by the regulations made under subclause (2) in 20 relation to the election.
- (4) Employees of the Bank are entitled to vote at an election in accordance with the regulations made under subclause (2).
- (5) A person's nomination as a candidate for election as elected director is invalid if—
- 25 (a) the nomination is not made by at least 2 persons who are employees of the Bank;
- (b) at the date of his nomination he is not an employee of the Bank;
- 30 (c) being an employee of the Bank at the date of his nomination, he does not hold the position of a branch manager of the Bank or an equivalent or superior position;

*State Bank.*SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

- 5 (d) he is not, at the time of his nomination, a member of an industrial union registered as such under the Industrial Arbitration Act, 1940, or an association of employees registered as an organization under the Conciliation and Arbitration Act 1904 of the Parliament of the Commonwealth, being the industrial union or association prescribed for the purposes of this paragraph; or
- (e) the instrument of nomination is not accompanied by a statutory declaration to the effect that he is, at the time of his nomination, such a member,
- 10 and the returning officer is entitled to rely on the information contained in the statutory declaration.
- (6) For the purposes of subclause (5) (d)—
- (a) the industrial union, being the Rural Bank of New South Wales Division of the Australian Bank Employees Union; or
- 15 (b) where some other industrial union or association referred to in subsection (5) (d) is prescribed as such an industrial union or association representing employees of the Bank, that other industrial union or association,
- is the prescribed industrial union or association.
- (7) Nothing in any law, rule, direction or other requirement that—
- 20 (a) is applicable to the elected director in his capacity as an employee of the Bank; and
- (b) would not be so applicable if he were not such an employee,
- operates so as to prevent or restrict the exercise by him of any of his functions as elected director.
- 25 (8) If no person is nominated at an election, or if for any other reason an election fails, the Governor may appoint a person eligible for election and nominated by the Minister to be a part-time director, and the person so nominated shall, on being appointed, be deemed to be a person elected in the manner prescribed by the regulations made under this clause.
- 30 (9) If a vacancy occurs in the office of elected director otherwise than by reason of the expiration of the term of office of an elected director—
- (a) the Governor may appoint a person eligible for election and nominated by the Minister to hold, subject to this Schedule, the office of elected director for a term commencing on the date of his appointment or a later date specified in the instrument of his appointment and ending upon the commencement of the term of office of the next elected director; and

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*State Bank.*

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SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

- 5 (b) any person so nominated shall, on being so appointed, be deemed to be a person elected in the manner prescribed by the regulations made under this clause.

**Chairman of the Board.**

4. Of the part-time directors referred to in clause 2 (1) (b), one shall, in and by the instrument by which he is appointed, or by another instrument executed by the Governor, be appointed chairman of the Board.

**10 Managing director and deputy managing director.**

## 5. Of the full-time directors—

- (a) 1 shall be appointed as the managing director of the Bank; and  
(b) the other shall be appointed as the deputy managing director of the Bank, in and by the instruments by which they are appointed, or by other instruments  
15 executed by the Governor.

**Acting directors.**

6. (1) The Governor may, from time to time, appoint a person to act in the office of a director, other than the office of chairman of the Board, during the illness or absence of the director.

20 (2) The Governor may, from time to time, appoint a part-time director referred to in clause 2(1) (b) to act in the office of chairman of the Board during the illness or absence of the chairman, and may in any such case appoint a person to act in the office of that director while that director acts in the office of chairman of the Board.

(3) The Governor may, for any cause which appears to him sufficient, remove  
25 any person from any office to which he was appointed under subclause (1) or (2).

(4) Any director or person while acting in the office of chairman of the Board or of any other director shall have all the functions of the person in whose office he acts, and shall receive such remuneration (including travelling and subsistence allowances) as the Minister may from time to time determine in respect of him.

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*State Bank.*

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SCHEDULE 1—*continued.***PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*****Terms of office.**

7. (1) The term of office of a director shall be, and, unless he vacates his office  
5 during his term, a director shall hold office for—

(a) where he is a full-time director—such period not exceeding 7 years; or

(b) except as provided in subclause (2), where he is a part-time director—such  
period not exceeding 3 years,

as may be specified in the instrument appointing him.

10 (2) Subject to clause 3(9), the term of office of the director elected in the  
manner prescribed by regulations made under clause 3(2) shall be, and, unless he  
vacates his office during his term, he shall hold office for, the period of 3 years com-  
mencing with the day specified in the instrument appointing him as the day upon which  
his term of office shall commence.

**15 Directors may be re-appointed.**

8. Upon the expiration of the term of office of a director he shall, if otherwise  
qualified, be eligible for reappointment from time to time.

**Full-time directors.**

9. (1) A full-time director shall devote the whole of his time to the duties of his  
20 office, except while he is absent from duty on leave granted by the Minister under  
clause 11(1) (c).

(2) A full-time director is entitled to be paid—

(a) remuneration in accordance with the Statutory and Other Offices Remunera-  
tion Act, 1975; and

25 (b) such travelling and subsistence allowances as the Minister may from time to  
time determine in respect of him.

(3) A full-time director shall have the same rights of leave of absence and  
payment of a cash allowance in lieu thereof as are granted to employees of the Bank  
under any award of an industrial tribunal or any industrial agreement having the force  
30 of an award.

*State Bank.*SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

(4) In the case of a full-time director who, at the date of his appointment as such was an employee of the Bank, his period of service as such an employee shall  
5 be taken into account in determining his rights under subclause (3).

(5) In the case of a full-time director who at the date of his appointment as such was an officer of the Public Service or was entitled to rights of leave or other rights under the Public Service Act, 1979, the period of his service as such an officer or the  
10 period which at that date represented his length of service for the purpose of his rights under that Act, as the case may be, shall be taken into account in determining his rights under subclause (3).

**Part-time directors.**

10. A part-time director is entitled to be paid out of the funds of the Bank such—  
(a) fees for attending meetings of the Board; and  
15 (b) travelling and subsistence allowances,  
as the Minister may from time to time determine in respect of him.

**Vacation of office.**

11. (1) A director shall be deemed to have vacated his office if—  
(a) he dies;  
20 (b) he becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit;  
(c) he absents himself from duty for any period, where he is a full-time director, or from 4 consecutive ordinary meetings of the Board, where he is a part-  
25 time director, except in either case on leave granted by the Minister (which leave the Minister is hereby authorized to grant) unless his absence is occasioned by illness or other unavoidable cause;  
(d) he becomes a temporary patient, a continued treatment patient, a protected  
30 person or an incapable person within the meaning of the Mental Health Act, 1958, or a person under detention under Part VII of that Act;  
(e) he is convicted in New South Wales of a felony or of a misdemeanour which is punishable by imprisonment for 12 months or upwards, or he is  
35 convicted elsewhere than in New South Wales of an offence which if committed in New South Wales would be a felony or a misdemeanour so punishable;

*State Bank.*SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

- (f) he resigns his office by writing under his hand addressed to the Governor;
- (g) he attains the age of 65 years;
- 5 (h) he is retired or removed from office by the Governor under subclause (2) or (3);
- (i) being a full-time director, he engages during his term of office in any paid employment outside the duties of his office, otherwise than with the consent of the Minister given under subclause (4);
- 10 (j) being the part-time director referred to in clause 2 (1) (c), he ceases to hold any of the qualifications that would be required by clause 3 (5) (b), (c) or (d) for his nomination; or
- (k) without the consent of the Minister given under subclause (4), he is or becomes a director or a member of the controlling body or an employee
- 15 of a corporation (other than the Bank) whose business is wholly or mainly the business of banking.

(2) A full-time director may be retired from office by the Governor after he attains the age of 60 years and before he attains the age of 65 years and, if he is so retired, he is entitled to such compensation (if any) as the Statutory and Other Offices

20 Remuneration Tribunal determines.

(3) Where the Governor is satisfied that a director is incapable or incompetent or has misconducted himself, the Governor may remove the director from his office.

(4) The Minister may consent to a full-time or part-time director's being a director or a member of the controlling body of a corporation (other than the Bank)

25 whose business is wholly or mainly the business of banking.

**Effect of certain other Acts.**

12. (1) The provisions of the Public Service Act, 1979, shall not apply to or in respect of the appointment of a director and a director is not, as a director, subject to that Act during his term of office as a director.

30 (2) Where by or under any other Act provision is made requiring the holder of an office specified therein to devote the whole of his time to the duties of his office, or prohibiting him from engaging in employment outside the duties of his office, that provision shall not operate to disqualify him from holding that office and also the office of a part-time director or from accepting and retaining any fees and allowances

35 payable to him under clause 10 as a part-time director.

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*State Bank.*

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SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

(3) The office of a part-time director shall for the purposes of any Act be deemed not to be an office or place of profit under the Crown.

**5 Saving of certain rights of full-time directors.**

13. (1) Where a person was, immediately before his appointment as a full-time director, an officer or employee of the Public Service or the Bank and ceases to be a full-time director otherwise than pursuant to clause 11 (1) (paragraph (f) excepted), he shall, if he has not attained the age of 60 years, be appointed to a position in the  
10 Public Service or the Bank, as the case may be, not lower in classification or salary than that which he held immediately before his appointment.

(2) Where a person was, immediately before his appointment as a full-time director, an officer or employee of the Public Service or the Bank, a commissioner, other than a nominated commissioner, under the Rural Bank of New South Wales Act,  
15 1932, or an employee within the meaning of the Superannuation Act, 1916, he shall retain any rights which have accrued or are accruing to him as such an officer, employee or commissioner and he shall continue to contribute to any fund or account and shall be entitled to receive any deferred or extended leave and any payment, pension or gratuity as if he had continued to be such an officer, employee or commissioner  
20 during his service as a director, and for the purposes of this subclause his service as such a director shall be deemed to be service for the purposes of the Superannuation Act, 1916, and the Public Service Act, 1979, as the case may be.

(3) Where a full-time director contributes to a fund or account as referred to in subclause (2), the Bank shall pay to the State Superannuation Board such  
25 amounts as would have been payable to that Board if the full-time director had remained an employee within the meaning of the Superannuation Act, 1916, and had continued to be employed by the employer by whom he was employed immediately before his appointment as such a director and as if he were receiving from that employer the same remuneration as is being paid to him under the Statutory and Other Offices  
30 Remuneration Act, 1975.

(4) A full-time director shall not, in respect of the same period of service, be entitled to claim a benefit under this Act and another Act.

**Meetings of the Board.**

14. (1) The procedure for the calling of meetings of the Board and for the conduct  
35 of business at those meetings shall, subject to this Schedule, be as determined by the Board.

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*State Bank.*

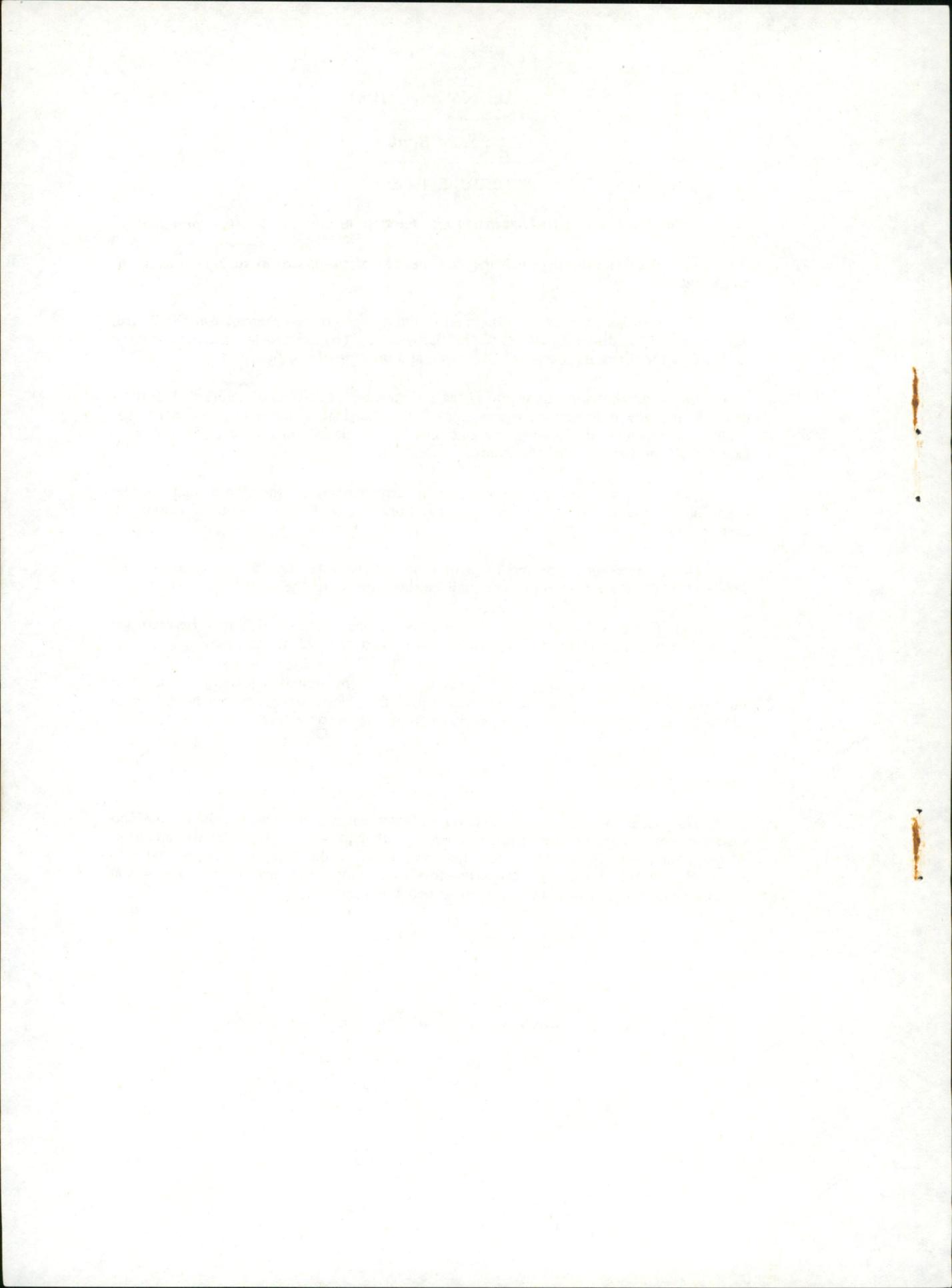
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**SCHEDULE 1—continued.****PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—continued.**

- (2) The Minister shall call the first meeting of the Board in such manner as he thinks fit.
- 5 (3) The chairman of the Board or, in the absence of the chairman of the Board, another part-time director referred to in clause 2 (1) (b) elected as chairman for the meeting by the directors present shall preside at a meeting of the Board.
- 10 (4) Four directors, of whom at least 1 shall be a full-time director, shall form a quorum and any duly convened meeting of the Board at which a quorum is present shall be competent to transact any business of the Board and shall have and may exercise all the functions of the Board.
- (5) The person acting as chairman at any meeting of the Board shall, in the event of an equality of votes, have in addition to a deliberative vote a second or casting vote.
- 15 (6) A decision supported by a majority of the votes cast at a meeting of the Board at which a quorum is present shall be the decision of the Board.
- (7) The Board shall cause a minute book to be kept in which shall be recorded full and accurate minutes of the proceedings of each meeting of the Board.
- 20 (8) Minutes recorded under subclause (7) in respect of a meeting shall, when duly read and confirmed at the next meeting of the Board, be signed by the chairman of the Board or the director acting as chairman at that next meeting.

**Liability of directors, etc.**

- 25 15. No matter or thing done, and no contract entered into by the Bank, and no matter or thing done by any director or by any other person acting under the direction of the Board shall, if the matter or thing was done or the contract was entered into bona fide for the purpose of executing this Act, subject the director or that person personally to any action, liability, claim or demand whatever.



STATE BANK ACT, 1981, No. 89

New South Wales



ANNO TRICESIMO

ELIZABETHÆ II REGINÆ

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Act No. 89, 1981.

An Act to constitute the State Bank of New South Wales and to define its functions; and for other purposes. [Assented to, 10th June, 1981.]

See also Miscellaneous Acts (State Bank) Repeal and Amendment Act, 1981; and Statutory and Other Offices Remuneration (State Bank) Amendment Act, 1981.

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*State Bank.*

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**BE** it enacted by the Queen'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:—

**PART I.****PRELIMINARY.****Short title.**

1. This Act may be cited as the "State Bank Act, 1981".

**Commencement.**

2. (1) This section and section 1 shall commence on the date of assent to this Act.

(2) Except as provided by subsection (1), this Act shall commence on such day as may be appointed by the Governor in respect thereof and as may be notified by proclamation published in the Gazette.

(3) For the purpose of enabling the director referred to in clause 2 (1) (c) of Schedule 1 to be appointed, any act, matter or thing may be done before that day as if the whole of this Act commenced on the date of assent to this Act.

(4) Except for the purposes referred to in clause 10 of Schedule 2 of the Miscellaneous Acts (State Bank) Repeal and Amendment Act, 1981, a director shall not take office before the day appointed and notified under subsection (2).

**Act binds Crown.**

3. This Act binds the Crown.

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*State Bank.*

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**Arrangement.**

4. This Act is divided as follows:—

PART I.—PRELIMINARY—*ss.* 1–6.

PART II.—STATE BANK OF NEW SOUTH WALES—*ss.* 7–12.

PART III.—GENERAL BANKING FUNCTIONS OF THE BANK—*ss.* 13–35.

PART IV.—GOVERNMENT AGENCIES—*ss.* 36–60.

DIVISION 1.—*General*—*ss.* 36–48.

DIVISION 2.—*Rural Industries Agency*—*ss.* 49, 50.

DIVISION 3.—*Advances to Settlers Agency*—*ss.* 51, 52.

DIVISION 4.—*Irrigation Agency*—*ss.* 53, 54.

DIVISION 5.—*Rural Assistance Agency*—*ss.* 55–57.

DIVISION 6.—*Special Industries Agency*—*ss.* 58–60.

PART V.—GENERAL—*ss.* 61–79.

SCHEDULE 1.—PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD.

**Interpretation.**

5. (1) In this Act, except in so far as the context or subject-matter otherwise indicates or requires—

“Bank” means the State Bank of New South Wales constituted under section 7;

“Board” means the State Bank Board constituted by section 8 (1);

“by-law” means a by-law made under this Act;

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*State Bank.*

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“Crown Lands Acts” means the Crown Lands Acts, as defined in section 5 (1) of the Crown Lands Consolidation Act, 1913, and includes the Western Lands Act, 1901, the Wentworth Irrigation Act, the Hay Irrigation Act, 1902, the Closer Settlement Act, 1904, the Irrigation Act, 1912, the Returned Soldiers Settlement Act, 1916, and any other enactment by which provision is made for the disposal of Crown lands, as defined in that subsection;

“director” means a director of the Board;

“financial year” means a year ended 30th June;

“function” includes power, authority and duty;

“general banking business” means any business of the Bank other than agency business, as defined in section 36 (1);

“irrigation area” means irrigation area constituted under the Irrigation Act, 1912, the Wentworth Irrigation Act, or the Hay Irrigation Act, 1902;

“prescribed” means prescribed by the regulations;

“regulation” means a regulation made under this Act.

(2) A reference in this Act to the exercise of a function includes, where that function is a duty, a reference to the performance of that duty.

(3) In relation to the Bank—

(a) the reference in section 38 (subsection (ii) excepted) of the Interpretation Act, 1897, to a common seal shall be construed as a reference to an official seal; and

(b) section 38 (ii) of that Act shall have no effect.

**References to the Bank.**

6. A reference in any other Act or in any regulation, by-law or other statutory instrument or in any other document, whether of the same or a different kind, to the State Bank shall be construed as a reference to the Bank.

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*State Bank.*

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PART II.

STATE BANK OF NEW SOUTH WALES.

**Constitution of the Bank.**

7. There is hereby constituted a corporation with the corporate name "State Bank of New South Wales".

**Constitution of the Board.**

8. (1) There is hereby constituted a State Bank Board.

(2) The Board shall consist of 7 directors who shall be appointed by the Governor.

(3) In the event of the office of any director becoming vacant, a person shall, subject to Schedule 1, be appointed to fill the vacancy.

(4) Schedule 1 has effect with respect to the directors and the procedure of the Board.

**Functions of the Board.**

9. (1) The Board is the governing body of the Bank.

(2) Subject to this Act, the Board has power to determine the policy of the Bank in relation to any matter, and to control the affairs of the Bank.

(3) It is the duty of the Board, within the limits of its powers, to ensure that the policy of the Bank is directed to the greatest advantage of the people of New South Wales and has due regard to the stability and balanced development of the economy of the State.

(4) Any act, matter or thing done in the name of, or on behalf of, the Bank by the Board, or with the authority of the Board, shall be deemed to have been done by the Bank.

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*State Bank.*

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**Functions of managing director.**

**10.** Subject to section 9 (2), the managing director of the Bank shall be responsible for the management of the Bank.

**Functions of deputy managing director.**

**11. (1)** The deputy managing director of the Bank shall have such functions (including functions delegated to the managing director under section 12 (1)) as the managing director of the Bank directs.

**(2)** Where—

- (a) the managing director is prevented by illness or absence from exercising any function of his office; or
- (b) there is a vacancy in the office of managing director,

the deputy managing director shall have the functions of that office (including functions delegated to the managing director under section 12 (1)) and any thing done by the deputy managing director while so acting pursuant to this subsection shall be deemed to have been done by him as the managing director.

**(3)** No person shall be concerned to inquire whether or not any occasion has arisen requiring or authorising the deputy managing director to act in the office of managing director pursuant to subsection (2).

**Delegation by the Board.**

**12. (1)** The Board may, by instrument in writing, delegate to—

- (a) the managing director of the Bank;
- (b) a committee comprised of directors, including the managing director of the Bank or a director nominated by the managing director; or
- (c) an employee of the Bank,

the exercise of such of the functions of the Board as are specified in the instrument.

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*State Bank.*

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(2) A function the exercise of which has been delegated under this section may, while the delegation remains unrevoked, be exercised from time to time in accordance with the terms of the delegation.

(3) A delegation under this section may be made subject to such conditions or limitations as to the exercise of any function delegated or as to time or circumstances as may be specified in the instrument of delegation.

(4) Notwithstanding any delegation under this section, the Board may continue to exercise any function delegated.

(5) Any act or thing done or suffered by a delegate acting in the exercise of a delegation under this section has the same force and effect as it would have if it had been done or suffered by the Board and shall be deemed to have been done or suffered by the Board.

(6) An instrument purporting to have been signed by a delegate of the Board in his capacity as such a delegate shall in all courts and before all persons acting judicially be received in evidence as if it were an instrument duly executed by the Board and shall, until the contrary is proved, be deemed to be an instrument signed by a delegate of the Board.

(7) In subsection (6), a reference to a delegate includes a reference to the chairman of a committee to which the exercise of a function has been delegated under subsection (1).

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PART III.

GENERAL BANKING FUNCTIONS OF THE BANK.

**General banking business.**

13. (1) The Bank shall carry on general banking business.

(2) The general banking business of the Bank may be carried on within or outside New South Wales.

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*State Bank.*

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(3) The Bank has such powers as are necessary for the purpose of carrying on general banking business.

(4) Without limiting the generality of subsection (3), the Bank has power, in addition to any other powers conferred on it by this or any other Act—

- (a) to receive money on current account, on fixed deposit or in any other manner determined by the Bank from time to time;
- (b) to borrow money;
- (c) to lend money;
- (d) to insure or provide for insurance against the death of or personal injury to any borrower from the Bank;
- (e) to buy, sell, discount and re-discount bills of exchange, promissory notes and treasury bills;
- (f) to buy and sell securities issued by the Commonwealth and other securities;
- (g) to buy, sell and otherwise deal in foreign currency, specie and gold and other precious metals;
- (h) to establish credits and give guarantees;
- (i) to issue bills and drafts and effect transfers of money;
- (j) to provide safe deposit vaults and hire out safe deposit boxes therein;
- (k) to underwrite loans and issues of shares, debentures, inscribed stock and other securities and interests;
- (l) to acquire and hold real and personal property and to sell, mortgage, lease or otherwise dispose of any such property;
- (m) to erect buildings and to dispose of those buildings on such terms and conditions as the Bank may from time to time determine;
- (n) to act as a trustee;
- (o) to operate a registry of shares, debentures, inscribed stock and other securities and interests; and
- (p) to do anything incidental to any of its powers.

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*State Bank.*

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**Clearing-house.**

**14. (1)** The Bank is entitled 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 a manner as any other bank, and all banks represented at or taking part in any such proceedings or transactions, and any person conducting, or participating in the conduct of, any clearing-house or cheque clearing system shall fully recognise the Bank and afford it all necessary facilities for transacting its banking business and operations and the exchanges in relation thereto.

**(2)** A bank or person referred to in subsection (1) shall not contravene or permit the contravention of subsection (1).

Penalty: \$5,000.

**Liquidity.**

**15. (1)** The Bank shall hold or retain in cash, or in a form prescribed by subsection (2), not less than 20 per cent of the quarterly average of the moneys held by the Bank in any manner referred to in section 13 (4) (a).

**(2)** For the purposes of subsection (1), the prescribed forms are:—

- (a) securities issued by the Commonwealth;
- (b) securities issued by any body constituted by an Act, being securities that are for a loan the repayment of which is guaranteed by the Government of New South Wales and that are listed on any recognised stock exchange in Australia;
- (c) securities issued by any body constituted by an Act of the Commonwealth, being securities that are for a loan the repayment of which is guaranteed by the Government of the Commonwealth and that are listed on any recognised stock exchange in Australia;
- (d) on current account or deposit available at not more than 6 months' call;
- (e) investments in the official short term money market available at not more than 6 months' call;

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*State Bank.*

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- (f) bills of exchange accepted or endorsed by a bank, as defined in section 5 (1) of the Banking Act 1959 of the Commonwealth, and maturing within 6 months; and
- (g) such other investments as may from time to time be approved by the Treasurer.

**Payment guaranteed.**

**16. (1)** The payment of all moneys due by the Bank in respect of its general banking business is guaranteed by the Government of New South Wales.

**(2)** Any liability arising from the guarantee referred to in subsection (1) shall be met out of the Consolidated Revenue Fund, which is hereby appropriated accordingly.

**Branches and agencies.**

**17.** The Bank may establish branches and agencies of the Bank whether in or outside New South Wales, and may restrict the classes of operations to be effected at any branch or agency.

**Bank may act as agent of another bank.**

**18.** The Bank may act as agent of any bank carrying on business in or outside New South Wales.

**Bank may act as agent of Commonwealth or States, etc.**

**19. (1)** The Bank may, with the approval of the Minister, enter into any agreement or arrangement with the Commonwealth or with any State (including New South Wales), with any authority of the Commonwealth or of any State or with any person for the performance by the Bank, whether as agent or otherwise, of such acts and the exercise of such functions as appear to be advantageous, relevant or incidental to the business of the Bank.

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(2) For the purpose of carrying out any such agreement or arrangement, the Bank may do all such acts and exercise all such functions as the Bank deems necessary or convenient.

(3) The power conferred on the Bank to enter into an agreement or arrangement under subsection (1) is in addition to any other powers conferred on the Bank by this Act.

**Attorney may be appointed.**

20. The Bank may appoint any person, whether in or outside New South Wales, to be the attorney of the Bank.

**Bank may appoint another bank as agent.**

21. The Bank may arrange with any other bank to act as the agent of the Bank in any place, whether in or outside New South Wales.

**Bank's borrowing powers.**

22. (1) The Bank may, from time to time, with the consent of the Treasurer, borrow money and issue debentures or inscribed stock to evidence the obligation of the Bank to repay money so borrowed and, where payable, to pay interest thereon, as provided by the by-laws.

(2) The total amount of debentures and inscribed stock issued by the Bank under subsection (1) and uncanceled shall not at any time exceed—

- (a) except as provided in paragraph (b)—\$200,000,000; or
- (b) where a larger amount is prescribed—that larger amount.

(3) A debenture issued under subsection (1) and a coupon originally annexed to the debenture (whether or not the coupon is separated from the debenture) may be transferred by delivery.

(4) Inscribed stock of the Bank is transferable in the books of the Bank as provided by the by-laws.

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**Application of loans.**

**23. (1)** Any loan obtained by the Bank under section 22 (1) may be applied for such purposes of the general banking business, or the agency business, as defined in section 36 (1), of the Bank as the Bank may determine.

**(2)** Any liability of the Bank in respect of any such loan shall be met—

- (a) except as provided in paragraph (b), by the Bank out of funds derived from the conduct of its general banking business; or
- (b) where the loan was applied for the purpose of any agency, referred to in section 36 (2), out of the funds of that agency.

**Replacement of lost, etc., debentures.**

**24. (1)** If a debenture issued by the Bank is lost, stolen, destroyed, mutilated or defaced before it has been redeemed, the Bank may issue a debenture in its place upon proof to the satisfaction of the Bank of the loss, theft or destruction, or upon surrender of the mutilated or defaced debenture, and upon receiving security or indemnity satisfactory to it against double payment if the missing debenture is thereafter presented for payment.

**(2)** A debenture issued under subsection (1) with interest coupon annexed shall bear the same date, number, principal sum and rate of interest as the debenture it replaces.

**(3)** Subsection (1) applies to and in respect of a lost, stolen, destroyed, mutilated or defaced coupon in the same way as it applies to and in respect of a lost, stolen, destroyed, mutilated or defaced debenture.

**Guarantee.**

**25. (1)** The due repayment of any money borrowed by the Bank as referred to in section 22 (1) and, where payable, due payment of interest and other charges relating thereto—

- (a) are a charge on the moneys and securities held by the Bank, otherwise than on behalf of customers of the Bank; and
- (b) are guaranteed by the Government of New South Wales.

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(2) Any liability arising from the guarantee referred to in subsection (1) (b) shall be discharged out of the Consolidated Revenue Fund, without further appropriation than this Act.

(3) The charge referred to in subsection (1) (a) does not prejudice or affect the powers of the Bank to reconvey, release or discharge any securities held by it or the properties comprised therein, to sell or convey those securities or properties, to foreclose those securities or properties or to deal with those securities or properties.

**Indemnity.**

26. The Bank shall be deemed to be indemnified by the Crown against any liability in respect of debentures and inscribed stock issued in respect of loans applied for the purposes of the agency business of the Bank, as referred to in section 23 (1), to the extent to which the liability is not recoverable from the assets relating to the agency concerned.

**Exemption from stamp duty.**

27. Contract notes for or relating to the purchase of, and transfers of, debentures and inscribed stock issued by the Bank under this Act to secure the repayment of a loan shall be deemed to be included in the general exemptions from stamp duty under Part III of the Stamp Duties Act, 1920, contained in the Second Schedule to that Act.

**Exchange of securities.**

28. At the request of the bearer of a debenture or the holder of inscribed stock, the Bank may issue one in place of the other but only if the one issued is in the same currency and bears the same interest as the one in place of which it was issued.

**Payment of interest on debentures.**

29. The holder of a coupon originally annexed to a debenture issued by the Bank (whether or not the coupon is separated from the debenture) is entitled to receive payment from the Bank of the interest specified in the coupon upon presentation on or after the date when, and at the place where, the interest is payable.

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**Distribution of Bank's profits.**

**30. (1)** After making such deductions as the Bank thinks fit (being deductions in respect of the estimated losses or deficiencies in connection with its general banking business) from the earnings derived from that business, the Bank shall deal with the net profits earned during any financial year as provided by subsection (2).

**(2)** The net profits of the Bank derived from the general banking business of the Bank in each financial year, as certified to by the Auditor-General, shall be dealt with as follows:—

- (a) one-half shall be paid to the Treasurer for payment into the Consolidated Revenue Fund; and
- (b) one-half shall be placed to the credit of a Reserve Fund of the Bank for meeting any loss or deficiency in connection with that business.

**(3)** Any deficiency in the Reserve Fund at the end of any financial year shall be made good from the Consolidated Revenue Fund upon the deficiency being certified to by the Auditor-General and the Consolidated Revenue Fund is hereby appropriated accordingly.

**(4)** The Reserve Fund referred to in subsection (2) (b) may be used in the general banking business of the Bank.

**Power to vary certain agreements.**

**31. (1)** Notwithstanding the Commonwealth and State Banks Agreements Ratification Act, 1931, and the agreements copies of which are set out in the First and Second Schedules to that Act, the State of New South Wales and the Bank may make any agreement or agreements with the appropriate corporation referred to in the Commonwealth Banks Act 1959 of the Parliament of the Commonwealth varying, modifying or altering any of the provisions of those agreements.

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(2) The Bank's power to make any agreement under subsection (1) does not extend to making any such agreement which has the effect of increasing the monetary liability of New South Wales or of the Bank unless the proposed agreement has been approved by a resolution of each House of Parliament.

**Sharing of profits and losses under Savings Bank Agreement.**

32. (1) All amounts received by the Bank under clause 11 of the agreement, a copy of which is set out in the First Schedule to the Commonwealth and State Banks Agreements Ratification Act, 1931, shall be paid to the credit of a Special Reserve Account in the Bank, which shall be charged with the amounts which the Bank is liable to pay under that clause to the appropriate corporation referred to in the Commonwealth Banks Act 1959 of the Parliament of the Commonwealth.

(2) The Special Reserve Account referred to in subsection (1)—

- (a) shall be applied in meeting any liability of the Bank under clause 11 of the agreement referred to in subsection (1); and
- (b) to the extent that it is not so applied, may be used in the general banking business of the Bank.

(3) Any income derived by the Bank from the use of the Special Reserve Account referred to in subsection (1) in the manner referred to in subsection (2) (b) does not form part of that account.

**Power to vary rate of interest.**

33. (1) In every fixed or amortisation loan, the Bank shall have the following powers:—

- (a) to reduce the rate of interest at its discretion at any time and from time to time;
- (b) where the rate of interest has been reduced below that payable under the security, to increase, at any time and from time to time, the reduced rate of interest up to but not above the rate payable under the security, on giving one month's notice in writing of any such increase to the borrower at his last known place of business or abode; and

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- (c) not more than once in any period of 3 years to increase the rate of interest beyond that stipulated for in the security on giving 6 months' notice in writing of the increase to the borrower at his last place of business or abode.

(2) In the case of an amortisation loan, when a variation is made in the rate of interest, the instalment may be altered accordingly.

**Distribution of assets of deceased customer.**

34. (1) In this section—

“assets”, in relation to a customer, means money held by the Bank to the credit of the customer and any bonds, debentures or other like securities held by the Bank on behalf of the customer;

“prescribed amount” means—

- (a) except as provided by paragraph (b), the amount of \$4,000; or
- (b) where some other amount has been prescribed, that other amount.

(2) For the purposes of subsection (3), the value of assets, other than money, shall be taken to be the face value of the assets.

(3) Where—

- (a) a customer of the Bank dies;
- (b) the Bank holds assets of the customer; and
- (c) probate of the will, or letters of administration of the estate, of the customer is or are not produced to the Bank within such time as the Bank thinks reasonable,

the Bank may pay, transfer or deliver the assets and any interest thereon, whenever it becomes or became due, up to a total value not exceeding the prescribed amount, to any one or more of the following persons and, if more than one, in such proportions as the Bank thinks fit:—

- (d) a person who has paid the funeral expenses of the customer;
- (e) the widow or widower of the customer;

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- (f) the next of kin of the customer;
- (g) the person appearing to the Bank to be entitled to take out probate of the will, or letters of administration of the estate, of the customer;
- (h) the Public Trustee;
- (i) a creditor of the customer;
- (j) a person undertaking to maintain the children of the customer;
- (k) a child of the customer.

(4) The receipt of any person referred to in subsection (3) (d)–(k) who is above the age of 14 years shall be a sufficient discharge to the Bank in respect of any assets paid, transferred or delivered to that person.

(5) If, under this section, the Bank pays, transfers or delivers any assets to any person who is afterwards proved not to have been legally entitled thereto, the Bank shall not, in respect of those assets, be liable at the suit of any person who was so entitled but any remedy of a person so entitled as against the person to whom the assets were paid, transferred or delivered is not affected by this section.

**Use of employees of Government Departments, etc.**

35. The Bank may, with the approval of the Government Department or statutory body concerned and of the Minister administering the Department or the Act under which the statutory body is constituted, make use of the services of any person employed in the Department or in the service of the statutory body, as the case may be, on such terms and conditions as may be so approved.

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## PART IV.

## GOVERNMENT AGENCIES.

DIVISION 1.—*General.***Interpretation: Pt. IV.**

**36. (1)** In this Part, “agency business” means the business in respect of an agency.

**(2)** A reference in this Part to an agency is a reference to an appointment held by the Bank under section 37 in respect of the functions, the exercise of which the Bank is appointed to undertake pursuant to the appointment and to any other agency established under this Part.

**Constitution of agencies.**

**37. (1)** The Governor may, by order, appoint the Bank to undertake, as an agent or otherwise, the exercise, on behalf of the Government of New South Wales or any body constituted by or under any Act, of such functions as are specified in the order.

**(2)** An order made under subsection (1), or a subsequent order made by the Governor, may make provision with respect to the payment to the Bank of any money owing to or held by the Government or any body referred to in subsection (1) with respect to any of the functions for which an agency is established and any such order shall have effect according to its tenor.

**Agencies.**

**38. (1)** The Bank shall exercise the functions conferred or imposed upon it in respect of its several agencies.

**(2)** Separate accounts shall be kept by the Bank in respect of each agency.

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(3) There shall be provided from time to time to the Bank for the purposes of this Part—

- (a) such moneys as may be appropriated by Parliament;
- (b) such moneys as the Treasurer may make available to the Bank;
- (c) such part of the proceeds of the sale of debentures or inscribed stock as may be applied under section 23 (1) for the purposes of the agency business of any agency.

**Agency business to be separate.**

39. (1) The agency business of the Bank shall be carried on separately and distinctly from the general banking business of the Bank.

(2) Transactions and accounts relating to the agency business of the Bank shall be kept separate from those relating to the general banking business of the Bank.

(3) Except as expressly provided in this Act, no moneys held by the Bank in respect of its agency business shall be used in connection with its general banking business and no liability incurred in respect of either such business affects the other business or the funds thereof.

(4) Moneys held by the Bank at any branch or agency may be used in connection with either the agency business of the Bank or the general banking business of the Bank, subject to monthly adjustments as between the respective businesses.

(5) The same employees may be employed in administering the agency business of the Bank and the general banking business of the Bank and the total costs of administration shall be appropriated by the Bank between the respective businesses as it may determine.

**Accounts for each agency.**

40. (1) For each agency there shall be opened a banking account in the Bank and to the credit of that account shall be deposited all moneys received by the Bank in respect of the agency.

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(2) The Bank may keep such further accounts as it deems necessary in respect of each agency to record the operations of the agency.

(3) The liability of the Bank in respect of each agency shall be separately shown in the books of the Bank.

(4) In the account for each agency the Treasurer shall from time to time—

(a) be credited with—

- (i) any amounts or further amounts to become due to the Bank for capital moneys, as defined in section 41 (1), in respect of the functions to which the agency relates;
- (ii) so much of any moneys appropriated by Parliament for the purposes of an agency as is allotted by the Bank in respect of the functions to which the agency relates;
- (iii) any amounts made available to the Bank for the purposes of the functions to which the agency relates under section 38 (3) (b);
- (iv) revenue which becomes due to the Bank in respect of the agency;
- (v) such part of the proceeds of the sale of debentures or inscribed stock as may be applied under section 23 (1) for the purposes of the agency business of the agency; and
- (vi) such other moneys as are required by the regulations to be credited to the account; and

(b) be debited with—

- (i) the amount by which the indebtedness of any person to the Bank in respect of the agency is reduced by or under this or any other Act;
- (ii) the amounts of any losses on realisation of any security belonging to the agency;
- (iii) the amount due to the Bank in respect of the agency by any person on forfeiture of land or on surrender of land or cancellation of a contract or arrangement for the sale of land, where the land becomes available for disposal under the Crown Lands Acts;

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- (iv) so much of revenue moneys paid to the Treasurer in pursuance of section 41 (4) as is attributable to the agency;
- (v) so much of any money paid to the Treasurer in pursuance of section 41 (5) as is attributable to the agency; and
- (vi) such other amounts as are required by the regulations to be debited to the account.

**Monthly transfers to agencies.****41. (1)** In this section—

“agency” does not include an agency which, under the regulations, is excluded from the operation of this section;

“capital moneys” means repayments of principal sums advanced to debtors in respect of an agency and of moneys disbursed by the Bank on behalf of any such debtors and all other moneys received by the Bank in respect of an agency that are not revenue moneys;

“revenue moneys” means moneys received in respect of an agency for rentals, interest, water rates and charges and all moneys received in respect of an agency—

- (a) for purchase money or otherwise in respect of sale of land within the Coomealla Irrigation Area;
- (b) for purchase money or otherwise in respect of sales of land in pursuance of sections 11B and 11C of the Irrigation Act, 1912,

and includes such other moneys as the Bank may decide are revenue moneys.

**(2)** As soon as practicable after the end of each month the Bank shall ascertain in respect of each account for an agency the amount of the preceding month's credits which represents capital moneys and the amount of those credits which represents revenue moneys and shall transfer the amount which represents capital moneys to the credit of an account in the Bank styled “Government Agencies Capital Account” and the amount which represents revenue moneys to the credit of an account in the Bank styled “Government Agencies Revenue Account”.

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(3) The Bank may make transfers to the capital and revenue accounts, referred to in subsection (2), of credits arising during a month without waiting to do so until after the end of the succeeding month but, if it does so, it shall, at the end of the succeeding month, make such adjustments as are necessary to produce the result required by subsection (2).

(4) The money standing to the credit of the Government Agencies Revenue Account shall be paid to the Treasurer as and when available.

(5) The Bank may utilise moneys standing to the credit of the Government Agencies Capital Account for the purpose of administering and continuing and of making loans or capital expenditure in respect of any agency, or may at any time when moneys are available repay to the Treasurer the whole or any part of any moneys appropriated by Parliament for the purposes of the agencies or made available by the Treasurer in pursuance of section 38 (3) (b).

**Interest on money in Government Agencies Capital and Revenue Accounts, etc.**

42. The money standing to the credit of the Government Agencies Capital Account and the Government Agencies Revenue Account and any of the accounts mentioned in section 40 (1) or (2) shall bear interest at such rate or rates, if any, as may be agreed upon from time to time by the Treasurer and the Bank.

**Power of Treasurer to fix interest rates, etc., in certain cases.**

43. (1) The Treasurer may, in respect of any agency, give directions with respect to the rate of interest to be charged, the maximum amount which may be advanced to any borrower or expended on behalf of any applicant and the period and the purposes for which a loan may be made where the rate, amount, period or purposes is or are not regulated by or under any Act.

(2) The Bank shall give effect to any such direction.

(3) Any such direction may be given only so as to apply generally in respect of a class of borrower, applicant or loan.

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(4) Subsection (1) does not apply in respect of any agency which, under the regulations, is excluded from the operation of that subsection.

**Costs of administration.**

44. The whole of the costs of administration—

- (a) except as provided by paragraph (b), of every agency carried on by the Bank as certified to by the Bank shall be paid by the Treasurer to the Bank from time to time as and when required and shall be charged on the Consolidated Revenue Fund, which is hereby appropriated accordingly; and
- (b) of any agency specified in regulations shall, if the regulations so require, be debited by the Bank against the account for that agency.

**Bank's powers with respect to agency debtors.**

45. (1) Without limiting any other powers of the Bank, the Bank may, where any moneys are due and payable in relation to any function in respect of which an agency is established, do any of the following things:—

- (a) ask, demand, sue for, recover and receive the moneys, and give effectual receipts and discharges for the moneys;
- (b) allow further time for payment of moneys;
- (c) settle, adjust, compromise, postpone or consolidate the debts relating to the moneys or any claims in respect of any agency;
- (d) require the person indebted to it in respect of the moneys to execute such securities as it may deem necessary;
- (e) with the concurrence of the Auditor-General, write off either wholly or in part any debt relating to the moneys which in the opinion of the bank is not recoverable;
- (f) take any other action whatever for or towards the recovery of the moneys or the better securing of the repayment of the moneys, or the preservation or protection of any security for the repayment of the moneys, whether by way of sale or foreclosure of mortgaged property or the taking of new or additional security or otherwise.

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(2) Subsection (1) does not apply to any agency which, under the regulations, is excluded from the operation of that subsection.

**Power of Bank to make appropriations.**

46. (1) Where the same person is indebted to the Bank in respect of more than one agency or in respect of its general banking business and also any one or more agencies, the Bank may appropriate any moneys received by it (which are not otherwise appropriated by the person paying them) in satisfaction or in part satisfaction of the indebtedness of the person as the Bank may determine.

(2) Any amount payable to the Bank in respect of any agency by any person shall be paid at such branch or agency of the Bank or in such manner as the Bank may determine and notify in writing to the person.

**Statement in writing by director or authorised employee prima facie evidence.**

47. A statement in writing signed by a director or an employee of the Bank, duly authorised by the Bank for the purposes of this section, that—

- (a) on a specified day a specified amount was due and owing to the Bank in respect of an agency—
  - (i) by a specified person; or
  - (ii) under or in accordance with a specified security; or
- (b) a security, or the debt thereby secured, or any money due thereunder, or the right to recover any money or debt, is vested in the Bank in respect of a particular agency,

is admissible in any proceedings and is prima facie evidence of the matters so stated.

**Indemnity.**

48. The Bank is hereby indemnified by the Government of New South Wales in respect of any act done by it and of any losses, costs or damages incurred by it in the bona fide exercise of the functions conferred or imposed upon it in respect of its agency business.

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DIVISION 2.—*Rural Industries Agency.*

**Rural Industries Agency.**

49. There shall be within the Bank an agency called the “Rural Industries Agency”.

**Powers of Bank in respect of Rural Industries Agency.**

50. The Bank may, through the Rural Industries Agency, at its discretion, make advances, upon such securities and at such rates of interest and subject to such covenants, conditions and provisions as it may impose—

- (a) for the assistance or relief of persons engaged in agricultural, pastoral or dairying pursuits or in primary production of any kind;
- (b) to any dairy farmer or beef cattle breeder for the purpose of purchasing suitable bulls to improve his herds;
- (c) to any grazier for the purpose of purchasing suitable rams to improve his flocks;
- (d) to any pig farmer for the purpose of purchasing suitable boars to improve his stock; or
- (e) to such persons and for such purposes as the Minister may from time to time determine.

DIVISION 3.—*Advances to Settlers Agency.*

**Advances to Settlers Agency.**

51. There shall be within the Bank an agency called the “Advances to Settlers Agency”.

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**Powers of Bank in respect of Advances to Settlers Agency.**

**52.** The Bank may, through the Advances to Settlers Agency, at its discretion and with the primary object of relieving unemployment, make advances, upon such securities and at such rates of interest and subject to such covenants, conditions and provisions as it may impose—

- (a) to any farmer, grazier or landholder—
  - (i) for ringbarking, suckering, clearing land for cultivation, felling or rolling scrub, fencing, water conservation, extermination of rabbits or construction of silos;
  - (ii) for the erection of buildings and other structures on dairy farms to provide for share-farmers; or
  - (iii) for any purpose of a like nature;
- (b) to any landholder or settler taking up land with the object of dairy farming, for the purpose of purchasing stock or providing necessary improvements or plant; or
- (c) to such persons and for such purposes as the Minister may from time to time determine.

**DIVISION 4.—Irrigation Agency.****Irrigation Agency.**

**53.** There shall be within the Bank an agency called the “Irrigation Agency”.

**Powers of Bank in respect of Irrigation Agency.**

**54. (1)** The Bank may, through the Irrigation Agency, at its discretion, make loans, upon such securities and at such rates of interest and subject to such covenants, conditions and provisions as it may impose, to persons holding under any tenure any land in any irrigation area.

**(2)** The Bank may, through the Irrigation Agency, exercise the functions conferred or imposed upon the Bank by this Division, or by the Wentworth Irrigation Act, the Hay Irrigation Act, 1902, the Irrigation Act, 1912, the Crown Lands Consolidation Act, 1913, or the Water Act, 1912.

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DIVISION 5.—*Rural Assistance Agency.***Rural Assistance Agency.**

**55.** There shall be within the Bank an agency called the “Rural Assistance Agency”.

**Bank to be agent of Rural Assistance Board for certain purposes.**

**56. (1)** The Bank through the Rural Assistance Agency is the agent of the Rural Assistance Board for the purpose of receiving all moneys due or owing to that Board on any account whatever and, to the exclusion of that Board, has the sole authority to give receipts and discharges in the name of that Board for those moneys.

**(2)** The agency of the Bank under subsection (1) does not prejudice or affect the right, duty and obligation of the Rural Assistance Board to take in its name and at its discretion any necessary action for the recovery or for the protection of any moneys due or owing to that Board or of the securities for those moneys and does not confer on the Bank the right, duty or obligation to take any such action.

**Functions of Bank in respect of Rural Assistance Agency.**

**57. (1)** The Bank shall, through the Rural Assistance Agency—

(a) in the name of the Rural Assistance Board—

- (i) make advances to farmers in respect of whom a stay order has been granted under the Rural Assistance Act, 1932, of such moneys upon such securities and subject to such covenants, conditions and provisions as that Board may in its absolute discretion direct;
- (ii) make any payment or advances, or make available any moneys, pursuant to an authority given by that Board under section 13 or 14 of that Act; and
- (iii) make any payments pursuant to a direction of that Board under subparagraph (2) of clause 13 of the Schedule to that Act;

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- (b) become and be the agent of that Board for the purpose of receiving all moneys due or owing to that Board in respect of any advance or payment made under paragraph (a) and any security for those moneys and have, to the exclusion of that Board, the sole authority to give receipts and discharges for those moneys; and
- (c) provide and furnish all necessary staff, office space, stationery, plant and equipment required and do and perform all necessary actions and services for carrying into effect all the directions and decisions of that Board.

(2) The total amount to be advanced under subsection (1) (a) shall not exceed the total sum available to the Bank for the purpose of the agency, together with such further amounts as the Bank may in its discretion make available from the Government Agencies Account.

DIVISION 6.—*Special Industries Agency.*

**Interpretation: Pt. IV, Div. 6.**

58. In this Division “account” means the account which is kept by the Bank in accordance with section 38 (2) and which relates to the Special Industries Agency.

**Special Industries Agency.**

59. There shall be within the Bank an agency called the “Special Industries Agency”.

**Functions of Bank in respect of Special Industries Agency.**

60. (1) The Bank shall, at the request of the Minister administering the State Development and Country Industries Assistance Act, 1966, make payments from the account for the purpose of the acquisition, the development, or the acquisition and development, of land in accordance with Part IIIA of that Act for the purpose of any special industry referred to in section 34A (1) (c) of that Act.

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(2) Out of the account, there shall be paid to the Treasurer such amounts at such times as the Treasurer may from time to time determine.

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PART V.

GENERAL.

**Crown Lands Acts do not affect mortgage or transfer.**

61. Nothing in the Crown Lands Acts invalidates or affects any mortgage or transfer given or made to the Bank to secure any loan or interest thereon or any remedy for the recovery thereof, and any such mortgage or transfer may be given or made, and any sale or foreclosure may be effected thereunder, notwithstanding that the land the subject of the mortgage or transfer could not by the terms of those Acts be transferred, assigned or otherwise dealt with.

**Consent of Minister for Lands, etc., not required to the registration of certain transfers.**

62. Notwithstanding anything to the contrary in the Crown Lands Acts or in the regulations thereunder, the consent of the Minister for Lands or the Water Resources Commission, as the case may be, is not required in connection with the registration of transfers to the Bank to secure loans made under this Act, and such a consent is not required in connection with the registration of transfers by way of release of mortgage to the original borrower.

**Registration of transfers, etc.**

63. (1) Where the Bank exercises its powers of sale, under or by virtue of any mortgage or other security, of any land held under the provisions of the Crown Lands Acts, the transfer by way of sale under those Acts and made in exercise of the Bank's power of sale shall, subject to compliance by the purchaser with subsection (2), be registered by the Minister

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for Lands or the Water Resources Commission, as the case may be, notwithstanding the non-payment at the time of registration of any amounts due to the Crown.

(2) The purchaser acquiring land in pursuance of any transfer referred to in subsection (1) shall undertake to pay the amount due to the Crown, as so referred to, at the times and in the manner to be agreed upon by the Minister for Lands or the Water Resources Commission, as the case may be, and the Bank.

**Conditions attached to land sold on default of mortgagor.**

64. Where land is sold by the Bank for non-payment of principal or interest of money lent or for breach of any covenant in the instrument of mortgage securing the money—

- (a) the land is freed from any charge in respect of the loan; and
- (b) where the land was at the time of the sale subject to conditions prescribed by the Crown Lands Acts, the purchaser shall hold it subject to those conditions but freed from any liability for any breach before the sale of any such condition, and the purchaser shall have 6 months from the time of sale for complying with any unfulfilled improvement conditions in relation to the land.

**Powers of Bank not limited by Crown Lands Acts.**

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

**Forfeited Crown lands securities.**

66. (1) In this section, “appropriate authority”, in relation to any land, means—

- (a) except as provided by paragraph (b), the Minister for Lands; or
- (b) where the land is within an irrigation area, the Water Resources Commission.

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*State Bank.*

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(2) Where land which is subject to a mortgage, lien or charge in favour of the Bank is forfeited under the Crown Lands Acts—

- (a) the land vests in the Bank for a period of 2 years after the date the forfeiture takes effect, or for such further period after that date as the appropriate authority determines;
- (b) within one month after the date the forfeiture takes effect, or such further period as may be agreed to by the Bank, the appropriate authority shall notify the Bank in writing whether or not he or it intends to discharge the Bank's claim;
- (c) if the appropriate authority notifies the Bank of his or its intention to discharge the Bank's claim, the land, upon receipt by the Bank of that notification, is divested from the Bank and becomes subject to the provisions of the Crown Lands Acts, as if a loan had not been made by the Bank thereon, and the amount of the claim shall be paid to the Bank in pursuance of that notification by the appropriate authority before the end of the then current financial year; and
- (d) where the appropriate authority notifies the Bank in accordance with paragraph (b) that he or it does not intend to discharge the Bank's claim or the appropriate authority requests the Bank to sell the land, the Bank may sell the land to any person and the purchaser shall hold it subject to any conditions prescribed by the Crown Lands Acts which, at the date of the forfeiture, were binding on the former holder but freed from any liability for any breach before the sale of any such conditions, and the purchaser shall have 6 months from the time of the sale to comply with any unfulfilled improvement conditions in relation to the land.

(3) The proceeds of any sale made pursuant to subsection (2) (d) shall be applied in the following order:—

- (a) first in payment of any outstanding moneys due under the Crown Lands Acts at the date of the forfeiture, not exceeding one year's rent or instalment, as the case may be;
- (b) then in satisfaction of the claim of the Bank; and
- (c) then in payment of any further amount due to the Crown at the date of the forfeiture.

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*State Bank.*

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(4) Any balance remaining after the application of the proceeds of a sale in accordance with subsection (3) shall be paid into the Treasury to the credit of the Consolidated Revenue Fund.

(5) Where the proceeds of any sale made pursuant to subsection (2) (d) are, after being applied in accordance with subsection (3), insufficient for payment in full of any further sum due to the Crown, as referred to in subsection (3) (c), the balance due to the Crown shall be charged upon the Consolidated Revenue Fund.

(6) If the Bank at any time within the applicable period under subsection (2) (a) gives notice in writing to the appropriate authority that it is unable to sell the land, the land may, subject to subsection (7), be disposed of as Crown lands under the Crown Lands Acts, and any money received by the appropriate authority in respect of the improvements on the land shall, to the extent of the Bank's claim, be paid to the Bank.

(7) At any time before the appropriate authority notifies the land as being available for any class of holding the Bank may revoke in writing any notice given by it under subsection (6) and that subsection thereupon ceases to have any effect in respect of the land.

(8) A sale made pursuant to subsection (2) (d) may be made on such terms and conditions as the Bank thinks fit.

(9) Upon any sale by the Bank pursuant to subsection (2) (d), the purchaser is not bound to see or inquire as to whether a case has arisen to authorise the sale.

(10) The Bank may, while any land is vested in it pursuant to subsection (2) (a), lease or otherwise manage the land and any amount received by the Bank in respect of the land, by way of rental or otherwise, shall be applied in reduction of the amount due to the Bank in respect of the land.

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*State Bank.*

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**Powers, etc., of Bank in respect of lands vested in it under section 66.**

67. (1) Where any land has become vested in the Bank by the operation of section 66, the Bank may, while the land remains so vested, make any application or exercise any right, power or privilege which under the Crown Lands Acts might be made or exercised by a holder or owner, subject to mortgage, of land of the like tenure which is not liable to forfeiture.

(2) Where, in consequence of any application made or right, power or privilege exercised by the Bank under subsection (1), the tenure of the land so vested in the Bank is altered, the Bank may exercise the powers conferred upon it by section 66 as if the land vested in it had been land of the altered tenure.

**Investment of trust funds, etc.**

68. (1) A trustee, unless expressly forbidden by the instrument, if any, creating the trust, may invest any trust funds in his hands, whether at that time in a state of investment or not, on deposit or current account in the Bank or in debentures or inscribed stock issued by the Bank and an investment made pursuant to this subsection shall be deemed to be an investment in a security authorised by the Trustee Act, 1925.

(2) The Bank or an employee of the Bank is not competent to receive notice of an express, implied or constructive trust affecting a deposit or current account in the Bank or a debenture, coupon or inscribed stock issued by the Bank.

**Statement of accounts.**

69. (1) The Bank shall cause to be kept proper accounts and records in relation to all of its operations.

(2) The Bank shall, as soon as practicable, but within 6 months, after the end of each financial year of the Bank, prepare and submit to the Minister for presentation to Parliament a statement of accounts, together with the Auditor-General's certificate given under this section in relation to the statement.

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*State Bank.*

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(3) The statement of accounts shall be in a form approved by the Auditor-General after consultation with the Bank, and shall include such information as is requested by him, and shall exhibit a true and fair view of the financial position and transactions of the Bank.

(4) The Bank shall, as soon as practicable, but within 4 months, after the end of the financial year to which a statement of accounts relates, transmit the statement to the Auditor-General for verification and certification.

(5) The Auditor-General's certificate shall state that he has audited the accounts of the Bank relating to the relevant financial year, and shall indicate whether the statement of accounts complies with subsection (3), and shall set forth any qualifications subject to which the certificate is given.

(6) Nothing in this section prevents the alteration of the statement of accounts, with the approval of the Auditor-General, after its receipt by him and before its submission to the Minister.

(7) The Minister shall lay the statement of accounts, or cause it to be laid, together with the Auditor-General's certificate, before both Houses of Parliament as soon as practicable after the receipt by him of the statement.

**Audit.**

70. (1) The accounts and records of financial transactions of the Bank shall be inspected and audited by the Auditor-General.

(2) For the purposes of any such inspection and audit, the Auditor-General or a person authorised by him is entitled at all reasonable times to full and free access to the accounts, records, documents and papers of the Bank and may make copies thereof or take extracts therefrom.

(3) The Auditor-General or a person authorised by him may require a person, being a director or other person engaged in the administration of this Act, to furnish him with such information in the possession of the person or to which the person has access as the Auditor-General or authorised person considers necessary for the purposes of the functions of the Auditor-General under this Act, and the person shall comply with the requirement.

Penalty: \$200.

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*State Bank.*

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(4) The Auditor-General may dispense with all or any part of the detailed inspection and audit of any accounts or records referred to in subsection (1).

(5) The Auditor-General shall report to the Bank and the Minister on the result of any such inspection and audit, and as to such irregularities or other matters as in his judgment call for special notice or as are prescribed.

**Annual report of Bank.**

71. (1) The Bank shall, as soon as practicable but within 6 months after the end of each financial year, prepare and forward to the Minister a full report of the operations of the Bank during that financial year and of such other matters relating to the Bank as it thinks fit should be included in the report.

(2) The Minister shall cause a copy of each report forwarded to him under subsection (1) to be laid before each House of Parliament as soon as practicable after he receives the report.

**Restrictions on directors' financial dealings with Bank.**

72. (1) A director is not entitled to borrow, either directly or indirectly, from the Bank.

(2) The provisions of subsection (1) do not apply to a director referred to in clause 2 (1) (a) or (c) of Schedule 1 in respect of a loan made by the Bank to the director for—

- (a) the purchase of a home;
- (b) the erection, improvement or enlargement of a home; or
- (c) the purpose of discharging any mortgage, charge or encumbrance existing in respect of a home,

occupied or to be occupied by him.

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*State Bank.*

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(3) A director is not entitled to receive, either directly or indirectly, from the Bank any payment except the entitlements of his office as a director or any benefit, other than such a payment.

(4) Subsection (3) does not prevent a director referred to in clause 2 (1) (a) or (c) of Schedule (1) from receiving any payment, other than the entitlements of his office, or any benefit on the same terms and conditions as apply to employees of the Bank.

(5) The reference in subsection (4) to a payment or benefit does not include a reference to a loan.

(6) Nothing in subsection (1) or (3) affects any transaction made by a director with the Bank before he became a director.

**Employees' Relief Fund.**

73. (1) There shall be a fund, called the "Employees' Relief Fund" kept by the Bank.

(2) The Bank shall pay into the Employees' Relief Fund such amounts as the Governor may from time to time approve.

(3) The Bank may make loans from the Employees' Relief Fund or grants from the income of that fund to—

- (a) employees of the Bank;
- (b) dependants of employees of the Bank; or
- (c) dependants of persons who have died and were employees of the Bank when they died.

(4) The Bank may apply any part of the income of the Employees' Relief Fund to assist any society or association formed among employees of the Bank for their benefit, welfare or education.

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*State Bank.*

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**Medical benefits scheme.**

**74. (1)** The Bank may maintain a scheme having as its objects the provision of benefits by way of grants from the funds of the Bank—

- (a) to employees of the Bank and the director referred to in clause 2 (1) (a) or (c) of Schedule 1; and
- (b) subject to subsection (2), to retired directors referred to in clause 2 (1) (a) or (c) of that Schedule, to retired employees of the Bank and to the widow or widower of any such retired director or retired employee,

to assist them to pay medical, dental, optical, pharmaceutical, ambulance and hospital expenses and expenses of a like nature incurred in respect of themselves and their dependants.

**(2)** In respect of a person referred to in subsection (1) (b), subsection (1) applies only where the retired director or employee concerned had, in the opinion of the Bank, given long and satisfactory service to the Bank.

**Retirement of employees.**

**75. (1)** An employee of the Bank—

- (a) may retire from the service of the Bank upon his attaining the age of 60 years; or
- (b) may continue in the service of the Bank after he has attained that age, but—
  - (i) may retire from the service of the Bank; or
  - (ii) the Bank may cause the employee to be retired from the service of the Bank,

at any time after he has attained that age and before he attains the age of 65 years.

**(2)** An employee who attains the age of 65 years shall thereupon retire from the service of the Bank.

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*State Bank.*

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**Recovery of penalties.**

76. Any penalty imposed by this Act or the regulations may be recovered before a stipendiary magistrate or any 2 justices in petty sessions.

**By-laws.**

77. (1) The Bank may make by-laws, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed by by-laws or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act and, in particular, for or with respect to—

- (a) the management of the Bank and the conduct of its business;
- (b) any function conferred or imposed on the Bank;
- (c) the custody and use of the official seal of the Bank; and
- (d) the hiring out or renting of, and access to, safe deposit facilities provided by the Bank and limiting the Bank's liability in respect of property held by the Bank in safe custody.

(2) A by-law made by the Bank shall be sealed with the official seal of the bank and submitted for the consideration and approval of the Governor.

(3) The by-laws may impose a penalty not exceeding \$200 for any breach thereof.

**Regulations.**

78. (1) The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for the carrying out or giving effect to this Act and, in particular, for or with respect to—

- (a) any matter with respect to which by-laws may be made by the Bank; and
- (b) functions of persons or bodies, including the Crown, in relation to the conduct of agencies, as defined in section 36 (2).

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*State Bank.*

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(2) A regulation shall, to the extent of any inconsistency with any by-law made by the Bank, prevail over that by-law.

(3) The regulations may impose a penalty not exceeding \$200 for any breach thereof.

**Differential operation of by-laws or regulations.**

79. A provision of a regulation or by-law may—

- (a) apply generally or be limited in its application by reference to specified exceptions or factors;
- (b) apply differently according to different factors of a specified kind;  
or
- (c) authorise any matter or thing to be from time to time determined, applied or regulated by any specified person or body,

or may do any combination of those things.

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SCHEDULE 1.

(Sec. 8 (4).)

PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD.

**Interpretation: Sch. 1.**

1. (1) In this Schedule—

“full-time director” means a director referred to in clause 2 (1) (a);

“part-time director” means a director referred to in clause 2 (1) (b) or (c).

(2) In this Schedule, a reference to a subclause is, unless a contrary intention appears, a reference to a subclause of the clause in which the reference occurs.

**Full-time and part-time directors.**

2. (1) Of the directors—

- (a) 2 shall, in and by the instruments by which they are appointed, be appointed as full-time directors;

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*State Bank.*

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SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

- (b) 4 shall be persons nominated for appointment as directors by the Minister and shall, in and by the instruments by which they are appointed, be appointed as part-time directors; and
  - (c) 1 shall be a person elected in the manner prescribed by regulations made under clause 3 and shall, in and by the instrument by which he is appointed, be appointed as a part-time director.
- (2) A person of or above the age of 65 years is not eligible to be appointed a director.

**Elected director.**

3. (1) In this clause, "elected director" means the director referred to in clause 2 (1) (c).

(2) Regulations may be made for or with respect to the election of a person to hold office as elected director.

(3) The Electoral Commissioner for New South Wales, or a person employed in the office of the Electoral Commissioner and nominated by him, shall be the returning officer for an election, and shall have and may exercise the functions conferred or imposed on the returning officer by the regulations made under subclause (2) in relation to the election.

(4) Employees of the Bank are entitled to vote at an election in accordance with the regulations made under subclause (2).

(5) A person's nomination as a candidate for election as elected director is invalid if—

- (a) the nomination is not made by at least 2 persons who are employees of the Bank;
- (b) at the date of his nomination he is not an employee of the Bank;
- (c) being an employee of the Bank at the date of his nomination, he does not hold the position of a branch manager of the Bank or an equivalent or superior position;

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*State Bank.*

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SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

- (d) he is not, at the time of his nomination, a member of an industrial union registered as such under the Industrial Arbitration Act, 1940, or an association of employees registered as an organization under the Conciliation and Arbitration Act 1904 of the Parliament of the Commonwealth, being the industrial union or association prescribed for the purposes of this paragraph; or
  - (e) the instrument of nomination is not accompanied by a statutory declaration to the effect that he is, at the time of his nomination, such a member,
- and the returning officer is entitled to rely on the information contained in the statutory declaration.
- (6) For the purposes of subclause (5) (d)—
    - (a) the industrial union, being the Rural Bank of New South Wales Division of the Australian Bank Employees Union; or
    - (b) where some other industrial union or association referred to in subsection (5) (d) is prescribed as such an industrial union or association representing employees of the Bank, that other industrial union or association,is the prescribed industrial union or association.
  - (7) Nothing in any law, rule, direction or other requirement that—
    - (a) is applicable to the elected director in his capacity as an employee of the Bank; and
    - (b) would not be so applicable if he were not such an employee,operates so as to prevent or restrict the exercise by him of any of his functions as elected director.
  - (8) If no person is nominated at an election, or if for any other reason an election fails, the Governor may appoint a person eligible for election and nominated by the Minister to be a part-time director, and the person so nominated shall, on being appointed, be deemed to be a person elected in the manner prescribed by the regulations made under this clause.
  - (9) If a vacancy occurs in the office of elected director otherwise than by reason of the expiration of the term of office of an elected director—
    - (a) the Governor may appoint a person eligible for election and nominated by the Minister to hold, subject to this Schedule, the office of elected director for a term commencing on the date of his appointment or a later date specified in the instrument of his appointment and ending upon the commencement of the term of office of the next elected director; and

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*State Bank.*

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SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

- (b) any person so nominated shall, on being so appointed, be deemed to be a person elected in the manner prescribed by the regulations made under this clause.

**Chairman of the Board.**

4. Of the part-time directors referred to in clause 2 (1) (b), one shall, in and by the instrument by which he is appointed, or by another instrument executed by the Governor, be appointed chairman of the Board.

**Managing director and deputy managing director.**

5. Of the full-time directors—

(a) 1 shall be appointed as the managing director of the Bank; and

(b) the other shall be appointed as the deputy managing director of the Bank,

in and by the instruments by which they are appointed, or by other instruments executed by the Governor.

**Acting directors.**

6. (1) The Governor may, from time to time, appoint a person to act in the office of a director, other than the office of chairman of the Board, during the illness or absence of the director.

(2) The Governor may, from time to time, appoint a part-time director referred to in clause 2(1) (b) to act in the office of chairman of the Board during the illness or absence of the chairman, and may in any such case appoint a person to act in the office of that director while that director acts in the office of chairman of the Board.

(3) The Governor may, for any cause which appears to him sufficient, remove any person from any office to which he was appointed under subclause (1) or (2).

(4) Any director or person while acting in the office of chairman of the Board or of any other director shall have all the functions of the person in whose office he acts, and shall receive such remuneration (including travelling and subsistence allowances) as the Minister may from time to time determine in respect of him.

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*State Bank.*

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SCHEDULE 1—*continued.*

PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

**Terms of office.**

7. (1) The term of office of a director shall be, and, unless he vacates his office during his term, a director shall hold office for—

- (a) where he is a full-time director—such period not exceeding 7 years; or
- (b) except as provided in subclause (2), where he is a part-time director—such period not exceeding 3 years,

as may be specified in the instrument appointing him.

(2) Subject to clause 3(9), the term of office of the director elected in the manner prescribed by regulations made under clause 3(2) shall be, and, unless he vacates his office during his term, he shall hold office for, the period of 3 years commencing with the day specified in the instrument appointing him as the day upon which his term of office shall commence.

**Directors may be re-appointed.**

8. Upon the expiration of the term of office of a director he shall, if otherwise qualified, be eligible for reappointment from time to time.

**Full-time directors.**

9. (1) A full-time director shall devote the whole of his time to the duties of his office, except while he is absent from duty on leave granted by the Minister under clause 11(1) (c).

(2) A full-time director is entitled to be paid—

- (a) remuneration in accordance with the Statutory and Other Offices Remuneration Act, 1975; and
- (b) such travelling and subsistence allowances as the Minister may from time to time determine in respect of him.

(3) A full-time director shall have the same rights of leave of absence and payment of a cash allowance in lieu thereof as are granted to employees of the Bank under any award of an industrial tribunal or any industrial agreement having the force of an award.

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*State Bank.*

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SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

(4) In the case of a full-time director who, at the date of his appointment as such was an employee of the Bank, his period of service as such an employee shall be taken into account in determining his rights under subclause (3).

(5) In the case of a full-time director who at the date of his appointment as such was an officer of the Public Service or was entitled to rights of leave or other rights under the Public Service Act, 1979, the period of his service as such an officer or the period which at that date represented his length of service for the purpose of his rights under that Act, as the case may be, shall be taken into account in determining his rights under subclause (3).

**Part-time directors.**

10. A part-time director is entitled to be paid out of the funds of the Bank such—
- (a) fees for attending meetings of the Board; and
  - (b) travelling and subsistence allowances,
- as the Minister may from time to time determine in respect of him.

**Vacation of office.**

11. (1) A director shall be deemed to have vacated his office if—
- (a) he dies;
  - (b) he becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit;
  - (c) he absents himself from duty for any period, where he is a full-time director, or from 4 consecutive ordinary meetings of the Board, where he is a part-time director, except in either case on leave granted by the Minister (which leave the Minister is hereby authorized to grant) unless his absence is occasioned by illness or other unavoidable cause;
  - (d) he becomes a temporary patient, a continued treatment patient, a protected person or an incapable person within the meaning of the Mental Health Act, 1958, or a person under detention under Part VII of that Act;
  - (e) he is convicted in New South Wales of a felony or of a misdemeanour which is punishable by imprisonment for 12 months or upwards, or he is convicted elsewhere than in New South Wales of an offence which if committed in New South Wales would be a felony or a misdemeanour so punishable;

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*State Bank.*

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SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

- (f) he resigns his office by writing under his hand addressed to the Governor;
- (g) he attains the age of 65 years;
- (h) he is retired or removed from office by the Governor under subclause (2) or (3);
- (i) being a full-time director, he engages during his term of office in any paid employment outside the duties of his office, otherwise than with the consent of the Minister given under subclause (4);
- (j) being the part-time director referred to in clause 2 (1) (c), he ceases to hold any of the qualifications that would be required by clause 3 (5) (b), (c) or (d) for his nomination; or
- (k) without the consent of the Minister given under subclause (4), he is or becomes a director or a member of the controlling body or an employee of a corporation (other than the Bank) whose business is wholly or mainly the business of banking.

(2) A full-time director may be retired from office by the Governor after he attains the age of 60 years and before he attains the age of 65 years and, if he is so retired, he is entitled to such compensation (if any) as the Statutory and Other Offices Remuneration Tribunal determines.

(3) Where the Governor is satisfied that a director is incapable or incompetent or has misconducted himself, the Governor may remove the director from his office.

(4) The Minister may consent to a full-time or part-time director's being a director or a member of the controlling body of a corporation (other than the Bank) whose business is wholly or mainly the business of banking.

**Effect of certain other Acts.**

12. (1) The provisions of the Public Service Act, 1979, shall not apply to or in respect of the appointment of a director and a director is not, as a director, subject to that Act during his term of office as a director.

(2) Where by or under any other Act provision is made requiring the holder of an office specified therein to devote the whole of his time to the duties of his office, or prohibiting him from engaging in employment outside the duties of his office, that provision shall not operate to disqualify him from holding that office and also the office of a part-time director or from accepting and retaining any fees and allowances payable to him under clause 10 as a part-time director.

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*State Bank.*

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SCHEDULE 1—*continued.*PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

(3) The office of a part-time director shall for the purposes of any Act be deemed not to be an office or place of profit under the Crown.

**Saving of certain rights of full-time directors.**

13. (1) Where a person was, immediately before his appointment as a full-time director, an officer or employee of the Public Service or the Bank and ceases to be a full-time director otherwise than pursuant to clause 11 (1) (paragraph (f) excepted), he shall, if he has not attained the age of 60 years, be appointed to a position in the Public Service or the Bank, as the case may be, not lower in classification or salary than that which he held immediately before his appointment.

(2) Where a person was, immediately before his appointment as a full-time director, an officer or employee of the Public Service or the Bank, a commissioner, other than a nominated commissioner, under the Rural Bank of New South Wales Act, 1932, or an employee within the meaning of the Superannuation Act, 1916, he shall retain any rights which have accrued or are accruing to him as such an officer, employee or commissioner and he shall continue to contribute to any fund or account and shall be entitled to receive any deferred or extended leave and any payment, pension or gratuity as if he had continued to be such an officer, employee or commissioner during his service as a director, and for the purposes of this subclause his service as such a director shall be deemed to be service for the purposes of the Superannuation Act, 1916, and the Public Service Act, 1979, as the case may be.

(3) Where a full-time director contributes to a fund or account as referred to in subclause (2), the Bank shall pay to the State Superannuation Board such amounts as would have been payable to that Board if the full-time director had remained an employee within the meaning of the Superannuation Act, 1916, and had continued to be employed by the employer by whom he was employed immediately before his appointment as such a director and as if he were receiving from that employer the same remuneration as is being paid to him under the Statutory and Other Offices Remuneration Act, 1975.

(4) A full-time director shall not, in respect of the same period of service, be entitled to claim a benefit under this Act and another Act.

**Meetings of the Board.**

14. (1) The procedure for the calling of meetings of the Board and for the conduct of business at those meetings shall, subject to this Schedule, be as determined by the Board.

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*State Bank.*

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SCHEDULE 1—*continued.*

PROVISIONS RELATING TO DIRECTORS AND PROCEDURE OF THE BOARD—*continued.*

(2) The Minister shall call the first meeting of the Board in such manner as he thinks fit.

(3) The chairman of the Board or, in the absence of the chairman of the Board, another part-time director referred to in clause 2 (1) (b) elected as chairman for the meeting by the directors present shall preside at a meeting of the Board.

(4) Four directors, of whom at least 1 shall be a full-time director, shall form a quorum and any duly convened meeting of the Board at which a quorum is present shall be competent to transact any business of the Board and shall have and may exercise all the functions of the Board.

(5) The person acting as chairman at any meeting of the Board shall, in the event of an equality of votes, have in addition to a deliberative vote a second or casting vote.

(6) A decision supported by a majority of the votes cast at a meeting of the Board at which a quorum is present shall be the decision of the Board.

(7) The Board shall cause a minute book to be kept in which shall be recorded full and accurate minutes of the proceedings of each meeting of the Board.

(8) Minutes recorded under subclause (7) in respect of a meeting shall, when duly read and confirmed at the next meeting of the Board, be signed by the chairman of the Board or the director acting as chairman at that next meeting.

**Liability of directors, etc.**

15. No matter or thing done, and no contract entered into by the Bank, and no matter or thing done by any director or by any other person acting under the direction of the Board shall, if the matter or thing was done or the contract was entered into bona fide for the purpose of executing this Act, subject the director or that person personally to any action, liability, claim or demand whatever.

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

L. W. STREET,  
*By Deputation from  
His Excellency the Governor.*

*Government House,  
Sydney, 10th June, 1981.*

