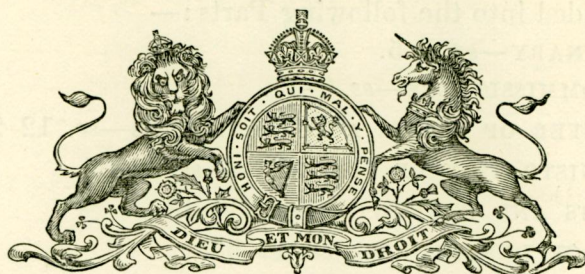


This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

*Legislative Assembly Chamber,
Sydney, 22 November, 1904.* }

RICHD. A. ARNOLD,
Clerk of the Legislative Assembly.

New South Wales.



ANNO QUARTO

EDWARDI VII REGIS.

Act No. , 1904.

An Act to constitute and regulate and provide for the management of the Government Savings Bank of New South Wales; to authorise the said bank to receive deposits, borrow moneys, and make loans and investments; to provide that the repayment of such deposits shall be guaranteed by the Government; to repeal the Acts dealing with the Savings Bank of New South Wales, and dealing with the Government Savings Bank, and with advances to settlers; for the transfer of certain assets, liabilities, and powers of or connected with those institutions to the bank constituted by this Act; to amend the Acts dealing with Crown lands; and for purposes consequent thereon or incidental thereto.

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

Government Savings Bank.

PART I.

PRELIMINARY.

1. This Act shall commence and take effect on such day not earlier than the first day of January, and not later than the first day of 5 July, one thousand nine hundred and five, as the Governor may proclaim, and may be cited as the "Government Savings Bank Act, 1904."

Commencement and short title.

2. This Act shall bind the Crown.

Act to bind Crown.

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

Division of Act.

PART I.—PRELIMINARY—*ss.* 1-5.

10 PART II.—THE COMMISSIONERS—*ss.* 6-11.

PART III.—TRANSFER OF ASSETS AND LIABILITIES—*ss.* 12-21.

PART IV.—ADMINISTRATION OF THE BANK—*ss.* 22-35.

PART V.—DEPOSITS AND BORROWING—*ss.* 36-43.

PART VI.—ISSUE OF DEBENTURES—*ss.* 44-57.

15 PART VII.—INVESTMENTS AND LOANS—*ss.* 58-65.

PART VIII.—GENERAL AND SUPPLEMENTAL—*ss.* 66-73.

4. (1) The Acts mentioned in the Schedule to this Act are to the extent therein expressed repealed :

Repeal.

20 Provided that subject to this Act the provisions of the Advances to Settlers Acts, 1899-1902, shall continue in force in respect of advances made thereunder before the commencement of this Act until all such advances and all interest thereon are repaid or are written off in the books of the bank as bad debts.

25 (2) The body corporate of the trustees of the Savings Bank of New South Wales is dissolved.

Dissolution of trustees.

5. In this Act, unless the context requires another meaning,—

Definitions.

"Advance Department" means Advance Department of the Bank.

30 "Advances to Settlers Acts, 1899-1902" means the Acts number one of one thousand eight hundred and ninety-nine, number one of one thousand nine hundred and two, and number one hundred and six of one thousand nine hundred and two.

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

35 "Commissioners" means commissioners of the bank constituted by this Act.

"Crown Lands Acts" means the Acts dealing with the disposal and tenure of Crown lands.

"Regulations" means regulations to be made under this Act.

40 "Savings Bank Department" means Savings Bank Department of the Bank.

"Savings Bank of New South Wales" means the bank constituted by the Savings Bank of New South Wales Act, 1902.

"The

Government Savings Bank.

“The Bank” means the bank constituted by this Act, and includes a branch or agency of the bank.

“The State” means the State of New South Wales.

“Treasurer” means State Treasurer.

5

PART II.

THE COMMISSIONERS.

6. Three commissioners shall be appointed in pursuance of this Act. One of such commissioners shall be so appointed president of the bank. Constitution and incorporation of commissioners.
- 10 The commissioners for the time being holding office are constituted a body corporate by the name of the “Commissioners of the Government Savings Bank of New South Wales,” having perpetual succession and a common seal.
- 15 The seal of the commissioners shall be judicially noticed.
7. The commissioners shall be appointed by the Governor by commission in His Majesty’s name and shall, subject to this Act, hold their offices during ability and good behaviour. Each commissioner shall devote the whole of his time to the duties of his office. No commissioner shall absent himself from the duties of his office, except
- 20 for an annual leave of twenty-one days, unless by leave of the Governor.
8. If any commissioner—
- (a) becomes a director of any bank or company carrying on banking business within the State; or Disqualification of commissioners.
- 25 (b) becomes bankrupt or compounds with his creditors; or
- (c) is convicted of any criminal offence; or
- (d) becomes a lunatic or of unsound mind,
- his office shall thereupon be vacant.
9. In the case of the illness, suspension, or absence of any commissioner, the Governor may appoint some person as deputy of such commissioner during such illness, suspension, or absence. Appointment of deputies.
- 30 If under this section one of the other commissioners is appointed deputy of the president, the Governor may appoint a deputy of such commissioner. Any person while acting as a deputy shall have the
- 35 powers and the duties of a commissioner.
10. A commissioner may be removed from his office for misbehaviour or inability to perform the duties of his office only in the following manner:— Removal from office.
- (a) He may be suspended from his office by the Governor for such alleged misbehaviour or inability; and thereupon
- 40 (b)

Government Savings Bank.

- (b) there shall, within seven days after such suspension, if Parliament is then sitting, or, if Parliament is not then sitting, within seven days after the next meeting of Parliament, be laid before each House of Parliament a full statement of the grounds of such suspension.
- (c) If, within twenty-four sitting days after such statement has been laid before them respectively, the Houses of Parliament pass resolutions that the commissioner ought to be removed from his office, the commissioner shall be so removed by the Governor; but if such resolutions are not so passed within the said twenty-four days, such suspension shall be removed.
11. The president commissioner shall for his services be paid out of the funds of the bank at the rate of one thousand two hundred pounds annually, and each of the other commissioners at the rate of nine hundred pounds annually.
- Payment for services of commissioners.

PART III.

TRANSFER OF ASSETS AND LIABILITIES.

Savings Bank Department.

12. On the commencement of this Act, all property real and personal, including books, documents, moneys, and securities for money, held by or on behalf of the Savings Bank of New South Wales, or the trustees of the said bank, and all moneys lent, deposited, or otherwise invested by the said bank or trustees shall pass to and become vested in the commissioners, and such property, moneys, and securities shall be carried by them to the Savings Bank Department.
13. On the commencement of this Act, all moneys in the Treasury at credit of the Government Savings Bank Trust Fund, and all moneys held or deposited in a bank under the Government Savings Bank Act, 1902, or advanced to the Federal Government for the purposes of the said Act, shall be held for and payable to the commissioners; and all securities in which such moneys have been invested, and all books and documents and other property used for or in connection with the carrying out of the provisions of the said Act, shall pass to and become vested in the commissioners, and such moneys and securities shall be carried by the commissioners to the Savings Bank Department.
14. Any money which at the commencement of this Act is at credit of the Special Account in the Treasury mentioned in section seven of the Advances to Settlers Act, 1899, shall be applied towards redeeming
- Property, &c., of Savings Bank of New South Wales to vest in the commissioners.
- Property, &c., of Government Savings Bank to vest in commissioners.
- Transfer of money at credit of Special Account under Advances to Settlers Act, 1899.

Government Savings Bank.

redeeming any three per centum Government stock transferred by the last preceding section from the Government Savings Bank Trust Fund to the Savings Bank Department, and the stock so redeemed shall be cancelled and the said Special Account shall be closed.

5 **15.** Any right of action, accrued to or against, and any agreement, mortgage, debenture, bond, guarantee, covenant, or obligation made or entered into by or with— Rights of action and under contracts.

(a) the Savings Bank of New South Wales or the trustees of the said bank, or any person on behalf of the said bank or trustees ;
10 or

(b) the Treasurer, or any person acting on his behalf under the Government Savings Bank Act, 1902, or the Government Savings Bank (Amendment) Act, 1903 ;

may be prosecuted and enforced, by or against the commissioners in
15 their name, as if the right of action had originally accrued to or against, or the agreement, mortgage, debenture, bond, guarantee, covenant, or obligation had been made or entered into by or with the commissioners.

16. Any deposits made under the Savings Bank of New South
20 Wales Act, 1902, or the Government Savings Bank Act, 1902, or any Act amending the same, shall be subject to the provisions of this Act and of the regulations relating to deposits, but the interest accrued on any such deposits at the commencement of this Act shall be added to the principal moneys : Provided that where under the said Acts
25 any such deposit or any interest thereon is repayable to any person other than the depositor, such deposit or interest may be repaid to the said person. Deposits to be subject to this Act.

Advance Department.

17. On the commencement of this Act, all moneys and
30 securities for money, and all books, documents, and other property held by or on behalf of the advances to settlers board or by the Treasurer or by any person on his behalf under the Advances to Settlers Acts, 1899-1902, shall pass to and become vested in the commissioners, and such moneys, securities, and property shall be carried to the Advance
35 Department. Vesting of money and securities in commissioners.

18. (1) The commissioners shall collect and carry to the Advance
Department all repayments of advances made under the Advances to
Settlers Acts, 1899-1902, and all interest on such advances. Commissioners to collect advances and interest.

(2) The Government guarantees the bank against any loss
40 or deficiency in collecting the principal and interest of the said advances. Any such loss or deficiency shall, on being certified by the commissioners, be made good to the Advance Department out of the Consolidated Revenue Fund annually at the close of each financial year of the bank. Under Government guarantee.

Government Savings Bank.

19. The Advance Department shall issue to the Savings Bank Department debentures to the amount of the advances made under the Advances to Settlers Acts, 1899-1902, and outstanding at the commencement of this Act, and an equivalent amount of Government Stock transferred by this Act to the Savings Bank Department shall be cancelled.

Advance Department to issue debentures to amount of advances now outstanding.

20. Subject to this Act, but notwithstanding the repeal of the Advances to Settlers Acts, 1899-1902, the following provisions shall apply in respect of advances made under those Acts—

Provisions applicable to advances under Advances to Settlers Acts.

10 (a) Such advances shall be repaid, and interest thereon shall be paid to the Advance Department at the times and in the amounts prescribed by the said Acts or by any regulation or instrument thereunder:

15 Provided that the commissioners may extend the term for the repayment of any such advance where, by any regulations under the said Acts in force at the commencement of this Act, such extension might have been granted.

20 (b) The commissioners may take any proceeding which under the said Acts might have been taken by the Minister for Lands for the recovery of such advances and interest, except forfeiture under subsection (i) of section nine of the Advances to Settlers Act, 1899, of land held under the Crown Lands Acts, not being freehold land.

25 (c) In respect of the land last mentioned, the power of the Minister for Lands to forfeit as aforesaid may be exercised. Any sums received by or on behalf of the Crown on account of improvements on such land shall, to the extent of the amount owing to the Advance Department for principal and interest and expenses incurred in connection with the advance, be paid to the bank.

30 (d) The land in respect of which the advance was made shall continue to be charged with the repayment of the advance and the interest thereon in accordance with the Advances to Settlers Acts, 1899-1902.

35 (e) If any amount of principal or interest due in respect of any such advance is unpaid for a period of three months after the due date thereof the commissioners may, on the expiration of the said period, exercise any powers which, by sections ninety-one to one hundred and three of the Conveyancing and Law of Property Act, 1898, mortgagees may exercise in case of any default mentioned in section ninety-one aforesaid: and the provisions of those sections shall apply as if the principal money advanced were secured or charged by deed on the land in respect of which the advance was made, although such money may not in fact have been so secured or charged:

45 Provided

Government Savings Bank.

Provided that the notice of sale under section ninety-three aforesaid shall be for three months instead of six months: Provided that unless any amount of the principal or interest due in respect of a loan or mortgage is in arrear for two years or upwards, the consent of the Treasurer shall be necessary to the exercise of the powers in this sub-section conferred.

- 5
21. Applications made for advances under the Advances to Settlers Acts, 1899-1902 and pending at the commencement of this Act may be dealt with as applications for loans from the Advance Department under this Act. Applications already made.
- 10

PART IV.

ADMINISTRATION OF THE BANK.

Duties of commissioners.

- 15 22. The bank shall, under this Act, be administered, governed, and managed by the commissioners. The commissioners to manage the bank.

Departments of the bank.

- 20 23. (1) The business of the commissioners shall be carried on in two distinct and separate departments, namely— Savings Bank and Advance Departments.
- (a) the Savings Bank Department;
- (b) the Advances Department.
- (2) All transactions and accounts relating to each such department shall be kept separate from those relating to the other department.
- 25 (3) Subject to this Act, no money belonging to any such department shall be used for the purpose of the other department, and no liability incurred in respect of any such department shall affect the other department or the funds thereof.

Powers to hold land.

- 30 24. The commissioners may, on behalf of the bank—
- (a) purchase or lease lands and buildings to be used in the business of the bank; Commissioners may hold land for certain purposes.
- (b) hold, until the same can be advantageously disposed of, any property, real or personal, taken by them as security for or in satisfaction, liquidation, or discharge of any debt; and
- 35 (c)

Government Savings Bank.

- (c) sell, lease, convey, assign, and assure such lands, buildings, and property, or any property vested in them by this Act, or any estate or interest in the same, as occasion may require.

Reserve fund.

- 5 **25.** The commissioners shall, out of the net profits of the Savings Bank Department each year, set apart such sum, not being less than one-twentieth nor more than one-fifth of the whole amount of interest received by the said department during the year as they think proper towards a reserve fund for equalising the rate of interest
10 payable on deposits, and for meeting losses.

Reserve fund of
Savings Bank
Department.

- The reserved fund of the Savings Bank of New South Wales and such part of the sum of fifty-two thousand two hundred and thirty pounds five shillings and eight pence, transferred from the profit and loss account of the Government Savings Bank to the Consolidated
15 Revenue Fund, as upon adjustment between the Treasurer and the President commissioner of credits and charges in respect of services rendered appears to fairly belong to the said profit and loss account, shall be carried to such reserve fund.

- 20 **26.** The commissioners shall, out of the net profits of the Advance Department each year, set apart such sums as they think fit towards a reserve fund of the Advance Department for equalising the rate of interest charged on advances from that department and for meeting losses.

Reserve fund of
Advance
Department.

Branches and agencies.

- 25 **27.** The commissioners may establish branches and agencies of the bank for the receipt and payment of deposits and interest thereon and for receiving applications for advances under this Act.

Branches and
agencies.

- 28.** The commissioners may, subject to such terms and conditions as may be agreed upon between the Governor and the Governor-
30 General, establish branches and agencies of the bank at post-offices.

Branches and
agencies at
post-offices.

Audit and accounts.

- 29.** The accounts of the commissioners shall be audited annually at the close of the financial year by auditors appointed by the Auditor-General, and shall be so audited at such other times as
35 the Auditor-General may think fit.

Audit of accounts.

- 30.** (1) The commissioners shall annually, within three months after the close of the bank's financial year, cause accounts and balance-sheets of the respective departments of the bank to be prepared, and shall under their hands certify to the best of their belief the correctness
40 of the same, giving such details as the Governor may prescribe.

Preparation of
accounts and balance-
sheets.

Government Savings Bank.

(2) Such accounts and balance-sheets, on being certified as correct by the auditors and signed by the Auditor-General, shall be laid on the table of each House of Parliament, and published by the commissioners in the Gazette.

Publication in
Gazette.

5

Annual report of commissioners.

31. The commissioners shall, at the close of each financial year of the bank make and sign and present to the Governor a full report of the operations of the respective departments of the bank during the said year, and of such other matters relating to the bank as they think fit, annexing to such report a schedule showing the salaries and allowances paid to the respective officers and servants of the bank. Such report and schedule shall be laid on the table of each House of Parliament without delay.

Annual report of
commissioners.

Officers.

32. The commissioners shall appoint such officers, valuers, servants, and agents of the bank as may be required; and every such officer, servant, or agent whose duties involve the receipt or custody of moneys or securities shall give such security for the due and faithful performance of his duties as to the commissioners may seem proper.

Appointment of
officers.

The commissioners shall fix the salaries of officers and servants, and the emoluments of valuers and agents of the bank, according to a grading to be made by the regulations.

All such salaries and emoluments, and also all expenses incurred in the management of the bank, shall be paid by the commissioners out of the funds of the departments of the bank in such proportions as they may determine.

33. Where any officers in the Public Service are under this Act appointed officers or servants of the bank, they may continue to pay under the Public Service Act, 1902, or the Public Service (Superannuation) Act, 1903, the deductions from their salaries provided for in the Civil Service Act, 1884, as amended by the Act, fifty-nine Victoria, number twenty-five, and shall be entitled to any payment, pension, or gratuity, and any rights accrued or accruing under the said Acts, as if they were officers within the meaning of the abovementioned Acts.

Saving of rights of
officers under Public
Service Acts.

34. In the first appointment of the officers of the bank the persons now employed in the Savings Bank of New South Wales, or in the Government Savings Bank, or under the advances to settlers board shall, if the commissioners consider them to be fully efficient, be appointed in preference to other persons.

Preference to persons
now employed.

Commissioners

Government Savings Bank.

Commissioners and officers not to borrow from bank.

35. No commissioner and no officer, servant, or agent of the bank shall be allowed to borrow from the bank or receive, except in pursuance of this Act, directly or indirectly, any payment, gift, profit or benefit from the funds of the bank :

Commissioners, officers, servants, or agents of bank not to borrow from bank.

Provided that nothing in this section shall prevent a commissioner or such officer, servant, or agent from becoming a depositor in the bank or from receiving any interest or other profit in respect of his deposit.

10

PART V.

DEPOSITS AND BORROWING.

Receipt of deposits.

36. Deposits of one shilling or any multiple thereof may be received at the Savings Bank Department subject to the regulations.

15 Deposits may be received from minors, and such deposits shall be subject to the provisions of this Act and the regulations relating to deposits.

But a deposit shall not be so received from a child under the age of twelve years.

20 37. No person shall have more than one account at the bank :
Provided that this section shall not prevent any person having, bona fide, in addition to his own account—

Each person may have only one account.

- 25 (a) accounts in his own name in trust for other persons ;
(b) joint accounts with different persons ;
(c) accounts on behalf of different friendly, charitable, or other societies or institutions not carried on for purposes of trade or profit.

30 But the bank shall not be liable in respect of the performance of the trusts of any trust account ; and the receipt of the trustee shall be a sufficient discharge to the commissioners for any payment from any such account.

Interest on deposits.

38. (1) The commissioners shall from time to time fix the interest payable to depositors, and may, by regulations, fix differential rates of interest according to the amount of the deposit : Provided that interest shall not be allowed on any amount above five hundred pounds

Interest, how fixed,

Government Savings Bank.

pounds to the credit of any one account, except the account of a friendly, charitable, or other society or institution (including a trades union or an industrial union of employers), not carried on for purposes of trade or profit, or the account of the Advance Department to which
 5 the above limitation shall not apply. But the commissioners may in their discretion limit the amount of the accounts of such societies or institutions or any of them: Provided that the maximum rate of interest under the regulations shall be paid on deposits of the aforesaid societies and institutions up to five hundred pounds, and above that
 10 amount the rate shall be a matter of agreement with the commissioners.

(2) Such interest shall be calculated on every complete and calculated. sum of one pound, but shall not commence until the first day of the month next following that in which the deposit is made, and shall,
 15 with respect to any money withdrawn, cease upon the first day of the month in which such withdrawal takes place.

(3) Such interest shall be calculated to the thirtieth day of June in every year, and shall then be added to and become part of the
 20 principal money.

Withdrawal of deposits.

39. Deposits may be withdrawn and shall be repaid on demand after such period not exceeding seven days from the receipt of an application for withdrawal as the commissioners may prescribe: Provided that the commissioners may in their discretion dispense with
 25 notice. Deposits withdrawn on application.

Withdrawal of small deposits of deceased depositors.

40. (1) Where the whole amount at credit of a depositor, exclusive of interest, does not at the time of his decease exceed one hundred pounds, the commissioners, if they are of opinion that such
 30 depositor died intestate, but without requiring proof of the issue or production of letters of administration of his estate, may in their discretion pay the said amount, or any part thereof, and any interest due thereon, to or among any of the following persons:—

- 35 (a) Any person who has paid the funeral expenses of the depositor.
 (b) Creditors of the depositor.
 (c) The widow or widower of the depositor.
 (d) The person entitled to the effects of the depositor according to the statutes of distribution.
 40 (e) In the case of foreign seamen, the consular authority of any country with which a treaty has been made relative to the payment of moneys due to such seamen.

(2) In making such payment the commissioners shall have regard to the rules of law regulating the distribution of the estates of
 45 intestates. Commissioners to regard rules of law.

(3)

Government Savings Bank.

(3) The receipt of any of the persons mentioned in this section shall be a good discharge to the commissioners for the sum paid, and shall be binding on any widow, widower, or next of kin above sixteen but under twenty-one years of age. Receipts.

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

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

Guarantee by Crown.

41. The repayment of all deposits in the bank, whether made before or after the commencement of this Act, and the payment of interest thereon, is guaranteed by the Crown, and shall be charged 15 upon the Consolidated Revenue Fund. Deposits guaranteed by Crown.

Borrowing by bank.

42. It shall be lawful for the commissioners to borrow, and for the Governor to guarantee the repayment of, any money which the commissioners may require in order to meet the demands of depositors 20 desirous of withdrawing their deposits; and the Governor shall obtain from the commissioners such security for the protection of any such guarantee as may in his opinion be necessary or advisable. Governor may guarantee loan to bank.

43. The Governor may, upon like security, by warrant under his hand direct and authorise advances to be made to the commissioners 25 for the purposes of the bank out of the Consolidated Revenue Fund, but the fact that such advance has been made, and the amount of such advance shall, as soon as possible, be reported to both Houses of Parliament. Loans by Government to bank.

PART VI.

30

ISSUE OF DEBENTURES.

44. The commissioners may issue out of the Advance Department debentures in the form of Schedule Two or to the like purport. The payment of such debentures, and of the interest thereon, is guaranteed by the Government on the security of the Consolidated 35 Revenue Fund. Issue of debentures.

45. The total amount of such debentures so issued and uncanceled shall not at any time exceed two million pounds, nor shall any such debentures be issued while the total amount then issued and uncanceled exceeds by fifty thousand pounds the amount of advances 40 then unpaid. Amount of issue.

46.

Government Savings Bank.

46. Such debentures may be issued in different series. Each series shall be numbered consecutively, beginning with the number one and proceeding arithmetically by units. Series.

47. Such debentures shall be signed by the commissioners, and sealed with the commissioners' seal, but may be issued only after the Auditor-General has certified that the issue is in accordance with law. The debentures shall be registered in the department of the Auditor-General. Signature.

Every such debenture which has been signed and sealed in accordance with this section shall be good and valid as against the commissioners.

48. Every such debenture shall be for the sum of fifty pounds or some multiple thereof, and shall have such currency and shall bear such interest, not exceeding four pounds per centum per annum, payable half-yearly from the Advance Department, as the commissioners may fix. Amount and currency of debentures.

49. Debentures shall be issued at a minimum price to be fixed by the commissioners, and redeemed out of moneys in the Advance Department at their face values, and may be issued in the Savings Bank Department, or sold in the State or elsewhere. Issue and redemption of debentures.

50. Every such debenture shall be transferable by delivery without assignment or endorsement, and shall entitle the bearer thereof to be paid according to the tenor thereof. Debentures transferable by delivery.

51. Debentures may be purchased by the commissioners out of moneys in the Advance Department at or below their face value. Purchase of debentures.

52. All debentures which have been redeemed or purchased by the commissioners under this Act shall be cancelled. Cancellation of debentures.

53. In case any debenture is defaced by accident, the commissioners may cancel the same, and cause a new debenture to be made in lieu thereof, and such cancelled debenture shall be filed in the bank. And such new debenture shall be to the like purport, and be in all respects subject to the same rules, methods, and continuance, and bear the same number, date, and principal sum, and rate of interest as such cancelled debenture. Defaced debenture may be exchanged.

54. Upon proof being made on oath before a Judge of the Supreme Court by any credible person that any debenture issued under this Act and held by him, the number and sum whereof is specified by him in his evidence, has been lost or accidentally burnt or otherwise destroyed before the same has been paid off, and upon such Judge certifying that he is satisfied with such proof, the commissioners may cause a new debenture to be made bearing the same number, date, principal sum, and rate of interest as the debenture so lost or destroyed, and to be delivered to such person upon his giving sufficient security to the commissioners to indemnify them against any double payment if the missing document should thereafter be presented for payment. Provision for debentures lost, &c.

Government Savings Bank.

55. All debentures issued under this Act shall have the status of "Government Securities" within the meaning of the Act number four of one thousand eight hundred and ninety-eight (the Trustee Act of 1898) and of the Act thirty-seven Victoria number four, or any Act in force for the time being relating to friendly societies; and all corporations, companies, or co-partnerships, and all trustees, executors, and administrators, whether incorporated, established, or appointed before or after the passing of this Act not expressly forbidden to invest their funds in the purchase of Government stock or securities by their charter Act of incorporation, deed of settlement, or of partnership, trust, deed, settlement, testamentary or other instrument whatsoever respectively, are hereby authorised and empowered to invest such funds in the purchase of and to hold such debentures as aforesaid without incurring or committing any breach of trust or of any condition, restriction, or provision contained in any such Act, charter, or other instrument whatsoever as aforesaid.

Power to trustees to invest.

56. Debentures issued under this Act shall be included in the exemptions in the Second Schedule to the Stamp Duties Act, 1898.

Debentures exempted from stamp duty.

57. The proceeds of the issue of debentures shall be carried to the Advance Department and applied in pursuance of the provisions of this Act.

Application of proceeds of debentures.

PART VII.

INVESTMENTS AND LOANS.

Investments by Savings Bank Department.

58. The moneys at credit of the Savings Bank Department shall be invested and held as nearly as may be, as follows:—

Investments.

- (a) twelve per centum of such moneys shall consist of cash and deposits in the Treasury and in banks of issue in the State, available at call or at short notice, and interest thereon;
- (b) twenty per centum of such moneys shall be invested in premises used in the business of the commissioners and in freehold lands held by the commissioners in pursuance of this Act, and upon mortgage of land in the State of an estate of inheritance in fee-simple.
- (c) sixty-eight per centum of such moneys shall be invested in—
 - (i) Government securities of the United Kingdom or of New South Wales, or of any other State of the Commonwealth, or of New Zealand;
 - (ii) debentures issued by the Advance Department; and
 - (iii) debentures lawfully issued by the municipal council of Sydney or the council of any municipality in the State.

Loans

*Government Savings Bank.**Loans from the Advance Department.*

59. The commissioners may lend moneys by way of advances from the Advance Department— The lending of money from Advance Department.

- 5 (a) upon mortgage of an estate of inheritance in fee-simple in any land in the State
- (b) upon mortgage of—
- 10 (i) conditional purchases with or without associated conditional leases ;
- (ii) homestead grants ;
- (iii) homestead selections ;
- (iv) settlement leases.
- (c) on deposit at call or short notice in any bank of issue in the State or on deposit in the Savings Bank Department.

60. (1) No such advance on mortgage shall be made except for all or any of the following purposes, which shall be set out in the mortgage— Purposes for which advances may be made.

- 20 (a) to pay off liabilities already existing on the land ;
- (b) to pay off money owing to the Crown in respect of the land ;
- (c) to make improvements on the land, or to improve and develop, or to utilise the agricultural or pastoral resources of the land, or to enable the borrower to carry on agricultural or pastoral pursuits on the land.

(2) No person shall apply any portion of any such advance to any other than such purposes, and if any person is guilty of a contravention of this enactment the commissioners may cause his estate and interest in the land to be sold, and the provisions of sections ninety-two, ninety-four, ninety-five, and ninety-six of the Conveyancing and Law of Property Act, 1893, relating to a sale under section ninety-one of the said Act shall apply to a sale under this section of this Act.

61. All applications for advances under five hundred pounds shall have priority over those of a larger amount. Priority of applications.

62. (1) Any borrower from the Advance Department or under the Advances to Settlers Acts, 1899-1902, who is not in arrear with the payment of the instalments of principal and interest of his loan may on any day fixed for the payment of any such instalment repay to the commissioners the whole of his debt or any portion thereof being five pounds or a multiple of five pounds. Borrower may repay the loan or portion thereof.

(2) Where portion only of the loan is so repaid, the commissioners shall place the amount so repaid on deposit in the Savings Bank Department to accumulate at interest to be fixed by the commissioners. Application of portion so repaid.

Such repayment shall not affect the obligation of the borrower to pay the instalments provided in the mortgage ; but when the sum deposited as aforesaid in the Savings Bank Department with the interest

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interest thereon amounts to the balance then unpaid on the loan, the commissioners shall apply such sum in repayment of the loan and release the borrower and the land from the mortgage.

5 **63.** The costs and expenses which the commissioners may charge in respect of the making of loans from the Advance Department shall not exceed—

Cost and expenses which may be charged in respect of advances.

- (a) fees for stamps, registration, searches, and other expenses out of pocket ;
- (b) the prescribed fees for valuations ;
- 10 (c) for other expenses, not more than two per centum on the amount of the advance up to one hundred pounds, one-half per centum on the amount above one hundred pounds and up to five hundred pounds, and one-fourth per centum on the amount above five hundred pounds.

15 *Loans generally.*

64. The following directions shall be observed by the commissioners in respect of loans on mortgage, and shall, except where a particular department is specified, apply to any such loans made from either Department of the Bank.

Directions to be observed by commissioners.

- 20 (a) No loan shall be made in respect of land subject to a prior mortgage or charge, except a mortgage or charge in favour of the commissioners, or unless it is to be used to pay off such prior mortgage or charge.
- (b) No loan shall be of less amount than fifty pounds.
- 25 (c) The amount of any loans to any one person from the Savings Bank Department shall not exceed twenty-five thousand pounds.
- (d) The amount of any loans to any one person from the Advance Department shall not exceed two thousand pounds.
- 30 (e) The amount of any loan shall not exceed three-fifths of the value of the interest of the borrower in the land and buildings, or other permanent improvements thereon, mortgaged, but when the land is held as a conditional lease, homestead grant, settlement lease or homestead selection or a conditional purchase as to which the first five year's certificate has not
- 35 issued, such amount shall not exceed one-half of the value of the improvements on the land.
- (f) Security in the form of a mortgage shall be taken for the loan, and such mortgage shall be registered without delay.
- 40 (g) Dates shall be fixed for the repayment of the principal sum and for the payment of interest thereon.
- (h) Where the loan is from the Savings Bank Department the whole of the principal sum with interest thereon shall be made repayable within a period, dating from the making
- 45 of the loan to be fixed by the commissioners, not exceeding seven years, (i)

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- (i) If the loan is made from the Advance Department it shall be made repayable within such period not exceeding thirty-one years as the Commissioners think fit by yearly or half-yearly instalments of principal and interest commencing within one year from the making of the loan.
- (j) If any such instalment is in arrear for more than twenty-one days the commissioners shall charge the borrower interest on such instalment at a rate one per cent. higher than the rate named in the mortgage.
65. The following provisions shall apply to the land in respect of which any loan is made under this Act:—
- (a) Where such land is held under the Crown Lands Acts, the Minister for Lands shall not forfeit the land under those Acts, nor shall any such forfeiture be revoked, except with the consent of the commissioners.
- (b) Where any such land is so forfeited, any money received on account of the improvements on such land, shall, to the extent of the amount owing to the commissioners on such loan for principal and interest and expenses incurred in connection with the loan, be paid to the commissioners.
- (c) Nothing in the Crown Lands Acts shall invalidate or affect any mortgage given under this Act to secure any loan or interest thereon or the pursuit of any remedy for the recovery of such loan or interest, and such mortgage may be given and any sale or foreclosure may be effected thereunder, notwithstanding that the land the subject of the mortgage could not by the terms of the said Acts be transferred, assigned, or otherwise dealt with.
- Provisions applicable to land mortgaged.

PART VIII.

30 GENERAL AND SUPPLEMENTAL.

66. If any amount of principal or interest due in respect of any loan made under the Advances to Settlers Acts, 1899-1902, or by the commissioners in pursuance of this Act on the security by mortgage of land not held under the provisions of the Real Property Act, 1900, is unpaid for a period of three months after the due date thereof, the commissioners may, at their option, in lieu of taking proceedings in any court make application to the Registrar-General in writing for an order for foreclosure.
- Application for foreclosure.

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Such application shall state that such default has been made as aforesaid, and that the land, estate, or interest mortgaged has been offered for sale by public auction by a licensed auctioneer, and that the amount of the highest bid at such sale was not sufficient to satisfy
 5 the moneys so due together with the expenses occasioned by such sale, and that notice in writing of the intention of the commissioners to make such application has been given to the mortgagor or other person entitled to the equity of redemption by leaving the same at his usual or last known place of abode, if such place be within three miles
 10 of the head office of the bank, or by forwarding the same by registered letter through the post office if such place be beyond that distance. Such application shall be accompanied by a certificate of the auctioneer by whom such land was put up for sale and such other proof of the matters stated therein as the Registrar-General may require. The
 15 statements made in such application shall be verified by the statutory declaration of one of the commissioners.

The Registrar-General may, at the expense of the commissioners, cause notice to be published, once in the Gazette and once in each of three succeeding weeks in at least one newspaper circulating in the
 20 district in which the mortgaged land is situated, offering such land for sale, and shall limit and appoint a time not less than one month from the date of the publication in the Gazette, upon or after which the Registrar-General may issue to the commissioners an order for foreclosure unless in the interval a sufficient amount has been realised
 25 by the sale of the land to satisfy the principal and interest moneys due and all expenses occasioned by such sale and proceedings.

Every such order for foreclosure under the hand of the Registrar-General shall, upon registration under the Registration of Deeds Act, 1897, have the effect of barring all right and equity of
 30 redemption in the said land on the part of the mortgagor or of any person claiming through or under him.

67. Where land is sold by the commissioners for non-pay-
 ment of principal or interest of money lent or for breach of any covenant
 in the instrument of mortgage securing the same, the land shall be
 35 freed from any charge in respect of the loan. But where such land was at the time of sale subject to conditions prescribed by the Crown Lands Acts, it shall be held by the purchaser and those claiming under him subject to the performance by them of those conditions, but nevertheless free from any liability for any breach before such
 40 sale of any condition of residence attaching to the land.

Conditions attached to land sold on default of mortgagor.

68. The commissioners by regulations may prescribe the form
 of mortgage-deeds under this Act, and short forms of provisions
 to be inserted in such deeds, and may state the legal effect of such
 short forms when so inserted, which thereupon shall have the force of

Forms of mortgage-deeds.

law :

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law : Provided that where the land, the subject of the mortgage, is under the Real Property Act, 1900, such forms shall not be inconsistent with the forms prescribed by or under the said Act.

5 **69.** If any amount of principal or interest due in respect of any loan or mortgage made by the commissioners is in arrear for two years or upwards, it shall be the duty of the commissioners to exercise the powers conferred on them for the recovery of such amount. Recovery of arrears.

10 **70.** The bank, by its counsel, attorney, or agent, shall be entitled to be heard before any land board or before the Land Appeal Court or Supreme Court in any case relating to land in respect of which an advance or loan has been made under the Advances to Settlers Acts, 1899-1902, or this Act. Bank entitled to be heard before land board or Land Appeal Court or Supreme Court.

71. The commissioners may make regulations for carrying out the provisions of this Act, and particularly— Regulations.

- 15 (a) for the management of the bank and the regulation of its business ;
- (b) regulating proceedings at meetings of the commissioners, and the quorum necessary for the transaction of business ;
- 20 (c) for the control of the officers, valuers, servants, and agents of the bank ;
- (d) for regulating the receipt and repayment of deposits and the payment of interest thereon ;
- (e) regulating applications for and the making of loans by the bank ;
- 25 (f) prescribing the fees payable in respect of such applications and loans ;
- (g) for the keeping of the accounts of the bank.

72. Every such regulation, when approved by the Governor and published in the Gazette, shall have the force of law. Approval of regulations.

30 **73.** (1) A copy of every such regulation shall be deposited with the Prothonotary of the Supreme Court, who shall, without fee, file the same of record in the Court. Filing of regulations.

(2) All depositors and borrowers and their representatives shall be deemed to have notice of the regulations. Depositors, &c., deemed to have notice of regulations.

35 (3) Every copy so filed, or a certified copy thereof, shall be received in all courts as evidence of the regulations therein contained and of their having been duly made and approved as aforesaid. Copy filed to be evidence.

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SCHEDULE ONE.

Repeal of enactments.

Number of Act.	Title of Act.	Extent of repeal.
Act No. 1, 1899 ...	Advances to Settlers Act, 1899	The whole.
5 Act No. 1, 1902 ...	Advances to Settlers (Amendment) Act, 1901...	The whole.
Act No. 53, 1902 ..	Savings Bank of New South Wales Act, 1902...	The whole.
Act No. 72, 1902 ...	Government Savings Bank Act, 1902	The whole.
Act No. 99, 1902 ...	Savings Bank of New South Wales (Amendment) Act, 1902.	The whole.
10 Act No. 106, 1902 ...	Advances to Settlers (Amendment) Act, 1902...	The whole.
Act No. 20, 1903 ...	Government Savings Bank (Amendment) Act, 1903.	The whole.

SCHEDULE TWO.

NEW SOUTH WALES.

15 Number GOVERNMENT SAVINGS BANK ACT, 1904.

£

Debenture Bill.

WE, the Commissioners of the Government Savings Bank of New South Wales, hereby
 £ acknowledge that the holder of this debenture is entitled to be paid on the day of
 , the sum of pounds, and that until such payment is made we will, at
 the Head Office of the Commissioners at Sydney, on every day of and
 day of , pay to the bearer of this debenture interest on the said sum at
 the rate of per centum per annum.

25 The said sum and interest are by such Act secured on the Consolidated Revenue
 Fund of New South Wales.

Given under the common seal of the Commissioners of the Government Savings
 Bank of New South Wales, in the State of New South Wales, at Sydney,
 this day of 19 .

30

(L.S.)

Commissioners.

Registered at the Audit Office, Sydney, in the register of debentures of the Government
 Savings Bank of New South Wales, folio , this day of
 19 .

35

Auditor-General.