

Act No. 48, 1906.

An Act to constitute and regulate and provide for the management of the Government Savings Bank of New South Wales and its departments; to authorise the said bank to receive deposits, borrow moneys, and make loans and investments; to provide for a Government guarantee of any indebtedness of the said bank; to repeal the Acts dealing with the Government Savings Bank, and with advances to settlers; to provide for the transfer of certain assets, liabilities, and powers to the said bank; to amend the Acts dealing with Crown lands, the Closer Settlement Act, 1904, and certain other Acts; and for purposes consequent thereon or incidental thereto. [21st December, 1906.]

GOVERNMENT
SAVINGS BANK.

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

PART I.

PRELIMINARY.

1. This Act shall commence and take effect on the first day of January, one thousand nine hundred and seven, and may be cited as the "Government Savings Bank Act, 1906." 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.

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PART II.—THE COMMISSIONERS—*ss.* 6–13.

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

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

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Repeal.

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 The Acts mentioned in Schedule One to this Act are to the extent therein expressed repealed :

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

Definitions.

5. In this Act, unless the context requires another meaning,—
 - “Advance Department” means Advance Department of the Bank.
 - “Advances to Settlers Acts” means the Advances to Settlers Act, 1899, the Advances to Settlers (Amendment) Act, 1901, and the Advances to Settlers (Amendment) Act, 1902.
 - “Advances to settlers board” means the board constituted by the Advances to Settlers Act, 1899.
 - “Certificated conditional purchase” means conditional purchase as to which all conditions have been fulfilled except payment of the balance of purchase money.
 - “Commissioners” means commissioners of the bank constituted by this Act.
 - “Crown Lands Acts” means Acts dealing with the disposal and tenure of Crown lands, and includes the Closer Settlement Act, 1904.
 - “Part” means Part of this Act.
 - “President” means president of the Bank.
 - “Regulations” means regulations under this Act.
 - “Savings Bank Department” means Savings Bank Department of the 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 Colonial Treasurer.

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PART II.

THE COMMISSIONERS.

6. Three commissioners shall be appointed in pursuance of this Act. One of such commissioners shall be so appointed president. Constitution and incorporation of commissioners.

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. The seal of the commissioners shall be judicially noticed.

7. Each commissioner shall be appointed by the Governor by commission in His Majesty's name, and shall, subject to this Act, hold his office during ability and good behaviour. He shall devote the whole of his time to the duties of his office, and shall not absent himself from such duties except for an annual leave of twenty-one days, unless by leave of the Governor. Appointment and term of office of commissioners.

8. If any commissioner—

- (a) becomes a director or a member of the managing body of any bank, building society, or other company carrying on business within the State;
 - (b) becomes bankrupt or compounds with his creditors;
 - (c) is convicted of any criminal offence; or
 - (d) becomes a lunatic or of unsound mind,
- his office shall thereupon be vacant. Disqualification of commissioners.

9. In the case of the illness, suspension, or absence of any commissioner, the Governor may appoint some person as deputy to act in the place of such commissioner during such illness, suspension, or absence. Appointment of deputies.

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 powers and the duties of the commissioner in whose place he acts.

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
- (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.

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(e) 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.

Payment for services of commissioners.

11. The president shall for his services be paid out of the funds of the bank at the rate of twelve hundred pounds annually, and each of the other commissioners at the rate of nine hundred pounds annually.

Quorum of commissioners—casting vote of president.

12. Any two of the commissioners shall be a quorum for the exercise of the powers of the commissioners.

The president shall preside at a meeting of the commissioners, and if the votes at any such meeting are equal he shall have a second or casting vote. If at any meeting at which the president is not present the voting is equal, the matter shall be postponed to the next meeting of the commissioners.

Acts which may be done by one commissioner.

13. The Governor, on the recommendation of the commissioners, may, by proclamation, declare that all administrative acts of a specified class performed by one commissioner, and all documents and writings of a specified class authenticated or signed by one commissioner, shall be of the same effect as if performed, authenticated, or signed by all the commissioners, and may vary or revoke such declaration. Such declaration may state the commissioner who may perform the act or authenticate or sign the document or writing.

Any such declaration when notified in the Gazette shall have the force of law.

PART III.

TRANSFER OF ASSETS AND LIABILITIES.

DIVISION 1.—SAVINGS BANK DEPARTMENT.

Property, &c., of Government Savings Bank to vest in commissioners.

14. 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 the commissioners, and shall be paid to them within three years after the commencement of this Act in such amounts and at such times as may be agreed upon between the Treasurer and the commissioners. All securities in which such moneys have been invested, and interest thereon, and all books and documents and other property used for or in connection with carrying

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carrying out of the provisions of the said Act, shall pass to and become vested in the commissioners. Such moneys and securities shall be carried by the commissioners to the Savings Bank Department.

15. (1) The interest due at the commencement of this Act on any deposits made under the Government Savings Bank Act, 1902, or any Act amending the same, shall be added to and form part of the principal moneys. Deposits in old savings bank—how dealt with.

(2) Each such deposit and such moneys shall be subject to the provisions of this Act and the regulations :

Provided that where under the said Acts 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.

(3) The person entitled to any such deposit shall be entitled to a Government Savings Bank book on giving up the deposit book issued to him under any of the Acts above referred to.

DIVISION 2.—ADVANCE DEPARTMENT.

16. On the commencement of this Act, all moneys and 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 any person on his behalf under the Advances to Settlers Acts, shall pass to and become vested in the commissioners, and such moneys, securities, and property shall be carried to the Advance Department. Vesting of money and securities in commissioners.

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

(2) The Government guarantees the bank against any loss 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.

18. (1) The Advance Department shall issue to the Savings Bank Department debentures to the amount of three hundred and five thousand pounds, being the amount of stock issued under the Advances to Settlers Acts, and held at the commencement of this Act by the Government Savings Bank, 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.

(2) The bank shall be liable to the Treasury for the amount of one hundred and twenty thousand and fifty pounds, being the amount of stock issued and sold to the public under the Advances to Settlers Acts, and outstanding at the commencement of this Act, together with all interest payable thereon. The

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The interest on such stock shall be paid half-yearly by the Advance Department to the Treasurer.

On maturity of the stock, the sum required for redemption shall be paid by the Savings Bank Department to the Treasurer, and the Advance Department shall, at the same time, issue to the Savings Bank Department an equivalent amount in debentures.

Provisions applicable
to advances under
Advances to Settlers
Acts.

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

- (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 :

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.

- (b) The commissioners may take any proceeding which under the said Acts might have been taken by the Secretary for Lands for the recovery of such advances and interest, except forfeiture under paragraph (i) of subsection two of section nine of the Advances to Settlers Act, 1899, of land held under the Crown Lands Acts, not being freehold land.
- (c) In respect of the land last mentioned, the power of the Secretary for Lands to forfeit as aforesaid may, on the recommendation of the commissioners, be exercised. Any sums received by or on behalf of the Crown on account of improvements on such land shall (after deducting any moneys overdue at date of forfeiture for rent or instalments) to the extent of the amount owing to the Advance Department for principal and interest and for expenses incurred in connection with the advance, be paid to the said department.
- (d) The land in respect of which the advance was made shall continue to be charged with the repayment of the advance with interest thereon in accordance with the Advances to Settlers Acts.
- (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

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land in respect of which the advance was made, although such money may not in fact have been so secured or charged: Provided that the notice of sale under section ninety-three aforesaid shall be for three months instead of six months: Provided also 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 conferred by this paragraph.

20. Applications for advances under the Advances to Settlers Acts pending at the commencement of this Act may be dealt with as applications under this Act for loans from the Advance Department. Applications already made.

Rights of action and securities.

21. 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 Treasurer, or any person acting on his behalf under the Government Savings Bank Act, 1902, or any Act amending the same;
 - (b) the Treasurer, the Secretary for Lands, or the Advances to Settlers Board acting under the Advances to Settlers Acts;
- may be prosecuted and enforced, by or against the commissioners in 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.

PART IV.

ADMINISTRATION OF THE BANK.

Duties of commissioners.

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.

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

- (a) the Savings Bank Department;
- (b) the Advance Department.

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(2) All transactions and accounts relating to each such department shall be kept separate from those relating to the other department.

(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.

Commissioners may hold land for certain purposes.

- 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 ;
 - (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 owing to either department of the bank ; and
 - (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 funds.

Reserve fund of Savings Bank Department.

25. The commissioners shall, out of the net profits of the Savings Bank Department earned during any 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 said year as they think proper towards a reserve fund for equalising the rate of interest payable on deposits, and for meeting losses : Provided that the Governor, on the recommendation of the commissioners, may suspend the operations of the above provisions for any year. The order suspending such provisions shall be laid before Parliament without delay.

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 bank constituted by the Government Savings Bank Act, 1902, to the Consolidated Revenue Fund, as upon adjustment between the Treasurer and the president of credits and charges in respect of services rendered appears to fairly belong to the said profit and loss account, shall be carried to the reserve fund constituted by this section.

Reserve fund of Advance Department.

26. The commissioners shall set apart the whole of the net profits earned by the Advance Department during any year towards a reserve fund for meeting any loss or deficiency in connection with the transactions of the said department.

Branches

*Government Savings Bank.**Branches and agencies.*

27. The commissioners may establish branches and agencies of the bank for the receipt of deposits and the 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-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 when this Act comes in force and thereafter annually at the close of each financial year of the bank by auditors appointed by the Auditor-General, and shall be so audited at such other times as 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 of the same, giving such details as the Governor may prescribe. Preparation of accounts and balance-sheets.

(2) Such accounts and balance-sheets, on being certified as correct 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.

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. Such report 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, servants, valuers, and agents of the bank as may be required. 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.

With the approval of the Public Service Board, and on such terms as may be agreed upon, the services of any person in the service of the Crown may in part be made use of by the commissioners.

The commissioners shall fix the emoluments of officers, servants, valuers, and agents.

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The Commissioners shall control the officers, servants, valuers, and agents of the bank, and shall, as far as possible, adopt the regulations of the Public Service Board in so far as they are applicable.

Payment of salaries and expenses.

33. The salaries and emoluments of officers, servants, valuers, and agents of the bank, and all expenses incurred in the management of the bank, shall be paid by the commissioners out of the funds of the respective departments of the bank in such proportions as they may consider fair and reasonable.

Preference to persons now employed.

34. (1) In the first appointment of the officers of the bank, the persons now employed in the bank constituted by the Government Savings Bank Act, 1902, or under the Advances to Settlers Board, shall, if considered to be fully efficient and qualified, be appointed in preference to other persons.

Rights of public servants appointed officers of bank and whose services are dispensed with within two years.

(2) Any officer of the Public Service who is appointed an officer of the bank, and whose services are dispensed with by the commissioners within two years after such appointment, shall return to and be an officer of the Public Service, and his service under the commissioners shall count as service as an officer of the Public Service.

Rights of other public servants.

(3) Any officer of the Public Service who is appointed an officer of the bank, and whose services are not so dispensed with, shall have the same rights under the Public Service Act, 1902, and any Acts amending the same, and the regulations thereunder, to deferred and extended leave and to contribute to the superannuation account, and to be paid a superannuation allowance as if he were an officer of the Public Service; and for those purposes his service as an officer of the bank shall count as service in the Public Service.

Commissioners and officers not to borrow from bank.

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

35. No commissioner, and no officer, servant, or agent of the bank, shall, either directly or indirectly, borrow from either department of the bank, or receive, except in pursuance of this Act, any payment, gift, profit, or benefit from the funds of the 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, or carrying out any arrangement or contract made prior to the commencement of this Act.

Any commissioner, or any such officer, servant, or agent, who knowingly contravenes the provisions of this section shall be guilty of a misdemeanour.

Bankruptcy, &c., of officer in possession of property of the bank.

36. (1) If any officer, servant, or agent of the bank having in his possession or power any money or effects belonging thereto, or any deed or security relating to the same—

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(a) becomes bankrupt; or

(b) makes an assignment for the benefit of his creditors; or

(c)

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(e) has any execution, attachment, or other process issued against his land, goods, chattels, or effects; or

(d) dies,

the commissioners may apply to such officer, servant, or agent, or his assignee or trustee, or to the sheriff or other person executing such process, or to his executors or administrators, or to any other person having legal right as the case may be, and may demand that all such moneys, effects, deeds, or securities be paid over or delivered up to the commissioners or such person as they may appoint.

(2) The party so applied to and having the same shall on such demand deliver over to the commissioners, or to such person as aforesaid, all such moneys, effects, deeds, and securities, and shall pay out of the estate, assets, or effects of such officer, servant, or agent, all money due by him to the bank before any other of the debts of the said officer, servant, or agent are paid or satisfied, and before the money directed to be levied by such process as aforesaid is paid over to the party issuing the same. All assets, land, goods, chattels, estate, and effects of such officer, servant, or agent shall be bound to the payment and discharge thereof accordingly.

Such property to be delivered on demand.

PART V.

SAVINGS BANK DEPARTMENT.

DIVISION 1.—DEPOSITS.

Receipt of deposits.

37. (1) Deposits may be received at the bank subject to the regulations.

Receipt of deposits.

(2) Deposits may be received from minors of the age of twelve years or upwards, and such deposits shall be subject to the provisions of this Act and the regulations relating to deposits.

Deposits of minors.

(3) The commissioners may direct that no deposit shall be received from any person whom they may deem it inexpedient to admit or continue as a depositor, and that any deposit made by such person shall be returned to him.

Power to refuse or return deposit.

38. Except where otherwise in this Act expressly provided, no person shall have more than one account at the bank:

Each person may have only one account.

Provided that this section shall not prevent any person having, bona fide, in addition to his own account—

- (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.

But

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But the bank shall not be liable in respect of the performance of any trusts relating to a trust account; and the receipt of the trustee shall be a sufficient discharge to the commissioners for any payment from any such account: Provided that the Commissioners may, if they deem it advisable, require the signature of both the trustee and the cestui que trust before any payment is made.

Interest on deposits.

Interest, how fixed.

39. (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 to the credit of any one account, except the account of—

- (a) 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
- (b) the Advance Department.

But the commissioners may in their discretion limit the amount of the respective accounts of such societies or institutions or any of them:

Provided also that the maximum rate of interest under the regulations shall be paid on the deposit of any of the aforesaid societies and institutions up to five hundred pounds, and above that amount the rate shall be a matter of agreement with the commissioners.

Interest, how calculated.

(2) Such interest shall be calculated on every complete sum of one pound, but shall not commence to run until the first day of the month next following that in which the deposit is made, and shall, 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 thirty-first day of December and the thirtieth day of June in every year, and shall then be added to and become part of the principal money on these respective dates.

Withdrawal of deposits.

Making and withdrawing deposits.

40. No person shall have any claim on the bank in respect of a deposit which was not made during the office hours of the bank.

On the withdrawal of any money from the bank, a receipt or order in such form as the commissioners may direct shall be signed by the depositor, and such receipt or order shall be a sufficient discharge to the commissioners for the amount therein expressed to be received. A receipt or order so signed by a minor or married woman shall be a sufficient discharge to the commissioners.

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41. (1) Deposits and interest payable thereon may be withdrawn on application in the prescribed form by the depositor or the person legally entitled to claim on his behalf. Withdrawal of deposits.

Where such application is made at the office of the bank, where the depositor's account is kept, the payment shall be on demand.

Where such application is made at any other office of the bank, the payment shall be made on the receipt by the paying officer of authority from the office in which the account is kept.

(2) The accounts of friendly societies in the bank may be drawn upon by cheque in such form and subject to such conditions as the commissioners may direct. Cheques for friendly societies' accounts.

42. (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 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:—

- (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.
- (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) 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. Receipts.

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

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

Pass-books.

43. (1) Every depositor's pass-book shall be deemed to be the property of the commissioners, and shall be delivered up as and when required by them. Pass-books.

(2) Each depositor shall once in each year produce, or cause to be produced, his pass-book at the office of the bank in which his account is kept, for the purposes of examination and verification on a day or days to be notified by the commissioners as hereinafter prescribed. Production of pass-books.
Such

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Such notice shall be published in the Gazette, and shall specify the times and places respectively at which the said pass-books shall be produced for the purposes aforesaid. A copy thereof shall be inserted in one or more newspapers circulating in the district where such office of the bank is open for the transaction of business, and posted in such places and in such manner as to the commissioners may seem expedient.

Guarantee by Crown.

Deposits guaranteed
by Crown.

44. The repayment of all deposits in the bank, whether made before or after the commencement of this Act, and the payment of interest thereon, shall be payable out of the funds of the commissioners held under this Part, and is guaranteed by the Crown. Any liability arising from such guarantee shall be payable out of the Consolidated Revenue Fund.

DIVISION 2.—BORROWING.

Governor may
guarantee loan to
bank.

45. 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 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.

Loans by
Government to bank.

46. The Governor may, upon like security, by warrant under his hand direct and authorise advances to be made to the commissioners 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.

DIVISION 3.—INVESTMENTS.

Investments.

47. All moneys received by the Savings Bank Department after the constitution of the bank shall be invested and held, as nearly as may be, as follows :—

- (a) fifteen 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) the balance of such moneys shall be invested in—
 - (i) premises used in the business of the commissioners, and in freehold lands held by the commissioners in pursuance of this Act;
 - (ii) upon mortgage of land in the State of an estate of inheritance in fee simple;
 - (iii) Government securities of New South Wales, or of any other State in the Commonwealth;

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- (iv) debentures issued by the Advance Department; and
- (v) debentures lawfully issued by the municipal council of Sydney, or the council of any municipality in the State.

48. (1) No loan from the Savings Bank Department shall be made in respect of land subject to a prior mortgage or charge in favour of any person other than the commissioners, or unless the money lent is to be used to pay off such prior mortgage or charge.

(2) The following provisions shall apply in respect of such loans—

- (a) No loan shall be of less amount than fifty pounds.
- (b) The amount of any loans to any one person shall not exceed twenty-five thousand pounds.
- (c) 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.
- (d) Security in the form of a mortgage shall be taken for the loan, and such mortgage shall be registered without delay.
- (e) Dates shall be fixed for the repayment of the principal sum and for the payment of interest thereon.
- (f) The whole of the principal sum with interest thereon shall be made repayable within a period to be fixed by the commissioners.

PART VI.

ADVANCE DEPARTMENT.

DIVISION 1.—ISSUE OF DEBENTURES.

49. (1) The commissioners may from time to time issue out of the Advance Department debentures in the form of Schedule Two or to the like purport.

(2) The due payment of such debentures and the interest thereon shall be a charge on all moneys and securities held by the commissioners on behalf of the said department, and is hereby guaranteed by the Government. Any liability arising from such guarantee shall be payable out of the Consolidated Revenue Fund:

Provided that such charge shall not prejudice or affect the powers of the commissioners to reconvey, release, or discharge any of such securities, or the properties comprised therein, or to sell or convey such properties, or to foreclose such securities or properties, or to deal with the same under this Act.

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Amount of issue.	50. 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 then unpaid.
Series.	51. Such debentures may be issued in different series. Each series shall be numbered consecutively, beginning with the number one and proceeding arithmetically by units.
Signature.	52. Such debentures shall be signed by the commissioners, and sealed with the commissioners' seal, but shall 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. Every such debenture which has been signed and sealed in accordance with this section shall be good and valid as against the commissioners.
Amount and currency of debentures.	53. 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.
Issue and redemption of debentures.	54. 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 to the Savings Bank Department, or sold in the State or elsewhere.
Debentures transferable by delivery	55. Every such debenture shall be transferable by delivery without assignment or endorsement, and shall entitle the bearer of the same to be paid according to the tenor thereof.
Purchase of debentures.	56. (1) Debentures may be purchased by the commissioners out of moneys in the Advance Department at or below their face value.
Cancellation.	(2) All debentures redeemed or purchased by the commissioners under this Act shall be cancelled.
Defaced debenture may be exchanged.	57. If 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. 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, principal sum, and rate of interest as such cancelled debenture.
Provisions for debentures lost, &c.	58. 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

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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.

59. 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 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.

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

Exemption from duty.

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

Application of proceeds.

DIVISION 2.—LOANS.

62. The commissioners may lend moneys from the Advance Department—

The lending of money from Advance Department.

- (a) upon mortgage of an estate of inheritance in fee simple in any land in the State;
- (b) upon mortgage of--
 - (i) conditional purchases with or without associated conditional leases;
 - (ii) homestead grants;
 - (iii) homestead selections;
 - (iv) settlement leases;
 - (v) settlement purchases;
 - (vi) conditional purchase leases;

(c)

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- (c) on deposit at call or short notice in the Treasury or any bank of issue in the State or on deposit in the Savings Bank Department.

Purposes for which loans may be made.

63. (1) No such loan upon mortgage shall be made except for all or any of the following purposes, which shall be set out in the mortgage—

- (a) to pay off existing encumbrances on or to purchase 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 ;
- (d) to build homes upon the land.

(2) If any person applies any portion of a loan so made to any other than the purpose for which it was granted, 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, 1898, relating to a sale under section ninety-one of the said Act shall apply to a sale under this section of this Act.

(3) No such loan shall be made upon the security of lands of an estate of inheritance in fee simple within the boundaries of any city, town, or village, whether so declared by proclamation of the Governor or not so declared.

(4) No such loan will be made on the security of land held under the Crown Lands Acts (except certificated conditional purchases) without the consent of the Secretary for Lands or some officer appointed by him in that behalf.

Advances on purchase of farms.

64. To facilitate close settlement on private estates suitable for the purpose, the commissioners may make advances to assist persons in purchasing lands, and in connection with such advances the following provisions shall apply :—

- (a) The title to the land must be either certificated conditional purchase or freehold under the Real Property Act, 1900.
- (b) The amount of any such advance shall not exceed eighty per centum of the commissioners' valuation of the security.
- (c) A valuation of a farm for the purpose of an advance may be made upon application, on the prescribed form, and upon payment of the prescribed fee.
- (d) A certificate may be issued to either the vendor or the purchaser by the commissioners, setting out the amount they are prepared to advance upon a sound title in any such farm ; such certificate shall have force for the time, and be subject to the conditions therein named.

(e)

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- (e) Conditions and covenants may be inscribed in the mortgage deeds to secure close settlement and the making of such improvements as may be considered necessary.
- (f) In all other respects loans under this section shall be subject to the same provisions as other loans from the Advance Department.

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

66. (1) Any borrower from the Advance Department, or under the Advances to Settlers Acts, who is not in arrear with the payment of any instalment of principal or any interest due in respect of his loan may on any day fixed for the payment of any such instalment, or interest, 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 the loan is repayable by instalments and portion only of the loan is so repaid, the commissioners shall allow the amount so repaid to accumulate at interest at a rate to be fixed by the commissioners.

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 with the 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. Where loan repayable by instalments.

(3) In the case of a loan not repayable by instalments, the amount of such repayment shall be deducted from the amount of the loan, and thenceforward interest will only be payable on the reduced amount. Where loan not so repayable.

67. 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 valuation;
- (c) for other expenses, not more than two per centum on the amount of the advance up to one hundred pounds, and thereafter 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.

68. The following provisions shall apply in respect of loans made by the Advance Department:— Directions to be observed by commissioners.

- (a) No loan shall be of less amount than fifty pounds.

(b)

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- (b) 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 the money to be lent is to be used to pay off such prior mortgage or charge.
- (c) A loan on the security of land not being a freehold or a certificated conditional purchase shall be made repayable within such period not exceeding thirty-one years as the commissioners think fit by half-yearly instalments with interest added commencing within nine months from the making of the loan. Each such repayment to be made on the last day of March and the last day of September in each year, and to consist partly of principal moneys and partly of interest.
- (d) A loan may be granted on the security of a freehold or a certificated conditional purchase repayable—
 - (i) by instalments as in the next preceding paragraph provided ;
or
 - (ii) at the expiration of a fixed term not exceeding five years, during which interest only shall be payable ; or
 - (iii) by half-yearly instalments with interest added extending over such period not exceeding thirty-one years from the date of expiration of the fixed term as may be specified in the mortgage.
- (e) The amount of any loans to any one person shall not exceed two thousand pounds.
- (f) The amount of any loan (except in the case of a loan under section sixty-four) shall not exceed two-thirds of the value of the interest of the borrower in the land and buildings, or other permanent improvements thereon, the subject of the mortgage security ; but when the land is held as a conditional lease, homestead grant, settlement lease, homestead selection, settlement purchase, or conditional purchase lease, or a conditional purchase as to which the first five year's certificate has not issued, such amount shall not exceed one-half of the holder's interest in the value of the improvements on the land.
- (g) Security in the form of a mortgage shall be taken for the loan, and such mortgage shall be registered without delay.
- (h) Dates shall be fixed for the repayment of the principal sum and for the payment of interest thereon.
- (i) If any interest or instalment is in arrear for more than twenty-one days, the commissioners shall charge the borrower interest on such interest or instalment at a rate one per centum higher than the rate named in the mortgage.

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69. The following provisions shall apply to the land in respect of which any loan is made by the Advance Department:— Provisions applicable to land mortgaged.

- (a) Where such land is held under the Crown Lands Acts, and has become forfeited for non-compliance with conditions under those Acts, it shall thereupon vest in the commissioners, and may be sold by them to any person, who shall hold the same subject to any conditions prescribed by the Crown Lands Acts binding upon the former holder, but free from any liability for any breach before such sale of any such conditions, and the purchaser shall have six months from the time of sale for complying with any unfulfilled improvement conditions in relation to the land. The proceeds of such sale shall, after payment of any outstanding moneys due under the Crown Lands Acts, be applied in liquidation of the claims of the commissioners, any balance remaining thereafter being paid into the Treasury to the credit of the Lands Department. In the event of the commissioners failing to find a purchaser within twelve months, the land may be disposed of as Crown lands under the Crown Lands Acts.
- (b) Where any such land is so forfeited, any money received by or on behalf of the Crown on account of the improvements on such land shall, to the extent of the amount owing to the commissioners for principal and interest and for expenses incurred in connection with the loan, be paid to the commissioners, after deducting therefrom any moneys due at the date of forfeiture for rent or instalments under the Crown Lands Acts.
- (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.

70. The following conditions shall apply in respect of land subject to any mortgage under this Part:— Conditions annexed to land whilst subject to advances.

- (a) Such land shall not, nor shall any part thereof, be transferred, assigned, let, or sublet without the previous consent in writing of the commissioners.
- (b) Any transfer, assignment, letting, or subletting of such land, or any part thereof, in contravention of this section, shall be void, and the commissioners may cause the estate and interest of the owner or lessee in such land to be sold.

(c)

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

PART VII.

SUPPLEMENTAL.

Advances.

Application for
foreclosure.

71. If any amount of principal or interest due in respect of any loan made under the Advances to Settlers Acts, 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.

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 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 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 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 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 by the sale of the land to satisfy the principal and interest moneys due and all expenses occasioned by such sale and proceedings.

Every

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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 redemption in the said land on the part of the mortgagor or of any person claiming through or under him.

72. Where land is sold by the commissioners for non-payment 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 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 he shall be free from any liability for any breach before such sale of any condition under those Acts, and shall have six months from the time of sale for complying with any unfulfilled improvement conditions in relation to the land.

Conditions attached to land sold on default of mortgagor.

73. 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 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.

Forms of mortgage-deeds.

74. Where an advance under the Advances to Settlers Acts or this Act has been made upon the security of lands held under the Crown Lands Acts, it shall be the duty of the person liable to repay such advance to fulfil all residence and other conditions under those Acts and to punctually pay all rents, instalments, or other moneys due to the Crown in connection therewith; and if he fails to fulfil such conditions or to make such payments, or to fulfil any other conditions or covenants under the mortgage deed, the commissioners may require payment forthwith of such of the principal moneys advanced as have not been repaid, and all interest and charges thereon, and thereupon the same shall be so payable.

Power to call in loan.

75. If any amount of principal or interest due in respect of any loan on 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.

Settlement of disputes.

76. If any dispute arises between the Commissioners and any depositor, or any executor, administrator, next of kin, creditor, or assignee of a depositor who may become bankrupt, or any persons claiming to be such executor, administrator, next of kin, creditor, or assignee, or to be entitled to any money deposited in the bank, the matter

Settlement of disputes.

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matter in dispute shall be referred in writing to the Attorney-General; and whatever award, order, or determination is made by the Attorney-General shall be final.

Bank represented in legal proceedings.

Commissioners
entitled to be
heard before land
board or any court.

77. The commissioners, by their counsel, attorney, or agent, shall be entitled to be heard before any land board or before any court in any case relating to land in respect of which an advance or loan has been made under the Advances to Settlers Acts or this Act.

Penalties.

Penalty if officer
takes fee or reward.

78. Any person employed in the business of the bank who directly or indirectly takes any fee or reward from any applicant for a loan under this Act, shall be dismissed from his office and be liable to imprisonment for any term not exceeding two years, with or without hard labour.

Penalty for acting
when interested.

79. Any person who —
(a) having any pecuniary interest in any land tendered as security for a loan under this Act; or
(b) being a partner of the applicant for a loan,
acts as valuer or adviser to the commissioners in connection with such land or loan, shall be liable to a penalty of not less than fifty pounds nor more than two hundred pounds, and shall also be dismissed from his office.

Penalty for bribing
officer.

80. Any person who, in respect of any loan or application for any loan, bribes, or attempts to bribe or corruptly influence any person appointed or acting under this Act, is liable to imprisonment for a term not exceeding two years, with or without hard labour.

Recovery of
penalties.

81. Any penalties imposed by or under this Act may be recovered before a stipendiary or police magistrate or any two justices in petty sessions.

Forgery.

82. If any person forges or alters, or offers, utters, disposes of, or puts off, knowing the same to be forged or altered, any deed, rule, order, bond, or writing obligatory, or any acquittance, receipt, release, account, or statement, or any note, bill, or other security for payment of money, or letter, or power of attorney, or other instrument in writing, or makes any false entry, or knowingly makes up any untrue account, which concerns or relates to the affairs or business of the savings bank with intent to defraud, every such offender shall be guilty of forgery, and punished accordingly.

Regulations.

Regulations.

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

- (a) for the management of the bank and the regulation of its business; (b)

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

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

85. (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.

(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.

(4) A copy of every regulation shall be laid before Parliament within fourteen days after publication in the Gazette, if Parliament be then in session, and, if not, then within fourteen days after the commencement of the next ensuing session.

SCHEDULES.

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.
Act No. 1, 1902 ...	Advances to Settlers (Amendment) Act, 1901 ...	The whole.
Act No. 72, 1902 ...	Government Savings Bank Act, 1902 ...	The whole.
Act No. 106, 1902 ...	Advances to Settlers (Amendment) Act, 1902 ...	The whole.
Act No. 20, 1903 ...	Government Savings Bank (Amendment) Act, 1903.	The whole.

Act No. 49, 1906.

Mining.

SCHEDULE TWO.

NEW SOUTH WALES.

Number

GOVERNMENT SAVINGS BANK ACT, 1906.

£

Debenture.

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.

The said sum and interest are by the above-mentioned Act guaranteed by the Government 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 .

(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 .

Auditor-General.