

No. , 1899.

A BILL

To protect the wages and salary of persons employed by
Companies.

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

1. In the winding-up of any company under the Companies Act, 1899, there shall be paid in priority to all other debts all wages or salary of any workman or labourer whether payable for time or piece-work or of any servant or clerk, in respect of services rendered to the company during any period not exceeding three months before the date of the commencement of the winding-up, and not exceeding fifty pounds in value. Debts due to employees to have priority in windings-up of companies.

2. The debts due for wages or salary mentioned in section one of this Act shall rank equally between themselves, and shall be paid in full unless the assets of the company are insufficient to meet them, in which case they shall abate in equal proportions between themselves. Ranking of debts due to workmen, &c.

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3. Subject to the retention of such sums as may be necessary for the expenses of winding-up, debts due for wages or salary mentioned in section one of this Act shall be discharged forthwith so far as the assets of the company are sufficient to meet them.

Discharge of debts due to employees.

4. In the event of a landlord or other person distraining or having distrained on any goods or effects of a company in course of being wound-up within three months next before the date of the winding-up order, the debts to which priority is given in the preceding sections shall be a first charge on the goods or effects so distrained on, or the proceeds of the sale thereof: Provided that in respect of any money paid under such charge, the landlord or other person shall have the same rights of priority as the person to whom such payment is made.

Debts due to employees to be first charge on goods determined upon.

5. In the winding-up of any company under the Companies Act, 1899, the debts to which priority is given in the preceding sections shall also have priority over the claims of holders of debentures or debenture stock under any floating charge created by such company, and shall be paid accordingly out of any property comprised in or subject to such charge.

Debts due to employees to have priority over claims of debenture holders.

6. In case a receiver is appointed on behalf of the holders of any debentures or debenture stock of a company secured by a floating charge, or in case possession is taken by or on behalf of such debenture holders of any property comprised in or subject to such charge, then and in either of such cases if the company is not at the time in course of being wound-up, the debts to which priority is given in this Act shall be paid forthwith out of any assets coming to the hands of the receiver or other person taking possession as aforesaid, in priority to any claims for principal or interest in respect of such debentures or debenture stock. The periods of time mentioned in section one shall be reckoned from the date of the appointment of the receiver or possession being taken as the case may be: Provided, however, that any payments made under this section shall be recouped as far as may be out of the assets of the company available for payment of general creditors.

Payment of debts due to employees out of assets in hands of receivers.

7. This Act shall apply only in cases of windings-up commenced after the commencement of this Act.

Application of Act.

8. This Act shall be construed as one with the Companies Act, 1899, and may be cited as the "Companies (Employees Wages Protection) Act, 1899."

Incorporation and short title.