

1914

[CONFIDENTIAL.]

(Rough Draft for Consideration Only.)

No. , 1915.

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## A BILL

To make further provisions with respect to the management of the Government Savings Bank and for extending and regulating its operations; to amend the Government Savings Bank Act, 1906, the Government Savings Bank Amendment Act, 1913, the Savings Banks Amalgamation Act, 1914, and certain other Acts; and for purposes consequent thereon or incidental thereto.

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**B**E 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:—

**1.** This Act may be cited as the "Government Savings Bank Amendment Act, 1915," and shall be construed with the Government Savings Bank Act, 1906 (hereinafter referred to as the Principal Act), the Government Savings Bank Amendment Act, 1913, and the Savings Banks Amalgamation Act, 1914.

**2.** Section five of the Principal Act, as amended by section thirteen of the Closer Settlement Promotion Act, 1910, is amended by inserting after the words "and includes" in the definition of the term "Crown Lands Acts" the following words: "the Western Lands Act of 1901, the Wentworth Irrigation Act, the Hay Irrigation Act, 1902," and by inserting after the words "Closer Settlement Promotion Act, 1910," the words "Irrigation Act, 1912."

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

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, and probate of the will of such depositor or letters of administration to his estate and effects is not or are not produced to the Commissioners within such time as they think reasonable, the Commissioners may, without requiring probate of the will or letters of administration of the estate and effects of the deceased depositor, in their discretion, pay or distribute the amount so due as aforesaid, and any interest due thereon, to or among any of the persons hereinafter described or indicated, that is to say—

- (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)

- (d) the persons entitled to the effects of the depositor according to the statutes of distribution ;
- (e) the person appearing to the Commissioners to be entitled to take out probate of the will or letters of administration to the estate of the depositor ;
- (f) 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 ;
- (g) any person undertaking to maintain the children (whether ex-nuptial or otherwise) of the depositor ;
- (h) any ex-nuptial child of the depositor ;

(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 such receipt may be signed by any of such persons above the age of fourteen years, and shall be binding on any widow, widower, or next-of-kin, or person subsequently appointed as legal representative of the estate of the deceased depositor.

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

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

**4.** Section fifty-three of the Principal Act is amended by omitting after the word "interest" the words "not exceeding four pounds per centum per annum."

**5.** The following new section is inserted next after section fifty-four of the Principal Act :—

54A. The Colonial Treasurer is empowered to purchase such debentures.

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**6.** Section sixty-two of the Principal Act, as amended by the Schedule to the Government Savings Bank Amendment Act, 1913, is amended by adding at the end of paragraph (b) the following words :—

(xiii) leases granted under the Western Lands Acts, the Wentworth Irrigation Act, or the Hay Irrigation Act, 1902.

(xiv) homestead leases.

**7.** Section sixty-three, subsection four, of the Principal Act is repealed.

**8.** Section sixty-eight, paragraph (b), of the Principal Act, as amended by the Schedule to the Government Savings Bank Amendment Act, 1913, is amended by adding at the end of the paragraph the following words :—“ Provided that loans may be made upon western lands leases and homestead leases notwithstanding the existence of prior charges in respect of improvements so long as the amount of any such loan, when added to the amount owing or legally claimed in respect of such improvements, does not exceed one-half of the sale value of the security.”

**9.** Section sixty-eight, paragraph (c), of the Principal Act is amended by omitting after the words “ a loan ” the words “ on the security of land not being a freehold or a certificated conditional purchase shall ” and substituting therefor the word “ may ”.

**10.** Section sixty-eight, paragraph (d), of the Principal Act, as amended by the Schedule to the Government Savings Bank Amendment Act, 1913, is omitted and the following substituted therefor :—

(d) At the option of the Commissioners a loan may be made repayable in the following manner :—  
At the expiration of a fixed term not exceeding five years and a half, during which interest only shall be payable; or 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.

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**11.** Paragraph (f) of section sixty-eight of the Principal Act as amended by the Schedule to the Government Savings Bank Amendment Act, 1913, is repealed, and the following substituted therefor :—

(f) The amount of any loan (except under section 64 and section 68A of this Act) shall be subject to the following limitations :—

(i) Where the security consists of an estate of inheritance in fee simple, or of a conditional purchase in connection with which the first five years certificate has issued (including any additional conditional purchases or associated conditional leases), the loan shall not exceed two-thirds of the sale value of the security.

(ii) In the case of any of the other tenures under the Crown Lands Acts immediately hereinafter specified that have had a currency of five years from the date of confirmation, that is to say,—

homestead selections or grants,

homestead farms,

Crown leases,

settlement leases,

settlement purchases,

irrigation farm leases,

Wentworth irrigation leases,

Hay irrigation leases,

conditional purchase leases,

special conditional purchase leases,

the maximum amount loanable shall be three-fourths of the value of the borrower's interest in the improvements on the land, provided that such loan shall not exceed two-thirds of the sale value of the security :

Provided, however, that where half the sale value of the security exceeds three-fourths of the value of the borrower's interest in the improvements advances may be made up to half the sale value of the security.

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(iii) In the case of any of the following tenures under the Crown Lands Acts that have not had a currency of five years from the date of confirmation, that is to say—  
homestead selections,  
homestead farms,  
settlement leases,  
Crown leases,  
conditional purchase leases,  
special conditional purchase leases,  
irrigation farm leases,  
Wentworth irrigation leases,  
Hay irrigation leases,  
settlement purchases,  
conditional purchases (with or without additional conditional purchases or conditional leases),  
the maximum sum loanable shall be three-fourths of the value of the borrower's interest in the improvements on the land, provided that such loan does not exceed two-thirds of the sale value of the security.

(iv) In the case of Western lands leases (whether they have or have not had a currency of five years from the date of confirmation) and homestead leases the maximum sum loanable shall be one-half of the estimated sale value of the security, subject, however, to the limitations imposed by section eight of this Act.

**12.** The following new sections are inserted after section sixty-eight of the Principal Act :—

68A. In order to assist holders to establish themselves on their holdings of tenures under the Crown Lands Acts immediately hereinafter specified that have not had a currency of five years from the date of confirmation, that is to say—

homestead selections,  
homestead farms,  
settlement leases,  
Crown leases,  
conditional purchase leases,

special

special conditional purchase leases,  
irrigation farm leases,  
Wentworth irrigation leases,  
Hay irrigation leases,  
settlement purchases,  
conditional purchases (with or without additional  
conditional purchases or conditional leases),  
the commissioners may make advances up to the  
full value of the borrower's interest in the improve-  
ments effected or proposed to be made, and in  
connection with these advances the following  
conditions shall apply:—

- (a) The maximum sum loanable on such full value basis shall be four hundred pounds.
- (b) After the maximum advance on the full value basis has been made, the Commissioners may make further advances on the basis of one-half of the borrower's interest in the value of further improvements effected, or proposed to be made, until the total amount advanced reaches three-fourths of the value of the improvements when any further advances shall be made on the basis of three-fourths of the borrower's interest in the value of the improvements on the land, provided that the total amount of all the advances shall not exceed two-thirds of the sale value of security.
- (c) Advances on full value basis of improvements shall only be made on such improvements as, in the opinion of the Commissioners, are required for the profitable occupation of the security by any holder.
- (d) The purposes for which advances under this section may be made shall be specified by the Commissioners.
- (e) Advances may be made by instalments as the work proceeds, but in such cases the payments shall be subject to such conditions as may be prescribed by regulation as well as those set out in the mortgage.

(f)

- (f) Where an advance is made by instalments and the borrower, in the opinion of the Commissioners, has failed or neglected to complete the improvements in accordance with the terms and purposes specified, the Commissioners may forthwith take possession of the holding included in the security and complete the improvements and such other improvements as they consider necessary.

All costs and expenses thereby occasioned to the Commissioners shall be deemed to be included in any mortgage or other security given by the borrower, and shall be added to the debt, and may be recovered from the borrower, with interest at a rate of one per centum per annum higher than the rate named in the mortgage or other security.

- (g) If at any time in the opinion of the Commissioners any money advanced under this section has not been applied to the purpose for which it was advanced, or has not been carefully and economically expended, the Commissioners may refuse to pay any further instalments of the proposed advance, and may at once call in the whole amount already advanced, together with all costs and expenses incurred in connection therewith, whereupon the borrower shall forthwith repay the same.
- (h) Upon default being made by the borrower under this section, either in the use of funds advanced by instalments or under the mortgage, the Commissioners shall have all the powers conferred upon them under Division 2 of Part VI and Part VII of the Principal Act, as amended by the Government Savings Bank Amendment Act, 1913, in addition to those provided by the mortgage deed and the regulations.

(i)

- (i) Except as otherwise in this Act provided, loans made under this section shall be subject in all other respects to Parts VI and VII of the Principal Act as amended by the Government Savings Bank Amendment Act, 1913.

68B. Where holders of homestead farms or of Crown leases granted under section one hundred and nineteen or section one hundred and thirty-one of the Crown Lands Consolidation Act, 1913, are allowed to effect improvements on their holdings in lieu of payment of rent, the value of any boundary fencing that may be included in such improvements shall not be considered by the Commissioners when valuing the subject holding for the purposes of an advance under this Act.

**13.** Section sixty-nine of the Principal Act, as amended by the Schedule to the Government Savings Bank Amendment Act, 1913, is amended as follows:—

Omit paragraph (a) and substitute the following paragraph:—

- (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 be applied in the following order:—

- (i) In payment of any outstanding moneys due under the Crown Lands Acts at the date of forfeiture not exceeding one year's rent or instalments (as the case may be).  
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- (ii) In liquidation of the claims of the Commissioners.
- (iii) Towards meeting any further outstanding Crown dues.
- (iv) Any balance remaining thereafter to be paid into the Treasury to the credit of the Consolidated Revenue.

Where the proceeds of any sale by the Commissioners is not sufficient to pay the bank's debt and the Crown dues outstanding at date of forfeiture in full the balance of any such Crown dues shall be made a charge upon the Consolidated Revenue.

In the event of the Commissioners failing to find a purchaser within twelve months, or within such less period as they may determine and so notify to the Secretary for Lands, or in the case of Western lands leases or homestead leases notify the Western Land Board, or in the case of irrigation farm leases, Wentworth, or Hay irrigation leases, notify the Commissioner for Water Conservation and Irrigation, the land may be disposed of as Crown lands under the Crown Lands Acts.

Paragraph (b) : After the word "forfeited" insert the words "and disposed of as Crown lands."

**14.** Section seventy of the Principal Act, as amended by the Schedule to the "Government Savings Bank Amendment Act, 1913," is amended by inserting the following words at the end of paragraph (a) : "or of some officer appointed by them in that behalf".

**15.** Section 75A of the Principal Act, inserted by the Schedule to the Government Savings Bank Amendment Act, 1913, is amended by inserting after the words "the provisions of" the following words : "the Western Lands Act, 1901, the Wentworth Irrigation Act, the Hay Irrigation Act, 1902" and by inserting after the words "The Closer Settlement Act of 1904" the following words "The Irrigation Act, 1912."

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

75c. Notwithstanding anything to the contrary in the Crown Lands Acts the consent of the Secretary for Lands (or in the case of irrigation farm leases, Wentworth and Hay irrigation leases, the consent of the Commissioner for Water Conservation and Irrigation) shall not be required in connection with the registration of transfers to the Commissioners to secure advances made under this Act, nor shall such consent be required in connection with the registration of transfers by way of release of mortgage to the original borrowers.

**17.** (1) Section thirteen of the Government Savings Bank Amendment Act, 1913, is amended by adding thereto the following proviso :—

“ Provided that in so applying paragraph (i) of section sixty-eight aforesaid the words ‘ seven days ’ shall be read instead of the words ‘ twenty-one days ’ ”.

(2) This section and the provisions of the said paragraph as altered by it shall apply to mortgages whether made before or after the commencement of this Act, and notwithstanding the terms of any such mortgage.

**18.** Section fourteen of the Government Savings Bank Amendment Act, 1913, is amended by omitting the word “ quarterly ” and substituting the word “ annually ”, and by adding at the end of the section the words “ at the close of the bank’s financial year. ”

**19.** Section seventeen of the Savings Banks Amalgamation Act, 1914, is amended as follows :—

At the end of subsection one add the following paragraph :—

“ The provisions of this section shall be applicable to leases of lands within irrigation areas as defined in the Wentworth Irrigation Act and the Hay Irrigation Act, 1902. ”

Subsection two: After the words “ Government Savings Bank Amendment Act, 1913 ” insert the words “ and any further amendments thereof. ”

Subsection four: Omit the word “ quarterly ” and substitute the word “ annually ”, and at the end of the subsection add the words “ at the close of the bank’s financial year. ”

**20.** All advances made by the Commissioners upon the security of Western lands leases prior to the passing of this Act are hereby validated.