

[CONFIDENTIAL]

(Rough Draft for Consideration Only.)

No. , 1934.

# A BILL

To declare the priorities of securities for renewal loans raised by councils; to deal with the raising of certain loans by councils and to confer powers in respect of such loans; to amend the Local Government Act, 1919, and certain other Acts in certain respects; and for purposes connected therewith.

**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.** (1) This Act may be cited as the "Local Government (Amendment) Act, 1934." Short title.

*Local Government (Amendment).*

(2) The Local Government Act, 1919, as amended by subsequent Acts, is hereinafter referred to as the Principal Act.

(3) The Principal Act, as amended by this Act, may be cited as the Local Government Act, 1919-1934.

**2.** (1) Section thirty of the Sydney Corporation (Amendment) Act, 1934, is hereby repealed. Repeal of s. 30 of Act No. 9, 1934.

(2) Subsection two of section one hundred and eighty-two of the Principal Act is amended by omitting the words " but a loan raised for the purpose of renewing a special, ordinary, or renewal loan shall rank in priority in the same order as the loan thereby renewed."

**3.** Subsection two of section one hundred and eighty-eight of the Principal Act is amended by inserting therein at the end the following proviso:— Priority of security for renewal loan.

Provided that a debenture, mortgage-deed or bond given by a council for securing the repayment (with or without interest) of a renewal loan raised for the purpose of repaying or renewing (in whole or part) a special, ordinary or renewal loan (with or without the interest thereon), which is secured by a debenture, mortgage-deed or bond, shall have the same priority as such last-mentioned debenture, mortgage-deed or bond, whether the renewal loan is made by the holder of such debenture, mortgage-deed or bond or not. Amendment of Act No. 41, 1919, s. 188 (2).

**4.** Sections two and three of this Act shall be deemed to have commenced on the tenth day of August, one thousand nine hundred and thirty-four. Time of commencement of ss. 2 and 3.

**5.** Subsection one of section one hundred and seventy-six of the Principal Act is amended by inserting therein at the end the following words: " notwithstanding that the sum raised under the first-mentioned loan was to have been or is to be applied by the lender towards the discharge of the council's indebtedness to the lender under the loan to be repaid or renewed and was not or is not actually paid to the council." Set off. Amendment of Act No. 41, 1919, s. 176 (1).

**6.**

**6.** Section one hundred and seventy-six of the Principal Act is amended by inserting therein after subsection one the following new subsection:—

Amendment of Act No. 41, 1919, s. 176.

(1A) A renewal loan may have been or may be raised notwithstanding that the period for repayment of the loan renewed or repaid or to be renewed or repaid had or has not arrived.

**7.** The Principal Act is further amended by inserting therein after section 192A the following new sections:—

Amendment of Act No. 41, 1919.

192B. A statutory body or authority representing the Crown shall not be deemed guilty of any breach of trust by reason only of their or his agreeing with a council to a reduction of the rate of interest payable under any debenture, mortgage-deed or bond held by such statutory body or authority.

New sec. 192B.  
Protection of statutory bodies representing the Crown.

192C. (1) A trustee shall not have been or be guilty of any breach of trust by reason of having entered into or entering into a renewal loan at a less rate of interest than that payable in respect of the loan renewed or repaid or to be renewed or repaid and having a period for repayment extending beyond the date at which the period for repayment of the loan renewed or repaid or to be renewed or repaid would have expired.

New sec. 192C.  
Trustees' protection in respect of renewal loans.

(2) In this section " trustee " includes personal representative of a deceased person, committee of the estate of an insane person, manager of the estate of an incapable person, the Master in Lunacy, the Master in Equity, and any other person acting in any fiduciary capacity and any statutory body or authority representing the Crown.

**8.** The Principal Act is further amended as follows:—

Consequential amendments of Act No. 41, 1919.

- (a) by omitting subsection eleven of section one hundred and eighty;
  - (b) by inserting in subsection one of section one hundred and eighty-three at the end thereof the words " In respect of renewal loans secured or to be secured by debenture, mortgage-deed or bond this subsection shall have applied and shall apply only where the sum borrowed was or is to be actually paid to the council."
- Sec. 180 (11).  
Sec. 183 (1).