

[CONFIDENTIAL.]

(Rough Draft for Consideration Only.)

No. , 1935.

A BILL

To authorise the Colonial Treasurer to guarantee certain special loans raised by Councils of Municipalities and Shires for the construction or extension of works of water supply, sewerage or drainage, or of works for the supply of electricity; to amend the Local Government Act, 1919, and certain other Acts; and for purposes connected therewith.

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:—

1. This Act may be cited as the "Local Government Amendment (Loans Guarantee) Act, 1935." Short title.

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2. The Local Government Act, 1919, as amended by subsequent Acts, is amended by inserting next after section four hundred the following short heading and new section:—

Amendment of Act No. 41, 1919. New sec. 400A.

Guarantee of loans by the Treasurer.

400A. (1) It shall be lawful for the Treasurer with the approval of the Governor to execute a guarantee under this Act, at the request of the Minister, for the purpose of paying part of the cost of constructing or extending, with assistance from the Commonwealth and/or the State, any works of water supply, sewerage or drainage, or any works for the supply of electricity, or any works incidental thereto.

Guarantee of loans by Treasurer.

(2) A guarantee given pursuant to this section shall be in such form as may be prescribed or as the Treasurer may determine, and shall contain such terms and conditions as the Governor may approve either generally or in any particular case or class of cases.

(3) Every such guarantee shall provide that, if the council shall fail to pay in full any amount, whether of principal or interest, payable in respect of the loan, within seven days after the same becomes due, the Treasurer will pay such amount or the balance unpaid of such amount, as the case may be, upon demand.

(4) The Treasurer may pay, out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, any amount which has become payable under any guarantee given in pursuance of this section.

Appropriation to meet liability.

(5) (a) Any moneys paid by the Treasurer under any such guarantee shall be repaid by the council to the Treasurer upon demand, with interest, until repayment, at a rate to be determined by the Governor.

Repayment by council.

(b) In default of payment the Treasurer may sue for and recover the same and shall have the like rights and remedies for recovery thereof as the lender would have had.

(6)

(6) (a) The provisions of this Act relating to the limit to which a council may borrow, shall not extend to the raising of a special loan in pursuance of this section.

(b) A special loan raised in pursuance of this section shall not be taken into account for the purpose of ascertaining the limit to which a council may borrow under this Act.

(7) (a) The Minister for Public Works may, at the request of the Minister, construct or extend on behalf of the council any works of the nature referred to in subsection one of this section.

Power of Minister for Public Works to carry out works.

Such request shall not be made except upon the application of the council.

(b) Before any such construction or extension is commenced the Minister may require the council to enter into any such contract or agreement with respect to the payment of the part of the cost of the works for which the council may be liable as he may think fit.

(c) The provisions of sections thirty-four, thirty-five, thirty-six, and thirty-seven of the Public Works Act, 1912, shall not apply to or in respect of the works the construction or extension of which is undertaken by the Minister for Public Works, but subject as aforesaid the works shall be carried out by such Minister under the provisions of that Act.

(d) Upon completion of such construction or extension the Governor shall notify that the same is complete.

(e) As soon as practicable after such notification the Minister for Public Works shall certify under his hand the amount which has been expended on such works together with interest, at a rate to be determined by the Governor, accrued from the time of expenditure of each sum included in such amount up to the date of payment thereof or to the date of the certificate, whichever first occurs.

(f)

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(f) In any such certificate relating to works of water supply the said Minister may include the cost, or such proportion of the cost as may be determined by the Governor, of any locks, dams, weirs, cuttings, channels, conduits, tunnels, wells, borings, and other works for or in connection with the improvement of any source of water supply, whether such were constructed before or after the commencement of the Local Government Amendment (Loans Guarantee) Act, 1935, and whether carried out by the Governor or by the Minister for Public Works or by the council.
