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[CONFIDENTIAL.]

(Rough Draft for Consideration Only.)

No. , 1919.

A BILL

To enable the trustees of public hospitals to borrow moneys, and to give security therefor; to amend the Public Hospitals Act, 1898; and for purposes consequent thereon or incidental thereto.

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 "Public Hospitals Short title: (Amendment) Act, 1919."

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2. The following new sections are inserted next after section seventeen of the Public Hospitals Act, 1898 :—

Amendment of
No. 16, 1898.
New sections
17A, 17B, and
17C.

17A. (1) The trustees of any hospital may, with the approval of the Governor, borrow money by way of bank overdraft or in any other manner for any of the following purposes :—

Borrowing by
trustees.
cf. N.Z., 1909,
No. 11, s. 57.

- (a) erecting hospital buildings, or making additions, alterations, or repairs to hospital buildings ;
- (b) purchase of hospital machinery, plant, or equipment of a permanent nature ;
- (c) purchase of land for hospital purposes ; and
- (d) repayment of any loan raised by the trustees or for which the trustees are liable.

(2) As security for any such loan the trustees may mortgage or charge any property or assets vested in them.

(3) For the purpose of obtaining such approval the trustees shall submit in writing to the Minister full particulars of the proposed mortgage or charge, with special reference to the name of the proposed mortgagee, the amount of the loan, the rate of interest, the property or assets proposed to be mortgaged or charged, the duration of the security, and the proposed express powers, covenants, and stipulations of and by the parties and such further and other particulars as the Minister may require.

(4) Where the amount of any loan effected by the trustees under the powers conferred by this Act, whether by overdraft or not, has been reduced by any repayment by the trustees or any payment to their credit in connection with any such loan, any subsequent increase of such reduced amount shall for the purposes of this Act be regarded as a substantive loan.

(5) The power to mortgage or charge conferred by this section shall have no application to property or assets which by the terms of any trust relating to the same are expressly forbidden to be mortgaged or charged.

17B.

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17B. (1) All sums of money which may at any time be borrowed by the trustees under the powers conferred upon them by this Act shall be paid by them to the treasurer of the hospital concerned.

Disposal of borrowed moneys.

(2) Such treasurer shall place such moneys to a special account with a bank in such name as the committee may direct, and such account shall at all times be kept distinct from any other hospital account.

(3) Such special account may be operated on by direction and authority of the committee for the purposes for which the borrowing of the money was approved and no other.

17C. (1) The Governor may at the time of giving his approval to any such mortgage or charge, or at any time thereafter, give such directions to the trustees as to him may seem necessary, to discharge the principal debt or any part thereof by such yearly or other instalments within *thirty* years from the date of the security as to him may seem fit, or to form an accumulation or sinking fund out of the income of the hospital for discharging the principal debt or any portion thereof within the same period, and may give directions as to the investment and accumulation of such fund; and the trustees for the time being shall carry such directions into effect.

Sinking Fund. cf. 18 & 19 Vic. c. 124, s. 30.

(2) The committee shall from time to time cause to be paid to the trustees such sums of money as may be necessary to allow the said trustees to carry such directions into effect.

