

COUNTRY TOWNS WATER
SUPPLY AND SEWERAGE
(DEBTS) ACT.

Act No. 32, 1937.

An Act to make further provision in relation to debts due by councils of municipalities and shires to the Colonial Treasurer in respect of works of water supply and sewerage; to amend the Local Government Act, 1919, and certain other Acts in certain respects; and for purposes connected therewith. [Assented to, 23rd December, 1937.]

George VI,
No. 32, 1937.

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. (1) This Act may be cited as the "Country Towns Water Supply and Sewerage (Debts) Act, 1937."
(2) In this Act the expression "the Local Government Act" means the Local Government Act, 1919, as amended by subsequent Acts.

Short title
and
definition.

2. (1) Where a capital debt to the Colonial Treasurer of a council of a municipality or shire, in respect of works of water supply or sewerage, has been notified by the Governor, or is deemed to have been notified by the Governor, under the Local Government Act, the Minister for Public Works may certify to the Governor the amount which, in his opinion, may be accepted in full settlement of the unpaid portion of such capital debt, or where more than one such capital debt of a particular council has been so notified or deemed to have been notified,

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notified, the amount which, in his opinion, may be accepted in full settlement of the total of the unpaid portions of any two or more of such capital debts.

(2) Where, at the commencement of this Act, works of water supply or sewerage are being constructed by the Minister for Public Works under the provisions of Part XIV of the Local Government Act, or have been so constructed, but a capital debt in respect thereof has not been notified in terms of subsection seven of section three hundred and seventy-four of the Local Government Act, the Minister for Public Works may—

- (a) certify to the Governor the amount which, in his opinion, may be accepted in full settlement of any liability of the council to the Colonial Treasurer in respect of the said works whether such liability has already accrued or is thereafter to accrue under the said Act; or
- (b) certify to the Governor that, in his opinion, no liability to the Colonial Treasurer should then or thereafter attach to the council in respect of the said works or any part thereof.

(3) (a) Upon the approval of the Governor of a certificate given under subsection one of this section or under paragraph (a) of subsection two of this section the council concerned may, at any time within the period specified in the certificate, pay to the Colonial Treasurer the amount stated in the certificate; and upon payment, by the council to the Colonial Treasurer, of such amount, the liability in respect of which the certificate was given shall be deemed to be extinguished.

(b) Upon the approval of the Governor of a certificate given under paragraph (b) of subsection two of this section, the liability in respect of which the certificate was given shall be deemed to be extinguished.

(4) A certificate shall not be given under this section after the thirtieth day of June, one thousand nine hundred and thirty-nine.

(5) (a) This section shall extend to and in respect of a capital debt notified in relation to the works, the administration, control and management of which is vested

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vested in the Grafton and South Grafton Water Board under the Grafton and South Grafton Water Supply Administration Act, 1915, as amended by subsequent Acts; and in the application of this section to and in respect of such capital debt a reference to the council of a municipality or shire or to the council shall be construed as a reference to the said Board.

(b) The power conferred on the said Board by subsection two of section fourteen of the Grafton and South Grafton Water Supply Administration Act, 1915, as amended by subsequent Acts, shall include power to borrow such sum as may be necessary to pay to the Colonial Treasurer, in accordance with paragraph (a) of subsection three of this section, the amount specified in any certificate given under this section which affects the Board and is approved by the Governor.

The provisions of subsection two of section fourteen of the said Act shall apply to and in respect of the borrowing of any such sum.

3. (1) Where the Governor has approved of a certificate given under section two of this Act the council concerned may borrow by way of ordinary loan any sum not exceeding the amount stated in the certificate. Borrowing Powers.

(2) The council shall apply the sum so borrowed for the purpose of payment of the said amount.

(3) The provisions of the Local Government Act relating to borrowing by a council by way of ordinary loan shall apply to and in respect of any borrowing by a council under this section.

(4) Without prejudice to the generality of subsection three of this section the provisions of section one hundred and ninety-seven of the Local Government Act shall apply to and in respect of any advance made to a council under this section.

(5) The approval of the Governor of an ordinary loan raised under this section shall for the purposes of any security in respect of that loan be conclusive evidence that the council concerned is authorised to borrow the amount mentioned in the instrument of approval.

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(6) A loan obtained by a council under the provisions of this section shall not be taken into account in determining the limits of the borrowing powers of a council.

(7) It shall not be compulsory to levy a loan rate in respect of a loan obtained by the council under the provisions of this section.

(8) A debenture, mortgage-deed or bond given by a council for securing the repayment (with or without interest) of a loan obtained by the council under the provisions of this section shall have the same priority as a debt due to the Crown.

Interest on
certain
debts.

4. (1) The rate of interest to be adopted for the purpose of certificates to be made under the provisions of subsections three and (3A) of section three hundred and seventy-four and of subsection three of section three hundred and seventy-seven of the Local Government Act shall be three and one-half per centum.

(2) The operation of paragraphs (a), (b) and (c) of subsection eight of section three hundred and seventy-four of the Local Government Act shall be deemed to be suspended during the period in which this section remains in force.

(3) This section shall be deemed to have commenced on the first day of January, one thousand nine hundred and thirty-seven, and shall cease to have effect on the first day of July, one thousand nine hundred and forty.

INDUSTRIAL