

RURAL BANK OF NEW SOUTH WALES ACT.

Act No. 63, 1932.

George V.
No. 63, 1932.
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An Act to provide for the alteration of the membership of and the reconstitution of the body corporate constituted under the Government Savings Bank Act, 1906; to make further provision for the management of the Bank; to change the name of the body corporate to the Rural Bank of New South Wales; to create a Government Agency Department of the Bank; to confer on the Bank certain further powers of management and of borrowing and other powers; to provide for the making of Agreements and for the variation of the Agreements, copies of which are set out in the First and Second Schedules to the Commonwealth and State Banks Agreements Ratification Act, 1931; to make further provision for the carrying into effect of the Agreement, a copy of which is set out in the First Schedule to the said Act; to amend the Government Savings Bank Act, 1906, and certain other Acts; and for purposes connected therewith. [Assented to, 23rd December, 1932.]

BE

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 "Rural Bank of New South Wales Act, 1932," and shall be read with the Government Savings Bank Act, 1906, as amended by subsequent Acts, including the Commonwealth and State Banks Agreements Ratification Act, 1931. Short title.

(2) The Government Savings Bank Act, 1906, as so amended, is in this Act referred to as the Principal Act.

(3) This Act shall commence upon a date to be appointed by the Governor and notified by proclamation published in the Gazette. Date of commencement.

2. (1) Upon the commencement of this Act the commissioners appointed in pursuance of section six of the Principal Act shall cease to hold office and the offices of the five commissioners directed to be appointed by the said section six shall be abolished and the commissioners for the time being holding office under section four of this Act shall constitute the body corporate established by the said section six. Alteration of membership of body corporate.

(2) The commissioners appointed in pursuance of the said section six and holding office immediately before the commencement of this Act shall be eligible for appointment as commissioners under section four of this Act, and if any of such commissioners is not so appointed he shall receive such compensation as he would have been entitled to had his services been dispensed with otherwise than according to law, having regard to any pension which such commissioner may be entitled to receive under any Act.

3. (1) Upon the commencement of this Act the name of the said body corporate constituted by section six of the Principal Act shall be the "Rural Bank of New South Wales." Change of name of body corporate.

(2) Nothing contained in this Act shall prejudice or affect in any way the continuity of such body corporate, but the same shall continue notwithstanding the provisions of this Act.

(3)

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(3) The alteration of name effected by subsection one of this section and the provisions of subsection one of section two of this Act shall not affect any property, powers, rights, authorities, duties, functions, liabilities or obligations of the said body corporate, or render defective any legal or other proceedings instituted or to be instituted by or against the corporation; and any legal or other proceedings may be continued or commenced by or against the corporation by the name of the Rural Bank of New South Wales that might have been continued or commenced by or against the corporation by the name of the Commissioners of the Government Savings Bank of New South Wales.

(4) The corporation aforesaid shall continue notwithstanding that there are at any time or times vacancies in the offices of all the commissioners or any one or more of them.

(5) Upon the commencement of this Act a reference in any Act or other instrument to the Commissioners of the Government Savings Bank of New South Wales shall be read and construed as a reference to the Rural Bank of New South Wales.

(6) Without prejudice to the full operation of subsection two of this section the powers, rights, authorities, duties, functions, liabilities and obligations conferred or imposed by or under any Act upon the commissioners for the time being holding office under section six of the Principal Act shall, subject to the provisions of this Act, be executed and performed by the commissioners appointed under section four of this Act.

Appoint-
ment of
Commis-
sioners.

4. (1) Three commissioners shall be appointed in pursuance of this Act.

(2) Each of such commissioners shall be appointed by the Governor and one of such commissioners shall be appointed by the Governor to be General Manager.

(3) The first paragraph of section thirty-two of the Principal Act is amended by omitting the words "(including a general manager)."

(4) Each commissioner shall devote the whole of his time to the duties of his office and shall not absent himself from such duties except for an annual leave of twenty-one days unless by leave granted by the Governor.

(5)

(5) Each commissioner shall be appointed for a term not exceeding seven years.

(6) In the event of the office of any commissioner becoming vacant a commissioner shall be appointed by the Governor to fill the vacancy so arising. A person who has been a commissioner shall, if not otherwise disqualified under this Act, be eligible for such appointment.

(7) No act or proceeding of the commissioners shall be invalidated or prejudiced by reason only of the fact that at the time when such act or proceeding was done, taken or commenced there was a vacancy in the office of any commissioner.

5. If any such commissioner—

- (a) becomes a director or a member of the managing body of any bank, building society or other company carrying on business within the State;
- (b) becomes bankrupt or compounds with his creditors;
- (c) is convicted of any indictable offence;
- (d) becomes a lunatic or of unsound mind;
- (e) resigns his office by writing under his hand addressed to the Governor,

Vacation of office.

his office shall thereupon be vacant.

6. In the case of the illness, suspension or absence of any commissioner, the Governor may appoint some person as deputy to act in the place of such commissioner during such illness, suspension or absence:

Appointment of deputies.

Provided that if the commissioner who is ill, suspended or absent is General Manager the Governor may appoint one of the other commissioners to be his deputy as General Manager during his illness, suspension or absence.

Every such person while acting as a deputy shall have all the powers, authorities and duties of the person in whose office he acts.

7. (1) A commissioner may be removed from his office or offices for misbehaviour only in the following manner:—

Removal from office.

- (a) he may be suspended from his office or offices by the Governor for such alleged misbehaviour; and thereupon

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(b).

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- (b) there shall, within fourteen days after such suspension, if Parliament is then sitting, or, if Parliament is not then sitting, within fourteen days after the next meeting of Parliament, be laid before each House of Parliament a full statement of the grounds of such suspension;
- (c) if, within twenty-four sitting days after such statement has been laid before them respectively, the Houses of Parliament pass resolutions that the commissioner ought to be removed from his office or offices, the commissioner shall be so removed by the Governor; but if such resolutions are not so passed within the said twenty-four days, such suspension shall be removed.

(2) Nothing in this section shall affect the operation of section five.

Payment for
services of
commis-
sioners.

8. (1) Each commissioner shall be entitled to remuneration by way of salary at such rate as is fixed at the date of his appointment by the Governor. The commissioner who is appointed General Manager shall in addition be entitled to such further remuneration by way of salary at such rate as is fixed at the date of his appointment by the Governor.

(2) Such salaries shall be paid out of the funds of the bank and shall be subject to any deduction or reduction provided by the Public Service Salaries Act, 1931-1932, or any Act amending, consolidating or replacing the same.

(3) No commissioner shall be entitled to pension under any Act in respect of the period during which he is a commissioner.

(4) The Principal Act is amended by omitting section 12A.

Quorum of
commis-
sioners.

9. (1) Any two of such commissioners shall be a quorum for the exercise of the powers and authorities of the commissioners.

(2) The General Manager shall preside at any meeting of the commissioners at which he is present, and if the votes at any such meeting are equal he shall have a second or casting vote. If at any meeting at which the
General

General Manager is not present the voting is equal, the matter shall be postponed to the next meeting of the commissioners.

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(3) The Principal Act is further amended—

(a) by omitting from section five the definition of “ President ”;

(b) by omitting sections eleven and twelve.

10. (1) Such commissioners may, by writing under the seal of the corporation, declare that any acts of a specified class performed by any one commissioner, and any documents of a specified class signed by one commissioner and/or sealed by him with the seal of the corporation, shall be of the same effect as if performed, sealed, or signed by the commissioners.

Delegation to one commissioner.

(2) Any such declaration shall have the force of law.

(3) Any such declaration shall be revocable by the commissioners by writing under the seal of the corporation; and no such declaration shall prevent the exercise of any power by the commissioners.

(4) Every such declaration and revocation shall be notified in the Gazette.

11. (1) Notwithstanding the Commonwealth and State Banks Agreements Ratification Act, 1931, and the agreements copies of which are set out in the First and Second Schedules to that Act, the State of New South Wales and the Rural Bank of New South Wales may make any agreement or agreements—

Power to vary certain agreements.

(i) with the Commonwealth Savings Bank of Australia with the consent or approval of the Treasurer of the Commonwealth of Australia varying, modifying or altering any of the provisions of the agreement, a copy of which is set out in the First Schedule to the said Act; and/or

(ii) with the Commonwealth Bank of Australia with the consent or approval of the Treasurer of the Commonwealth of Australia varying, modifying or altering any of the provisions of the agreement, a copy of which is set out in the Second Schedule to the said Act.

(2)

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(2) Every agreement made under subsection one of this section shall be signed for the State of New South Wales by the Governor, and such signature shall be deemed to be a valid and effectual execution of the agreement by the State of New South Wales.

(3) No variation, alteration or modification of the provisions of the agreement, a copy of which is set out in the First Schedule to the said Act, or of the provisions of the agreement, a copy of which is set out in the Second Schedule to the said Act which has the effect of increasing the monetary liability of the State of New South Wales or of the Rural Bank of New South Wales shall take effect unless and until approved by a resolution of each House of Parliament.

(4) Every agreement made under subsection one of this section may be notified by the Colonial Treasurer in the Gazette.

(5) Subject to subsection three of this section every such agreement may be carried out and full effect given thereto by the authority of this Act and notwithstanding the provisions of any other Act.

**Profits,
losses and
liabilities of
Savings
Bank Depart
ment.**

12. Any profits paid before or after the commencement of this Act by the Commonwealth Savings Bank of Australia to the Commissioners of the Government Savings Bank of New South Wales or to the Rural Bank of New South Wales under clause eleven of the agreement, a copy of which is set out in the First Schedule to the Commonwealth and State Banks Agreements Ratification Act, 1931, shall be paid to the Savings Bank Department of the corporation lastmentioned, and all losses which such corporation is under that clause liable to pay to the Commonwealth Savings Bank of Australia shall be paid out of the said department of the Rural Bank of New South Wales. Subject thereto and to all other liabilities of that department the said profits may with the consent of the Colonial Treasurer be invested by such bank by way of loan with other departments of that bank.

**Amendment
of Act No.
48, 1906,
s. 23.**

13. Subsection one of section twenty-three of the Principal Act is amended by inserting in lieu of the word "four" the word "five" and by adding after subparagraph (d) the following new subparagraph:—

(e) the Government Agency Department.

14.

14. The Principal Act is amended by inserting after Part VIA the following new Part:—

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Further amend-
ment of Act
No. 48, 1906.
New Part VI.

PART VI.

GOVERNMENT AGENCY DEPARTMENT.

70H. (1) There shall be a Government Agency Department of the bank to perform and exercise such duties, functions, powers and authorities (including the administration of property and assets) as may be delegated to the bank in pursuance of any Act or by the Governor.

Govern-
ment
Agency
Depart-
ment.

(2) Each separate agency shall be carried out by the bank in accordance with the terms and provisions of the instrument creating such agency.

(3) Separate accounts shall be kept by the bank in respect of each agency.

(4) There shall be provided from time to time to the Government Agency Department for the purpose of exercising and performing the duties, functions, powers and authorities delegated in pursuance of this section—

- (a) such moneys as are appropriated from time to time by Parliament;
- (b) such moneys as the Treasurer may make available to the bank for the purposes of any agency; or
- (c) such part of the proceeds of the sale of debentures or inscribed stock as may be allocated to any agency under section 36A of this Act.

15. The Principal Act is amended by inserting after Part IV the following new Part:—

Further amend-
ment of Act
No. 48, 1906.
New Part IVA.

PART IVA.

BORROWING.

36A. (1) The bank may from time to time, with the consent of the Colonial Treasurer, borrow money and issue debentures or inscribed stock.

Borrowing
powers.

(2) The due payment of such debentures or inscribed stock and the interest thereon shall be a charge on all moneys and securities held by the bank and

Charge of
liability
guaranteed
by Govern-
ment.

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and is hereby guaranteed by the Government. Any liability arising from such guarantee shall be payable out of the Consolidated Revenue Fund:

Provided that such charge shall not prejudice or affect the powers of the bank to reconvey, release or discharge any of such securities or the properties comprised therein, or to sell or convey such properties, or to foreclose such securities or properties, or to deal with the same under this Act.

Application
of proceeds.

(3) The proceeds of the issue of any such debentures and inscribed stock or portions thereof may, with the consent of the Colonial Treasurer, be carried to such departments of the bank, or to such agency within the Government Agency Department, as the commissioners may determine.

As between the departments of the bank and the agencies of the Government Agency Department, the department or the agency to which such proceeds have been so carried shall be responsible for all liabilities in respect of the debentures or inscribed stock from which such proceeds were derived, and for such purposes all necessary apportionments shall be made.

Issue of
debentures,
etc.

(4) Debentures or inscribed stock shall be issued in sums as prescribed by the regulations for the time being in force and at such minimum price with such currency and bearing such interest as may be fixed by the bank, with the consent of the Colonial Treasurer, and may be sold in the State or elsewhere.

Amount of
issue.

(5) The total amount of debentures and inscribed stock issued under this section and uncanceled shall not at any time exceed, except with the consent of the Governor, five million pounds.

Series.

(6) Such debentures may be issued in different series. Each series shall be numbered consecutively, beginning with the number one and proceeding arithmetically by units.

Signature.

(7) Each debenture shall be signed by the commissioners or by any one of the commissioners in pursuance of the powers conferred by section ten of the Rural Bank of New South Wales Act, 1932, and shall be countersigned by an officer authorised by the commissioners.

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The signature of any person on a debenture in pursuance of the requirements of this section may be made in the handwriting of such person, or may be made by engraving, lithography, or any mechanical process approved by the regulations.

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(8) At the request of the bearer of a debenture or the holder of inscribed stock the bank may, in lieu thereof, issue to him inscribed stock or debentures as the case may be of the same currency and bearing the same interest.

Exchange.

(9) Every such debenture shall be transferable by delivery without assignment or endorsement, and shall entitle the bearer of the same to be paid according to the tenor thereof.

Debentures transferable by delivery.

(10) Debentures and inscribed stock may be purchased by the bank out of moneys of the bank at or below their face value.

Purchase of debentures.

All debentures and inscribed stock redeemed or purchased by the bank under this Act shall be cancelled.

Cancellation.

(11) If any debenture is defaced by accident, the bank may cancel the same, and cause a new debenture to be made in lieu thereof, and such cancelled debenture shall be filed in the bank. Such new debenture shall be to the like purport, and be in all respects subject to the same rules, methods and continuance, and bear the same number, date, principal sum and rate of interest as such cancelled debenture.

Defaced debenture may be exchanged.

(12) Upon proof being made on oath before a judge of the Supreme Court by any credible person that any debenture issued under this Act and held by him, the number and sum whereof is specified by him in his evidence, has been lost or accidentally burnt or otherwise destroyed before the same has been paid off, and upon such judge certifying that he is satisfied with such proof, the Bank may cause a new debenture to be made bearing the same number, date, principal sum and rate of interest as the debenture so lost or destroyed, and to be delivered to such person upon his giving sufficient security to the bank

Provisions for debentures lost, etc.

to

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to indemnify them against any double payment if the missing document should thereafter be presented for payment.

Power to trustees to invest.

(13) All debentures and inscribed stock issued under this Act shall be securities authorised by the Trustee Act, 1925, and shall have the status of Government securities within the meaning of any Act in force for the time being relating to friendly societies, and any trust funds may be invested in such debentures and inscribed stock accordingly, and all corporations, companies or co-partnerships, and all trustees, executors, and administrators, whether incorporated, established or appointed before or after the commencement of the Rural Bank of New South Wales Act, 1932, not expressly forbidden to invest their funds in the purchase of Government stock or securities by their charter, Act of incorporation, deed of settlement or of partnership, trust deed, settlement, testamentary or other instrument whatsoever respectively, are hereby authorised and empowered to invest such funds in the purchase of and to hold such debentures and inscribed stock as aforesaid without incurring or committing any breach of trust or of any condition, restriction or provision contained in any such Act, charter or other instrument whatsoever as aforesaid.

Regulations.

(14) The bank may make regulations to carry out and give effect to, or which are necessary or convenient to carry out or give effect to the provisions of this section.

The regulations may prescribe a penalty not exceeding twenty pounds for any breach thereof.

The regulations shall—

- (i) be submitted to the Governor for approval, and after such approval be published in the Gazette; and
- (ii) shall take effect from the date of publication thereof, or from a later date to be specified in the regulations; and

(iii)

- (iii) be laid before both Houses of Parliament within fourteen sitting days after publication if Parliament is then in session, and if not, then within fourteen sitting days after the commencement of the next session.

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If either House of Parliament passes a resolution of which notice has been given at any time within fifteen sitting days after the regulations have been laid before such House disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

(15) Without prejudice to subsection two of this section, the bank is hereby indemnified by the Crown against the liabilities in respect of debentures and inscribed stock for which the agencies of the Government Agency Department are responsible under subsection three of this section to the extent to which the same cannot be recovered from the assets of the agency concerned.

Indemnity.

(16) The provisions of this section shall be read and construed cumulatively with, and not in impairment or derogation of any borrowing powers conferred on the bank by any other section of this Act or by any other Act now or hereafter to be passed.

Provisions to be cumulative.

16. (1) In this Act and in the Principal Act the word "Bank," unless the context otherwise requires, means the body corporate constituted by the name of the "Commissioners of the Government Savings Bank of New South Wales" until the date of commencement of this Act and by the name of the "Rural Bank of New South Wales" after such date.

Definition.

(2) The Principal Act is further amended by omitting from section five the definition of "Bank."

17. This Act and the Principal Act shall be read and construed so as not to exceed the legislative power of the State to the intent that where any enactment thereof would,

Construction of Act.

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would, but for this section, have been construed as being in excess of that power, it shall nevertheless be a valid enactment to the extent to which it is not in excess of that power.
