

*This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.*

*House of Representatives,  
2nd December, 1948*

*Right Hon. Mr. Nash*

**FINANCE (No. 2)**

**ANALYSIS**

<p>Title.</p> <p>1. Short Title.</p> <p style="text-align: center;"><b>PART I</b></p> <p style="text-align: center;"><b>PUBLIC REVENUES</b></p> <p>2. Christmas Island phosphates.</p> <p>3. Lake Grassmere salt project.</p> <p>4. Power to apply Earthquake and War Damage Act, 1944, to damage by natural disaster.</p> <p>5. Establishment of separate industry accounts within Marketing Account.</p> <p>6. Investments from Government Insurance Account in local-body loans.</p> <p>7. Trustee Savings Banks Act, 1948, amended.</p> <p style="text-align: center;"><b>PART II</b></p> <p style="text-align: center;"><b>LAND AND INCOME TAX</b></p> <p>8. This Part to be read with Land and Income Tax Act, 1923.</p> <p>9. Amending provisions as to exemption of sports bodies from income-tax. Repeal.</p> <p>10. Depreciation recovered on disposal of assets.</p> <p>11. Keeping of business records.</p> <p>12. Information to be furnished on request of Commissioner.</p> <p>13. Exemption for housekeeper caring for invalid child.</p> <p>14. Extending period for allowance of special depreciation.</p>	<p>15. Power to waive publication of names of tax evaders who make full disclosure.</p> <p style="text-align: center;"><b>PART III</b></p> <p style="text-align: center;"><b>SOCIAL SECURITY</b></p> <p>16. This Part to be read with Social Security Act, 1938.</p> <p>17. Rates of age-benefits granted to blind beneficiaries. Repeal.</p> <p>18. Benefits for deserted wives and wives of mental defectives. Repeals.</p> <p>19. Date of expiry of orphan's benefit.</p> <p>20. Conditions for grant of family benefit. Repeal.</p> <p>21. Benefits in case of training or medical treatment.</p> <p>22. Payment of benefits during temporary absence from New Zealand.</p> <p>23. Persons employed outside New Zealand deemed resident in New Zealand.</p> <p>24. Due dates of payment of charge on income other than salary or wages.</p> <p style="text-align: center;"><b>PART IV</b></p> <p style="text-align: center;"><b>WAR PENSIONS</b></p> <p>25. This Part to be read with War Pensions Act, 1943.</p> <p>26. Application of general increases to remarriage gratuities and to veterans' widows' gratuities.</p> <p>27. Payment of war veterans' allowances during temporary absence from New Zealand.</p>
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## A BILL INTITULED

Title. AN ACT to Make Provision with Respect to Public Finance and Other Matters.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title. 1. This Act may be cited as the Finance Act (No. 2), 1948.

## PART I

## PUBLIC REVENUES

2. (1) It shall be lawful for the Government of New Zealand, for the purpose of securing adequate supplies of phosphate for New Zealand, in conjunction with the Government of the Commonwealth of Australia, to enter into an agreement with the Christmas Island Phosphate Company, Limited, of London, for the purchase by the two Governments of the company's phosphate mining rights and other property on Christmas Island, including any vessels used in the business.

Christmas  
Island  
phosphates.

(2) It shall also be lawful for the Government of New Zealand to enter into an agreement with the Government of the Commonwealth of Australia to set up a Commission and to empower this Commission to work the phosphate rights, including the distribution of phosphate, or, with the prior approval of the two Governments, to empower the Commission to arrange for another body to undertake the production and distribution of phosphate on behalf of the two Governments.

(3) The Minister of Finance may from time to time pay out of moneys appropriated by Parliament for the purpose such sums as may be necessary to meet the share of the Government of New Zealand of the purchase-price and incidental expenses incurred under this section, including the provision of working capital for the Commission.

3. (1) The Minister of Finance may from time to time, on behalf of the Government of New Zealand, enter into agreements with any persons in connection with the establishment and business of a company to be incorporated in New Zealand which shall have among its objects the business of the production, storing, and sale of salt.

Lake Grassmere  
salt project.

(2) The Minister of Finance may from time to time, on behalf of His Majesty the King, subscribe for or otherwise acquire shares in any such company, and may from time to time exercise on behalf of His Majesty all His Majesty's rights and powers as the holder of any such shares.

(3) All moneys required to be paid by the Minister of Finance in respect of the subscription for or other acquisition of any such shares shall, without further

appropriation than this section, be paid out of the National Development Loans Account. When any such payment is made, the authority of the Minister of Finance to borrow moneys under section three of the National Development Loans Act, 1941, shall be deemed to be extended as if the moneys so paid had been duly transferred from the National Development Loans Account to another fund or account as mentioned in that section. 5

1941, No. 7

Power to apply Earthquake and War Damage Act, 1944, to damage by natural disaster. 1944, No. 15

4. Section twenty-six of the Earthquake and War Damage Act, 1944, is hereby amended by inserting in subsection two, after paragraph (b), the following paragraph:— 10

“(bb) Applying all or any of the provisions of this Act, with such exceptions and modifications (if any) as may be prescribed in the regulations, to damage arising from tempest, storm, flood, encroachment of the sea, or other natural disaster:” 15

Establishment of separate industry accounts within Marketing Account.

5. (1) Where the Marketing Department exercises or proposes to exercise any function in relation to any primary products, foodstuffs, or goods, the Minister may enter into an agreement with such persons as in the opinion of the Minister are representatives of the industry concerned, providing— 20

(a) For the keeping by the Department of a separate account for the purpose of recording, in accordance with the agreement, the receipts and expenditure of the Department in relation to those primary products, foodstuffs, or goods; and 30

(b) For the holding of any surplus which may from time to time accrue in the separate account for the benefit of the industry concerned.

(2) Where any such agreement has been entered into, there may from time to time, without further appropriation than this section, be paid out of the Marketing Account such sums as the Minister, after consultation with representatives of the industry concerned, may approve. 35

(3) All acts done before the passing of this Act that would have been valid if this section had been in force when they were done are hereby validated and declared to have been lawfully done. 40

6. Section twenty-seven of the Government Life Insurance Act, 1908, is hereby amended by repealing paragraph (b) of subsection one, and substituting the following paragraph:—

Investments from Government Insurance Account in local-body loans.

5 “(b) In loans to any local authority within the meaning of the Local Government Loans Board Act, 1926, whether by virtue of section two of that Act or of any Order in Council thereunder, or by virtue of the provisions of

10 any other Act:

See Reprint of Statutes, Vol. IV, p. 65

“ Provided that every loan so made shall be assented to by the Board: ”.

7. Section three of the Trustee Savings Banks Act, 1948, is hereby amended, as from the passing thereof,

15 by inserting in subsection four, after the words “savings bank”, the words “and without payment of any fee”.

Trustee Savings Banks Act, 1948, amended. 1948, No. 62

## PART II

### LAND AND INCOME TAX

20 8. This Part of this Act shall be read together with and deemed part of the Land and Income Tax Act, 1923 (in this Part referred to as the principal Act).

This Part to be read with Land and Income Tax Act, 1923.

See Reprint of Statutes, Vol. VII, p. 271

25 9. (1) Section seventy-eight of the principal Act is hereby amended by repealing paragraph (kk), as enacted by section four of the Land and Income Tax Amendment Act, 1933, and substituting the following paragraph:—

Amending provisions as to exemption of sports bodies from income-tax.

1933, No. 43

30 “(kk) Income derived by any society or association, whether incorporated or not, which is, in the opinion of the Commissioner, established substantially or primarily for the purpose of promoting any amateur game or sport (other than horse-racing or trotting) if that game or sport is conducted for the recreation or entertainment of the general public, and

35 if no part of the income or other funds of the society or association is used or available to be used for the private pecuniary profit of any proprietor, member, or shareholder thereof:”

Repeal.

(2) Section four of the Land and Income Tax Amendment Act, 1933, is hereby repealed.

(3) This section shall apply and be deemed always to have applied with respect to income derived during the income year that ended on the thirty-first day of March, nineteen hundred and forty-seven, or during any subsequent income year. 5

Depreciation  
recovered on  
disposal of  
assets.

10. (1) For the purposes of the second proviso to paragraph (a) of subsection one of section eighty of the principal Act,— 10

(a) Where any asset has been sold together with other assets of a business, the part of the consideration attributable to that asset shall be determined by the Commissioner, and the part of the consideration so determined shall be deemed to be the price at which that asset was sold by the vendor and purchased by the purchaser: 15

(b) Where any property is sold, distributed, or otherwise disposed of without consideration or for a consideration which, in the opinion of the Commissioner, is less than the market price or the true value of the property on the day it was sold, distributed, or otherwise disposed of, that property shall be deemed to have been sold at and to have realized such market price or, if there is no market price, shall be deemed to have been sold at and to have realized such price as the Commissioner determines. 20 25

1939, No. 34

(2) Section twenty-two of the Land and Income Tax Amendment Act, 1939, is hereby amended by inserting in subsection one, after paragraph (e), the following paragraph:— 30

“(f) Where any property of the company is sold or otherwise disposed of to a shareholder without consideration or for a consideration which in the opinion of the Commissioner is less than its market price or its true value, the excess of the market price of that property on the day it was sold or disposed of over the price (if any) realized on the sale or disposition or, if there is no market price, the excess of the price deemed to have been realized pursuant to a determination of 35 40

the Commissioner under paragraph (b) of subsection one of section eight of the Finance Act (No. 2), 1948, over the price (if any) realized on the sale or disposition."

5 (3) It shall be a ground for an objection to an assessment of income-tax under Part III of the principal Act that any determination of the Commissioner made for the purposes of this section is erroneous in fact.

(4) This section shall apply with respect to income  
10 derived during the income year ending on the thirty-first day of March, nineteen hundred and forty-nine, or during any subsequent income year.

11. (1) Subject to subsection two of this section, every person carrying on business shall keep sufficient  
15 records in the English language to enable his assessable income and allowable deductions to be readily ascertained by the Commissioner or any officer authorized by him in that behalf, and shall retain all such records so kept after the passing of this Act, and all records relating  
20 to that business in existence at the passing of this Act, for a period of at least seven years after the completion of the transactions, acts, or operations to which they relate.

Keeping of  
business  
records.

(2) This section shall not require the retention of  
25 any records—

(a) In respect of which the Commissioner has notified the taxpayer that retention is not required:

30 (b) Of a company which has been wound up and finally dissolved.

(3) For the purpose of this section the term "records" includes books of account recording receipts or payments or income or expenditure, and also includes  
35 vouchers, invoices, receipts, and such other documents as are necessary to verify the entries in any such books of account.

(4) Every person who fails to comply with this section commits an offence against the principal Act.

40 12. Section one hundred and sixty-three of the principal Act is hereby repealed, and the following section substituted:—

Information to  
be furnished  
on request of  
Commissioner.

" 163. (1) Every person, whether a taxpayer or not (including any officer employed in or in connection with any Department of the Government or by any public

authority) shall, if required by the Commissioner or by any officer authorized by him in that behalf, furnish in writing any information or produce any books or documents which the Commissioner or any such officer considers necessary or relevant for any purpose relating to the administration or enforcement of this Act or any other Act imposing taxes or duties recoverable by the Commissioner, and which may be in the knowledge, possession, or control of that person. 5

“(2) Without limiting the foregoing provisions of this section, it is hereby declared that the information in writing which may be required under this section shall include lists of shareholders of companies, with the amount of capital contributed by and dividends paid to each shareholder, copies of balance-sheets and of profit and loss and other accounts, and statements of assets and liabilities.” 10 15

Exemption for housekeeper caring for invalid child. 1933, No. 43

**13.** (1) Section three of the Land and Income Tax Amendment Act, 1933, is hereby amended by adding to subsection one (as amended by subsection two of section six of the Land and Income Tax Amendment Act, 1945) the words “ or of any child who at any time during the income year was suffering from any permanent mental or physical infirmity and was thereby permanently incapacitated from earning his or her own living ”. 20 25

(2) This section shall apply with respect to income derived during the income year ending on the thirty-first day of March, nineteen hundred and forty-nine, or during any subsequent income year.

Extending period for allowance of special depreciation. 1945, No. 37 1947, No. 45

**14.** (1) Section fifteen of the Land and Income Tax Amendment Act, 1945, as amended by section eleven of the Finance Act (No. 2), 1947, is hereby further amended by omitting from subsection one the words “ nineteen hundred and forty-nine ”, and substituting the words “ nineteen hundred and fifty ”. 30 35

(2) Section eleven of the Finance Act (No. 2), 1947, is hereby consequentially repealed.

Power to waive publication of names of tax evaders who make full disclosure. 1945, No. 37

**15.** Section nineteen of the Land and Income Tax Amendment Act, 1945, is hereby amended by inserting, after subsection one, the following subsection:— 40

“(1A) The Commissioner may, in his discretion, omit from any list published under this section any reference to any taxpayer to whom subsection one of this section applies if the Commissioner is satisfied that,

before any investigation or inquiry has been commenced in respect of the offence or evasion of which the taxpayer is guilty, the taxpayer has voluntarily disclosed to the Commissioner or to any officer authorized by the Commissioner in that behalf complete information and full particulars as to the offence or evasion."

## PART III

## SOCIAL SECURITY

10 **16.** This Part of this Act shall be read together with and deemed part of the Social Security Act, 1938 (in this Part referred to as the principal Act.)

This Part to be read with Social Security Act, 1938. 1938, No. 7

**17.** (1) Section sixteen of the principal Act is hereby amended by adding to subsection two the following proviso:—

Rates of age-benefits granted to blind beneficiaries.

15 " Provided that where the applicant for an age-benefit is totally blind, the rate of the age-benefit, together with any benefits and allowances payable to or in respect of the wife or husband of the applicant, shall not be less than the aggregate rate of the benefits and allowances that would have been payable to or in respect of the applicant and his wife or her husband, as the case may be, if the applicant had been eligible for an invalid's benefit."

20 (2) Section ten of the Social Security Amendment Act, 1943, is hereby consequentially repealed.

Repeal. 1943, No. 19

**18.** (1) Section twenty-two of the principal Act is hereby amended by repealing subsection two, and substituting the following subsection:—

Benefits for deserted wives and wives of mental defectives.

30 " (2) Subject to the provisions of this Part of this Act,—

35 " (a) Any married woman who satisfies the Commission that she has been deserted by her husband and that she has taken proceedings against her husband for a maintenance order under the Destitute Persons Act, 1910, may in the discretion of the Commission be granted a benefit under this Part of this Act as if she were a widow:

See Reprint of Statutes. Vol. 11, p. 896

See Reprint  
of Statutes,  
Vol. V, p. 743

“(b) Any married woman in respect of whose husband a reception order is in force under the Mental Defectives Act, 1911 (whether or not he is detained in an institution under that Act), or whose husband is for the time being detained in an institution under that Act, whether as a voluntary boarder or otherwise, shall be entitled to receive a benefit under this Part of this Act as if she were a widow.” 5 10

(2) Subsection four of the said section twenty-two is hereby consequentially amended by omitting from paragraph (c) the words “as a voluntary boarder”.

Repeals.

1943, No. 19

1945, No. 11

1947, No. 28

(3) Subsection one of section thirteen of the Social Security Amendment Act, 1943, paragraphs (a) and (b) of section nine of the Social Security Amendment Act, 1945, and section seven of the Social Security Amendment Act, 1947, are hereby consequentially repealed. 15

Date of expiry  
of orphan's  
benefit.

19. Section twenty-six of the principal Act is hereby amended by repealing subsection four, and substituting the following subsections:— 20

“(4) Subject to the provisions of section sixty-six of this Act, every orphan's benefit payable under this Part of this Act shall cease to be payable at the end of the month in which the child attains the age of sixteen years. 25

“(4A) Notwithstanding anything to the contrary in section seventy-five of this Act, where a child in respect of whom an orphan's benefit is payable dies the benefit shall not cease before the end of the month in which the child dies, and the amount (if any) unpaid on the date of the death of the child shall be paid to the person to whom the orphan's benefit was payable on that date, or, in the discretion of the Commission, to such other person as the Commission thinks fit.” 30 35

Conditions for  
grant of  
family benefit.  
1946, No. 22

20. (1) Section twenty-nine of the principal Act is hereby amended by repealing subsection one (as substituted by section four of the Social Security Amendment Act, 1946), and substituting the following subsection:— 40

“(1) A family benefit shall not be payable in respect of any child unless at least one of the following conditions is satisfied, namely:—

“(a) The child was born in New Zealand: 45

- “ (b) The mother of the child was only temporarily absent from New Zealand at the time of its birth:
- “ (c) The child has been permanently resident in New Zealand for not less than one year.”
- 5 (2) Section four of the Social Security Amendment Act, 1946, is hereby consequentially repealed.
21. Section fifty-eight of the principal Act is hereby amended as follows:—
- 10 (a) By inserting in the proviso to subsection one, after the words “ section fifty-one hereof ”, the words “ or (in any case to which subsection three of this section applies) in lieu of granting any other benefit,”; and by inserting
- 15 in that proviso, after the words “ sickness benefit or an unemployment benefit ”, the words “ or (in any case to which subsection three of this section applies) any other benefit ”:
- 20 (b) By inserting in the proviso to subsection two, after the words “ Provided that ”, the words “ except in any case to which subsection three of this section applies,”.
22. (1) Section seventy of the principal Act is
- 25 hereby amended by repealing subsection two, and substituting the following subsection:—
- “ (2) In addition to the classes provided for in the last preceding subsection, the Commission may in its discretion, having regard to the circumstances of
- 30 each case, pay the whole or any part of any benefit in respect of any period during which the beneficiary is temporarily absent from New Zealand.”
- (2) This section shall be deemed to have come into force on the first day of June, nineteen hundred
- 35 and forty-eight.
23. (1) Section nineteen of the Social Security Amendment Act, 1947, is hereby amended by inserting, after subsection one, the following subsection:—
- “ (1A) The Commission may in its discretion apply
- 40 the provisions of subsection one of this section in respect of any person and the wife and any child of that person in any case where that person (not being in the service of the Government of New Zealand)
- Repeal.  
1946, No. 28
- Benefits in case of training or medical treatment.
- Payment of benefits during temporary absence from New Zealand.
- Persons employed outside New Zealand deemed resident in New Zealand.  
1947, No. 28

is employed outside New Zealand and while so employed is liable for the payment of social security charge on his earnings arising from that employment."

(2) Subsection two of the said section nineteen is hereby consequentially amended by inserting, after the words "subsection one", the words "or subsection one A".

Due dates  
of payment  
of charge  
on income  
other than  
salary or wages.

**24.** (1) Section one hundred and twenty of the principal Act is hereby amended by repealing subsection one, and substituting the following subsection:—

"(1) The charge imposed by this Part of this Act in respect of income other than salary or wages (not being income to which the provisions of section one hundred and eighteen of this Act apply) shall be due and payable by equal instalments on the first day of July and the first day of November in the year following the financial year for which that income was derived."

(2) This section shall apply with respect to the charge on income derived for the year ending on the thirty-first day of March, nineteen hundred and forty-nine, or for any subsequent year.

#### PART IV

##### WAR PENSIONS

This Part to  
be read with  
War Pensions  
Act, 1943.  
1943, No. 22

**25.** This Part of this Act shall be read together with and deemed part of the War Pensions Act, 1943 (in this Part referred to as the principal Act).

Application of  
general  
increases to  
remarriage  
gratuities and  
to veterans'  
widows'  
gratuities.

**26.** (1) Section twenty-eight of the principal Act is hereby amended by adding the following additional proviso:—

"Provided also that where any widow is receiving a gratuity in instalments under this section when any increase in the rates of pensions takes effect, the War Pensions Board, with the approval of the Minister, may for the balance of the period for which the gratuity is payable increase the rate of the gratuity to an amount that would have been payable if the widow had remarried after the increase in the rates of pensions had taken effect."

(2) Section sixty-eight of the principal Act is hereby amended by adding to subsection one the following proviso:—

“ Provided that where any person is receiving an amount in instalments under this subsection when any increase in the rates of allowances takes effect, the Board, with the approval of the Minister, may for the balance of the period for which the instalments are payable increase the rate of the instalments to any amount that would have been payable if the veteran had died after the increase in the rates of allowances had taken effect.”

(3) This section shall be deemed to have come into force on the first day of October, nineteen hundred and forty-seven.

25 **27.** Section seventy-four of the principal Act is hereby amended by adding to subsection one the following proviso:—

“ Provided that the Board may in its discretion, having regard to the circumstances of each case, pay the whole or any part of any allowance under Part V of this Act in respect of any period during which the person to whom the allowance has been granted is temporarily absent from New Zealand.”

Payment of war veterans' allowances during temporary absence from New Zealand.

## PART V

25

### GOVERNMENT RAILWAYS

**28.** This Part of this Act shall be read together with and deemed part of the Government Railways Act, 1926 (in this Part referred to as the principal Act).

This Part to be read with Government Railways Act, 1926.

See Reprint of Statutes, Vol. VII, p. 812

30 **29.** (1) For the purposes of the principal Act (including this Act, unless the context otherwise requires,—

Interpretation.

35 “ Administrative officer ” means a person holding a position in the Department classified in a higher grade than Grade Special F of Class 3 of Subdivision I of the 1948 Classification, or such other grade as the Minister from time to time declares to be equivalent to that grade:

Serial numbers 1942/345 and 1948/82	“ 1948 Classification ” means the classification prescribed by the Government Railways Classification and Pay Regulations 1942, as amended by the Government Railways Classification and Pay Regulations 1942, Amendment No. 6.	5
1944, No. 2	(2) Section two of the Government Railways Amendment Act, 1944, is hereby amended by repealing the definition of the term “ administrative officer ”.	
Method of appointment to Government Railways Department.	<b>30.</b> (1) Every person who may hereafter be appointed to a position in the Department classified in a higher grade than Grade Special C of Class 3 of Subdivision I of the 1948 Classification, or such other grade as the Minister from time to time declares to be equivalent to that grade, shall be so appointed by the Governor-General.  (2) Every other appointment to a position in the Department shall be made by the General Manager.	10  15
1936, No. 2	(3) Section five of the Government Railways Amendment Act, 1936, is hereby consequentially repealed.	20
Positions may be filled by transfer of members already in the Department. See Reprint of Statutes, Vol. VII, p. 876 1936, No. 2	<b>31.</b> (1) Section five of the Government Railways Amendment Act, 1927, is hereby amended by repealing subsections two and three, as amended by section twelve of the Government Railways Amendment Act, 1936, and substituting the following subsection:—  “(2) Any vacancy in the Department arising in respect of any position classified in a grade not higher than Grade Special C of Class 3 of Subdivision I of the 1948 Classification, or such other grade as the Minister from time to time declares to be equivalent to that grade, may be notified by official circular if the filling of that position by the transfer of any qualified member then in the Department would result in his promotion. Any notification given under this subsection in respect of a vacancy in any position may invite applications to be made in respect of any consequential vacancy that may be created by the filling of the first-mentioned vacancy, and in any such case it shall not be necessary to give further notification of any such vacancy when it arises.”	25  30  35  40
	(2) The Government Railways Amendment Act, 1936, is hereby amended by repealing so much of the Second Schedule as relates to subsections two and three of section five of the Government Railways Amendment Act, 1927.	45

32. (1) The General Manager may by official circular declare any employee who at the passing of this Act holds a position classified in any of the grades from Grade Special C to Grade Special F inclusive of Class 3 of Subdivision I of the 1948 Classification to have been specially promoted to that position, and in any such case the employee shall be deemed to have been specially promoted to that position from the date of his appointment thereto. In making any declaration under this subsection the General Manager shall be bound by the considerations referred to in subsection one of section twenty-seven of the Statutes Amendment Act, 1945.

Special promotions.

1945, No. 40

(2) No member shall have a right of appeal against any appointment made before the passing of this Act in respect of which a declaration has been made under this section declaring the appointee to have been specially promoted to a position before the passing of this Act.

33. Section eight of the Government Railways Amendment Act, 1944, is hereby amended by adding the following paragraph:—

Power of Government Railways Industrial Tribunal to interpret orders.  
1944, No. 2

“(c) To interpret the provisions of the principal order or of any order amending the principal order.”

34. Notwithstanding anything to the contrary in the principal Act, the Tribunal may make principal orders consolidating any existing orders, and may include therein any matters in respect of which principal orders may be made under section seven of the Government Railways Amendment Act, 1944:

Power to consolidate orders.

1944, No. 2

Provided that where a consolidating order is so made all limitations of time applicable under that Act to the making of any order or to any matter ancillary thereto shall apply to every provision of any such consolidating order in all respects as if the consolidating order had not been made.

35. The Minister may, in any case where he deems it necessary, direct that any principal order or other order made by the Tribunal shall take effect on a date earlier than that provided for in the order, whereupon the order shall be deemed to have taken effect on that date.

Minister may fix date of commencement of orders.

## PART VI

## NATIONAL PROVIDENT FUND

This Part to  
be read with  
National  
Provident Fund  
Act, 1926.

See Reprint  
of Statutes,  
Vol. VI, p. 32

National  
Provident Fund  
Account.

Moneys payable  
into and out of  
Fund.

**36.** This Part of this Act shall be read together with and deemed part of the National Provident Fund Act, 1926 (in this Part referred to as the principal Act).

**37.** (1) All moneys payable to the Fund shall be paid to the credit of an account called the National Provident Fund Account, to be kept at the Reserve Bank of New Zealand. 10

(2) The National Provident Fund Account shall be operated on by cheque signed by the Superintendent or another member of the Board and by an officer of the Board for the time being authorized in that behalf, and countersigned by or on behalf of the Audit Office. 15

(3) For the purposes of the National Provident Fund Account there may be opened at the Reserve Bank of New Zealand such disbursement or other subsidiary accounts as may from time to time be authorized by the Minister of Finance. 20

(4) Every such subsidiary account shall be operated on by cheque signed as provided by regulations made under the principal Act.

(5) This section shall come into force on the first day of January, nineteen hundred and forty-nine. 25

**38.** (1) Section three of the principal Act is hereby amended by repealing paragraph (c) of subsection two, and substituting the following paragraphs:—

“(c) All profits arising from investment of the Fund: 30

“(d) All other moneys lawfully payable into the Fund.”

(2) All moneys payable out of the Fund shall be paid out of the National Provident Fund Account or any subsidiary account without further appropriation than this section. 35

(3) This section shall come into force on the first day of January, nineteen hundred and forty-nine.

**39.** (1) All moneys belonging to the Fund and available for investment shall be invested in such manner as may be prescribed by regulations made under the principal Act.

Investment of Fund.

5 (2) All moneys, securities, and property held by the Public Trustee for the purposes of the Fund at any time after the commencement of this section shall be held by the Public Trustee on behalf of the Board.

10 (3) Section three of the principal Act is hereby amended by repealing subsection three.

(4) This section shall come into force on the first day of April, nineteen hundred and forty-nine.

15 **40.** The National Provident Fund Board shall be a body corporate with perpetual succession and a common seal, and shall be capable of holding real and personal property, and of suing and being sued, and of doing and suffering all such other acts and things as bodies corporate may lawfully do and suffer.

Incorporation of Board.

20 **41.** (1) No land-tax or income-tax shall be payable in respect of any securities or other property held by or on behalf of the Board or in respect of income derived from any such securities or property.

Exemption from taxation.

(2) Section two of the Land and Income Tax Amendment Act, 1935, is hereby repealed.

Repeal. 1935, No. 32

25 **42.** (1) Notwithstanding anything to the contrary in sections thirteen, forty-eight, and sixty-two of the principal Act, the contributions payable to the Fund under any of those sections by or on behalf of any person may, at any time before that person attains the age of fifty years, be increased so as to secure to that person, when he attains the age of sixty years, a weekly pension at any rate fixed by the Board, being in excess of any rate for which contributions may otherwise be made under that section or under any other enactment, but not exceeding one hundred and  
30  
35 twenty shillings a week.

Provision for increase of pensions up to 120s. a week.

40 (2) Except so far as the rates of contributions required to provide any such pensions are prescribed by the principal Act, the rates of contributions shall be as fixed by the Board. The rates so fixed by the Board may be varied from time to time, but no variation shall operate so as to affect prejudicially

the rate at which any contributions are payable in respect of any person in respect of whom contributions are being made to the Fund at the time when the variation is made.

(3) No subsidy shall be payable by the Minister under the principal Act in respect of any contributions to the extent to which they are payable under this section. 5

Benefits during incapacity.

**43.** Section seventeen of the principal Act is hereby amended by repealing subsection six, and substituting the following subsection:— 10

“(6) Except with the consent of the Board, no such allowance shall be paid in respect of any period of incapacity arising out of any illness or injury which in the opinion of the Board commenced or happened at any time before the person so incapacitated had been a contributor for five years.” 15

Minimum age for contributing employees. 1946, No. 35

**44.** Section nine of the National Provident Fund Amendment Act, 1946, is hereby amended as from the passing thereof by omitting the words “twenty years”, and substituting the words “seventeen years”. 20

Directions as to meaning of term “permanent employee”. 1946, No. 35

**45.** Section ten of the National Provident Fund Amendment Act, 1946, is hereby amended by adding the following proviso:—

“Provided that, without limiting its discretion to make a decision in any particular case, the Board may from time to time give general directions in respect of any class or classes of employees, whether generally or in respect of any local authority or class of local authorities.” 25 30

Power to accept life insurance policies in payment of or as security for contributions for prior service.

**46.** The Board may in its discretion accept an assignment or transfer of any life insurance policy or other property in payment of any contributions in respect of a period before the commencement of any scheme or as security for the payment of any such contributions that are to be paid by instalments. 35

Power of public bodies to become contributors in respect of employees.

**47.** Where any public body other than a local authority is empowered by any enactment to subsidize any fund or scheme established with the approval of the Governor-General in Council for the purpose of providing superannuation or retiring-allowances for its officers and servants or any other persons, that power shall, in the absence of any express provision to the contrary, be deemed to be and to have always been in addition to and not in derogation of the power 40 45

of the public body to become a contributor to the Fund under section thirty-eight of the principal Act; and for the purposes of the said section thirty-eight all persons to whom the power conferred by the first-mentioned enactment relates shall be deemed to be persons employed by the public body.

## PART VII

## LOCAL BODIES' LOANS

48. This Part of this Act shall be read together with and deemed part of the Local Bodies' Loans Act, 1926 (in this Part referred to as the principal Act).

This Part to be read with Local Bodies' Loans Act, 1926.

See Reprint of Statutes, Vol. V, p. 360

49. (1) Where a local authority is authorized to raise a loan under the principal Act or any other Act, the local authority may issue debentures for the whole or any part of the amount of the loan in exchange for an irrevocable undertaking given by a bank, and approved by the Minister, to the effect that the bank will pay the principal moneys represented by the debentures to the local authority as and when demanded by the local authority (whether in one sum or by instalments), and will reimburse the local authority for any interest paid on the debentures for any period before the relative principal moneys are paid to the local authority.

Issue of debentures to bank before whole loan raised.

(2) In every such case the amount represented by the debentures so issued shall be deemed to be borrowed on the date on which the first payment on account thereof is received by the local authority from the bank.

50. (1) Where a local authority is authorized to raise a loan under the principal Act or any other Act and the State Advances Corporation of New Zealand or the Public Trustee or any incorporated Department of State (hereinafter referred to as the lender) agrees to lend the whole or any part of the amount of the loan, the amount so agreed to be lent may be paid to the local authority by such instalments and at such times as may be agreed upon between the lender and the local authority, and the local authority may issue debentures for the whole amount so agreed to be lent at the time when the first instalment thereof is paid to the local authority.

Issue of debentures to State lending Department before whole loan advanced.

Repeals.  
1940, No. 10  
1945, No. 17  
1945, No. 45

Extending  
power to raise  
supplementary  
loan.

(2) In every such case the amount agreed to be lent shall be deemed to be borrowed on the date on which the first instalment thereof is paid to the local authority.

(3) This section is in substitution for section eight of the Rural Housing Amendment Act, 1940, subsection two of section twenty-nine of the Housing Improvement Act, 1945, and section twenty-seven of the Finance Act (No. 2), 1945, and those enactments are hereby accordingly repealed. 5

**51.** (1) Section nineteen of the principal Act shall apply as if it had been amended by omitting from subsection one the words "not being greater than one-tenth of the amount originally authorized by the ratepayers" in any case where— 10

(a) The original loan was authorized by the ratepayers before the sixteenth day of August, nineteen hundred and forty-five; and 15

(b) The further loan is raised not later than the thirty-first day of December, nineteen hundred and fifty-one. 20

(2) In any such case the power conferred by the said section nineteen as amended as aforesaid may be exercised by a local authority whether or not the local authority has raised a further loan under that section before the passing of this Act. 25

## PART VIII

### LOCAL AUTHORITIES AND PUBLIC BODIES

Authorizing  
local  
authorities to  
compost  
sewage and  
other  
substances.

**52.** (1) For the purposes of this section the term "local authority" means a City or Borough Council, a County Council, a Town Board, or a Road Board; and includes any other public body that is charged with the disposal of organic waste matter. 30

(2) It shall be lawful for any local authority or for two or more local authorities acting in combination, at the request of the Minister of Works, to manufacture compost, fertilizers, and other products from organic waste matter and to exercise any powers incidental thereto and, in particular,— 35

(a) To erect, install, and maintain works, machinery, equipment, and plant for the purposes of this section: 40

(b) To acquire land for the purposes of this section:

(c) To purchase and use any materials for the purposes of this section:

(d) To use the products upon land belonging to the local authority or any of the local authorities, or to dispose of the products in such quantities and in such manner and upon such conditions as may from time to time be approved in writing by the Minister of Works.

(3) Every local authority that exercises any powers under this section—

(a) Shall keep a separate account in respect of the undertaking, to which shall be credited all moneys received in connection with the undertaking and to which shall be debited all expenditure properly chargeable against the account:

(b) Shall prepare a statement showing its income and expenditure in respect of the undertaking for the financial year that ended on the preceding thirty-first day of March, and also a statement showing its assets and liabilities in respect of the undertaking as at the end of that financial year:

(c) Shall establish a renewal or depreciation fund in respect of the undertaking as if the undertaking were a trading undertaking within the meaning of Part XI of the Municipal Corporations Act, 1933, and the provisions of that Part shall, with any necessary modifications, apply accordingly, whether or not the local authority is a City or Borough Council.

(4) All expenditure incurred before the passing of this Act by the Dannevirke Borough Council or the Auckland City Council in connection with the utilization of organic waste matter and the disposal of products therefrom is hereby validated.

**53.** Section twenty-five of the Finance Act (No. 2), 1942, is hereby amended by adding the words “ or to extend any such fund or scheme established by it, whether by increasing contributions or subsidies or by permitting the entry of new contributors or beneficiaries ”.

1933, No. 30

Restricting extension of local authorities' superannuation schemes.

1942, No. 14

Provision for  
load control  
equipment by  
Electric-power  
Boards.

1936, No. 36

1946, No. 16

1947, No. 20

Authorizing  
expenditure by  
Victoria  
University  
College Council  
to celebrate  
jubilee.

**54.** For the purposes of section fifteen of the Finance Act (No. 2), 1936, and of section twenty-seven of the Finance Act, 1946, and of section three of the Electric-power Boards Amendment Act, 1947, the further reticulation of any rating area or district shall be deemed to include and to always have included the provision of load control equipment for the rating area or district. 5

**55.** The Victoria University College Council may expend out of the general fund of the College, during the year nineteen hundred and forty-nine, such sum or sums as it thinks fit, not exceeding in the aggregate one thousand pounds, for the purpose of fitly celebrating the fiftieth anniversary of the foundation of the College. 10

## PART IX

15

### MISCELLANEOUS

Member of  
Parliament not  
to be  
disqualified by  
reason of claim  
for  
compensation  
under Public  
Works Act,  
1928.

See Reprint  
of Statutes  
Vol. VI,  
pp. 446, 469

Ibid., Vol. VII,  
p. 645

**56.** The provisions of the Legislature Act, 1908, or of the Electoral Act, 1927, or of any other Act, as to the disqualification of members of the General Assembly or of candidates for election as members of Parliament shall not apply to any payment that may be received out of public moneys or any benefit that may be derived by James Joseph Maher, Esquire, member of Parliament, as a result of any award that may be made on the claim made by the said James Joseph Maher against the Minister of Works under Part III of the Public Works Act, 1928, and now pending, or as a result of any agreement of compromise of that claim. 20 25

Application to  
Cook Islands  
of State  
Advances  
Corporation  
Act, 1934-35,  
and Industrial  
and Provident  
Societies Act,  
1908.

1934-35, No. 42

See Reprint  
of Statutes,  
Vol. III,  
p. 1029

**57.** (1) The State Advances Corporation Act, 1934-35, shall apply to the Cook Islands in the same manner in all respects as if the Cook Islands were for all purposes part of New Zealand, and the term "New Zealand" as used in that Act shall, both in New Zealand and in the Cook Islands, be construed as including the Cook Islands accordingly. 30 35

(2) The Industrial and Provident Societies Act, 1908, shall extend to and be in force in the Cook Islands with the following modifications:—

(a) Every reference in that Act to a Magistrate's Court shall be read as a reference to the High Court of the Cook Islands: 40

(b) Offences punishable on summary conviction under that Act shall, if committed in the Cook Islands, be punishable by the High Court of the Cook Islands in the ordinary course of its criminal jurisdiction.

5

58. Whereas Wilfred Fosberrey Stilwell, Esquire, Deputy Judge of the Court of Arbitration (in this section referred to as the contributor), was at the time of his appointment as a Deputy Judge of that Court a contributor to the Government Superannuation Fund as a Magistrate under section seventy-two of the Superannuation Act, 1947: And whereas the office of Deputy Judge of the Court of Arbitration is not an office to which the Superannuation Act, 1947, is applicable, and it is desirable, for the purpose of preserving the superannuation rights of the contributor to the extent hereinafter provided for, that he should continue as hereinafter provided to be a contributor to the said Fund: Be it therefore enacted as follows:—

Preserving  
superannuation  
rights of  
W. F. Stilwell,  
Esquire,  
Deputy Judge  
of Court of  
Arbitration.  
1947, No. 57

(1) Notwithstanding that the Superannuation Act, 1947, does not apply to any Deputy Judge of the Court of Arbitration, the contributor shall, during the period hereinafter specified, continue to be a contributor to the Government Superannuation Fund under section seventy-two of that Act.

(2) The period referred to in the *last preceding* subsection means the period of five years ending on the eighteenth day of May, nineteen hundred and fifty-three, if the contributor continues for so long to hold office as a Deputy Judge or a Judge of the Court of Arbitration, and, in any other event, means the period for which he continues to hold office as aforesaid.

(3) During the period aforesaid the rate of the salary of the contributor for the purposes of section seventy-two of the Superannuation Act, 1947, shall be deemed to be the rate of the salary from time to time payable to a Magistrate.

(4) On the expiry of the said period of five years, if the contributor still holds office as a Deputy Judge or a Judge of the Court of Arbitration, his contributions to the Fund under section seventy-two of the Superannuation Act, 1947, in respect of that period of five years shall be refunded to him without interest.

(5) On the retirement of the contributor from his office as a Deputy Judge or a Judge of the Court of Arbitration at any time after the expiry of the said period of five years, he shall be entitled, in addition

to any retiring-allowance in respect of that office, to an annual retiring-allowance for the rest of his life computed as provided in section seventy-two of the Superannuation Act, 1947, by reference to the period of his contributory service as a Magistrate before the date of his appointment as Deputy Judge of the Court of Arbitration as if the salary received by him immediately before that appointment had been at the rate of one thousand two hundred and fifty pounds a year, and as if that period of contributory service had immediately preceded the date of his actual retirement. 5 10

(6) For the purposes of subsections seven and eight of section seventy-two of the Superannuation Act, 1947, the contributor shall be deemed to continue in office as a Magistrate so long as he continues in office as a Deputy Judge or a Judge of the Court of Arbitration. 15

Contracts of infants, being wives of persons receiving assistance under Part I of Rehabilitation Act, 1941. 1941, No. 25

**59.** Notwithstanding any enactment or rule of law to the contrary, in any case where financial or other assistance has, whether before or after the passing of this Act, been granted to any person under Part I of the Rehabilitation Act, 1941, any contract, deed, or other document relating to the assistance and executed by that person and by any infant being the wife of that person shall, if the infant executed the document with the prior approval of the Public Trustee, be as valid and effectual as if the infant at the time of executing the contract, deed, or other document had been a person of full age. 20 25