

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,
4th October, 1939.*

Hon. Mr. Nash.

FINANCE (No. 2).

ANALYSIS.

Title.	
1. Short Title.	
PART I.	
PUBLIC REVENUES AND LOANS.	
2. Tasman air service.	
3. State Coal-mines Sinking Fund. Repeal. Commencement.	
4. Authorizing payment of additional subsidies from Consolidated Fund into several Superannuation Funds. Repeal.	
5. Validating payment for shares in New Zealand Centennial Exhibition Co., Ltd.	
6. Retrospective operation of regulations as to payment of Naval Forces. Commencement.	
7. Validating payment out of Internal Marketing Account in respect of cheese not exported.	
8. Grants of licenses in respect of inventions, &c., to be subject to conveyance duty.	
9. Stamp duty payable on receipts not formally executed.	
10. Extending exemption from death duties of soldiers' estates.	
11. Temporary advances to Social Security Fund from Consolidated Fund.	
12. As to refunds to consumers of electricity in Gore of certain charges, and as to future charges.	
	PART II.
	WAR PENSIONS.
	13. Interpretation.
	14. Provision for pensions in event of death or disablement of members of New Zealand Forces.
	15. Claims for pensions to be dealt with by War Pensions Board.
	16. Appeals from decisions of Board.
	17. Economic pensions.
	18. In computing pension payable under this Part of this Act, income in nature of pension or retiring-allowance to be taken into account.
	19. References in other Acts to war pensions to include references to pensions under this Part of this Act.
	20. Repeal.
	PART III.
	NATIONAL PROVIDENT FUND.
	21. This Part to be read with National Provident Fund Act, 1926.
	22. Extension of definition of expression "permanent staff" in relation to hospitals.
	23. Section 11 of principal Act amended.
	24. Section 12 of principal Act amended.

25. Section 15 of principal Act amended.	39. Water-supply charges by local authority contributing to cost of Government water-supply works, &c.
26. Payments under section 19 of principal Act not to be taken into account in computing refunds of contributions. Repeal.	40. Authorizing local authorities to contribute to the Red Cross Centennial Fund.
27. Section 27 of principal Act amended.	41. Leave of absence on pay or part pay to employees of local authorities on naval, military, or air service.
28. Section 28 of principal Act amended.	
29. Section 34 of principal Act amended.	
30. Provision for retirement on pension of employees of local authorities before the retiring-age prescribed by pension-scheme.	
31. Married contributors may elect to accept reduced pensions in consideration of increased pensions to widows.	
32. Money payable to infant may be paid to other person on his behalf.	
33. Payments on account of deceased contributors without production of probate or letters of administration.	
34. Section 61 of principal Act amended.	
PART IV.	
LOCAL AUTHORITIES AND PUBLIC BODIES.	
35. Crown liability for special rates in respect of redemption loans.	
36. Payment of loan charges out of general fund not to affect Crown's liability for special rates, or to increase subsidy on general rates.	
37. Extending authority of Hospital Boards to borrow during financial year ended 31st March, 1939.	
38. Section 33 of the Finance Act, 1938, amended.	
	PART V.
	MISCELLANEOUS.
	42. Members of Parliament not disqualified by reason of being members of His Majesty's Forces. Repeals. Commencement.
	43. Disqualification provisions as to members of General Assembly not to apply to certain payments.
	44. Validating appointment of a former member of Parliament as a public servant.
	45. Providing for superannuation for the Naval Forces.
	46. Special superannuation rights of members of Naval Forces, Army, and Air Force.
	47. Altering dates for actuarial examinations of several superannuation funds. Repeal.
	48. Preserving superannuation rights of J. A. Gilmour, Esquire, S.M.
	49. Authorizing payment of portion of certain amounts deducted from superannuation allowance of John Stevenson, Esquire.
	50. Validating certain payments by Dunedin Savings-bank.
	51. Authorizing payment by New Plymouth Savings-bank to Mr. M. T. Phillips.

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), 1939.

PART I.

PUBLIC REVENUES AND LOANS.

2. (1) The Minister of Finance may from time to time, on behalf of His Majesty's Government in New Zealand, enter into agreements with His Majesty's Governments in the United Kingdom and in the Commonwealth of Australia and with any other persons with a view to the establishment and operation of an air transport service between New Zealand and Australia.

Tasman
air service.

(2) The Minister of Finance may from time to time, on behalf of His Majesty's Government in New Zealand, subscribe for or otherwise acquire shares in any company formed to carry on any such air transport service.

(3) The Minister of Finance may from time to time borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as may be required for the acquisition by him of shares in any such company. The sums so borrowed shall bear interest at such rate as the Minister prescribes. This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys hereby authorized to be borrowed may be borrowed under and subject to the provisions of that Act accordingly.

1932, No. 23

(4) Without affecting the authority conferred by the *last preceding* subsection, any payment required to be made by the Minister of Finance in respect of the acquisition of any such shares may be made without further authority than this section out of any balances in the Public Account, and payments so made shall be regarded as investments of such balances made under section thirty-nine of the Public Revenues Act, 1926.

See Reprint
of Statutes,
Vol. VII, p. 22

3. (1) So long as any loan-moneys raised for the purposes of Part III of the Coal-mines Act, 1925, or the corresponding provisions of any former Act, are outstanding, the following amounts shall in each

State Coal-
mines Sinking
Fund.
Ibid., Vol. V,
p. 922

financial year, without further appropriation than this section, be transferred to the Loans Redemption Account from the State Coal-mines Account out of net profits, namely:—

(a) The sum of five thousand pounds: 5

(b) A sum equal to two per centum of the total amount of loan-moneys raised between the commencement of this section and the end of the financial year (not including so much thereof as is redeemed at any time before the end of the financial year otherwise than in accordance with this section): 10

(c) A sum equal to four per centum of the total amount transferred under paragraphs (a) and (b) of this subsection between the commencement of this section and the beginning of the financial year, together with an amount computed at the rate of four per centum per annum of the amount transferred under those paragraphs during the financial year for the period between the date of the transfer thereof and the end of that year. 15 20

(2) All moneys transferred to the Loans Redemption Account under this section shall from time to time be applied by the Minister of Finance to the redemption at or before maturity of securities issued in connection with any loans raised for the purposes aforesaid. For the purposes of this section the transfer of any moneys to the Loans Redemption Account under this section shall be deemed to be the application of those moneys to the redemption of loans raised for the purposes aforesaid. 25 30

(3) If the profits shown in the general profit and loss account of the State Coal-mines Account in any financial year are insufficient to provide the amounts required to be transferred under this section in that year the deficiency shall be made good from, and shall be a first charge against, the reserve referred to in section one hundred and eighty-four of the Coal-mines Act, 1925, or if the reserve is insufficient shall be a first charge against the net profits of future years. 35 40

(4) This section is in substitution for section twenty-two of the Finance Act, 1928, and that section is hereby accordingly repealed. All moneys standing to the credit of the sinking fund account under that section at the passing of this Act shall, without further authority than this section, be transferred to the Loans Redemption Account.

Repeal.
See Reprint
of Statutes,
Vol. V, p. 942

(5) This section shall be deemed to have come into force on the first day of April, nineteen hundred and thirty-nine.

Commencement.

4. (1) During the financial year ending on the thirty-first day of March, nineteen hundred and forty, there shall, without further appropriation than this section, be paid out of the Consolidated Fund into the Public Service Superannuation Fund, the Teachers' Superannuation Fund, and the Government Railways Superannuation Fund respectively such amounts, not exceeding in the aggregate the sum of two hundred thousand pounds, as the Minister of Finance may from time to time direct.

Authorizing
payment of
additional
subsidies from
Consolidated
Fund into
several
Superannuation
Funds.

(2) The amounts payable under this section are in addition to any other moneys payable out of the Consolidated Fund into any of the said funds.

(3) Section nine of the Finance Act, 1938, is hereby repealed.

Repeal.
1938, No. 13

5. The payment made out of the Consolidated Fund during the year ended on the thirty-first day of March, nineteen hundred and thirty-nine, of the sum of twenty-five thousand pounds for shares in the New Zealand Centennial Exhibition Company, Limited, is hereby validated and declared to have been lawfully made.

Validating
payment for
shares in New
Zealand
Centennial
Exhibition
Co., Ltd.

6. (1) Any regulations under section twenty-five of the Naval Defence Act, 1913, in relation to the payment of the Naval Forces may be made so as to come into force on any date or dates specified in that behalf in the regulations, whether before or after the making of the regulations, but not before the commencement of this section:

Retrospective
operation of
regulations as
to payment of
Naval Forces.
See Reprint
of Statutes,
Vol. II, p. 651

Provided that no such regulations shall be made so as to reduce any pay or allowances for any period before the making of the regulations.

(2) This section shall be deemed to have come into force on the fifteenth day of February, nineteen hundred and thirty-nine.

Commencement.

- Validating payment out of Internal Marketing Account in respect of cheese not exported. 5
- 1937, No. 21 7. The payment made during the financial year ended on the thirty-first day of March, nineteen hundred and thirty-nine, out of the Internal Marketing Account of the sum of twenty-one hundredths of a penny a pound in respect of cheese that was manufactured from milk received during the year ended on the thirty-first day of July, nineteen hundred and thirty-eight, and was not exported is hereby validated and declared to have been lawfully made under section twelve of the Primary Products Marketing Amendment Act, 1937. 10
- Grants of licenses in respect of inventions, &c., to be subject to conveyance duty. 15
- See Reprint of Statutes, Vol. VII, p. 423; Vol. VI, p. 656. 8. For the purposes of Part IV of the Stamp Duties Act, 1923, every instrument whereby any person is granted any right, privilege, or license in relation to any invention, design, or trade-mark within the meaning of the Patents, Designs, and Trade-marks Act, 1921-22, or in relation to any work in respect of which copyright subsists, or in relation to any trade secret or secret process, shall be deemed to be an instrument of conveyance of that right, privilege, or license from the person by whom it is granted to the person to whom it is granted, and conveyance duty shall be charged and payable accordingly. 20
- Stamp duty payable on receipts not formally executed. 25
- Ibid., Vol. VII, p. 452 9. Section one hundred and seventy-seven of the Stamp Duties Act, 1923, is hereby amended by omitting the word "executed", and substituting the word "given". 35
- Extending exemption from death duties of soldiers' estates. 30
- Ibid., p. 394 10. Section eighty-four of the Death Duties Act, 1921, is hereby extended to apply to the estate of any person—
- (a) Who dies or has since the third day of September, nineteen hundred and thirty-nine, died while on active service with any of His Majesty's Naval, Military, or Air Forces, whether within New Zealand or elsewhere; or 35
- (b) Who dies or has since the day aforesaid died of wounds, accident, or disease suffered or contracted while serving with any of His Majesty's Naval, Military, or Air Forces, whether within New Zealand or elsewhere. 40
- Temporary advances to Social Security Fund from Consolidated Fund. 11. (1) In anticipation of the revenue and other moneys payable into the Social Security Fund, the Minister of Finance may from time to time, without further appropriation than this section, transfer to

that fund from the Consolidated Fund such amounts as may in his opinion be required for the purposes of the Social Security Fund.

5 (2) All amounts transferred under this section in any financial year shall, without further appropriation than this section, be retransferred from the Social Security Fund to the Consolidated Fund during that year.

10 12. Whereas the Southland Electric-power Board (hereinafter called the Board) entered into an agreement (hereinafter referred to as the agreement) with the Gore Borough Council (hereinafter called the Council) on the thirtieth day of March, nineteen hundred and twenty-seven, to purchase the Council's electric reticulation system and to supply electrical energy direct to the residents of the Borough of Gore upon the terms and conditions therein set out: And whereas the agreement contained a provision that, in the event of the Board agreeing with any other consumer of electrical energy for the supply thereof at a lower price than that payable under the scale set forth in the agreement, the Board would reduce the charges in respect of electrical energy to the consumers within the borough using a similar quantity of energy for similar purposes under reasonably like circumstances to the same rate as was being charged by the Board to such other consumer: And whereas the Board made deeds of agreement with the Mataura Borough Council, dated respectively the first day of 20 December, nineteen hundred and thirty-two, and the twenty-seventh day of April, nineteen hundred and thirty-three, and it was contended that by reason of provisions in those deeds the Board was bound to reduce the prices for electrical energy used by consumers in the Borough of Gore: And whereas the Board and the 35 Council agreed on the nineteenth day of September, nineteen hundred and thirty-six, to refer to an arbitrator the determination of certain questions arising between them: And whereas prior to the arbitration the Southland Electric-power District was abolished and the Board dissolved pursuant to the provisions of section eight of the Southland Electric-power Supply Act, 1936, and all the rights, liabilities, and engagements of the Board became the rights, liabilities, and 45 engagements of the Crown: And whereas the arbitrator in the matter of the arbitration between the Council and

As to refunds to consumers of electricity in Gore of certain charges, and as to future charges.

the Minister (as successor to the Board) held that the Minister was bound for a term of fifteen years commencing on the first day of December, nineteen hundred and thirty-two, or during such shorter term as the provisions of the Mataura contract might remain in force, not to charge any consumer in the Borough of Gore for any quantity of electrical energy used in the Borough more than prices specified in the Mataura contract: And whereas there is still doubt as to the extent to which the Council is entitled to take advantage of the lower charges under the Mataura contract: And whereas it has been mutually agreed between the Council and the Minister that the Minister shall refund to the Gore Borough consumers three-fourths of the amounts computed to be due under the award: And whereas public notice was twice duly given in a newspaper circulating in the district to the Gore Borough consumers to make application for such refunds prior to the thirty-first day of March, nineteen hundred and thirty-nine: And whereas certain refunds have already been made, and it is desirable to validate those refunds and to authorize further refunds to be made: And whereas consumers in the Borough of Gore have since the thirty-first day of December, nineteen hundred and thirty-seven, been charged for electrical energy partly in accordance with the charges under the Mataura contract and partly in accordance with the Gore tariff, and it is desirable to preserve the rights of the present consumers: Be it therefore enacted as follows:—

(1) Subject to the provisions of this section, the Minister shall, from moneys appropriated by Parliament for the purposes of the Electric Supply Account, refund an amount to be determined as hereinafter mentioned to every person who during the period beginning on the first day of December, nineteen hundred and thirty-two, and ending on the thirty-first day of December, nineteen hundred and thirty-seven, was a consumer of electrical energy in the Borough of Gore and who is entitled to a refund under the said award and the agreement. All refunds made under this section shall be deemed to be expenditure upon working-expenses of the South Island schemes.

(2) The refunds made under this section shall be deemed to be in full settlement of all the liabilities of the Minister (as successor to the Board) to make refunds under the award and the agreement.

(3) No refund shall be made under this section unless an application therefor by the consumer or any other person entitled to claim the refund was received at the office of the Minister at Invercargill or at Gore
5 on or before the thirty-first day of March, nineteen hundred and thirty-nine:

Provided that the Minister may make a refund under this section in respect of any claim received after that date if he is of opinion that there was good reason for
10 omitting to make the claim on or before that date and that the claim has been made within a reasonable time after that date.

(4) Any refund under this section may be made to the consumer or to any other person entitled to claim
15 the refund. The determination of the Minister as to the amount of any refund and as to the person to whom it is to be made shall be final and conclusive.

(5) In arriving at the amount of the refund to be paid to or in respect of any consumer, the Minister
20 shall take into account the difference between the amount actually paid by the consumer during the period referred to in subsection *one* of this section for electrical energy and the amount that the consumer would have paid had he made the payments on the basis set out
25 in the award; and the amount of the refund shall be three-fourths of that difference.

(6) All payments made by the Minister before the passing of this Act and purporting to be refunds of moneys due under the award and the agreement shall
30 be as valid and effectual as if they had been made pursuant to this section, and accordingly shall, where necessary, be deemed to have been so made.

(7) Any consumer of electrical energy in the Borough of Gore other than a new consumer as herein-
35 after defined may continue until the first day of December, nineteen hundred and forty-seven, to use and pay for electrical energy at the prices being paid by him at the passing of this Act—that is to say, partly at the rates fixed by the Gore tariff as modified by the
40 deeds between the Board and the Mataura Borough Council hereinbefore referred to, and partly at the rates fixed by the Southland tariff in force on the twenty-third day of February, nineteen hundred and thirty-nine.

(8) Any consumer of electrical energy in the Borough of Gore other than a new consumer may at
45 any time after the passing of this Act elect to adopt

in its entirety either the Southland tariff or the Gore tariff, and any consumer who elects to adopt the Gore tariff may subsequently elect to adopt the Southland tariff. If any such consumer does not elect to adopt the Gore tariff before the first day of December, nineteen hundred and forty-seven, he shall be deemed to have elected to adopt the Southland tariff. 5

(9) Any new consumer may elect to adopt in its entirety either the Southland tariff or the Gore tariff, but it is hereby declared that no new consumer shall be entitled or be deemed to have at any time heretofore been entitled to select parts of the one tariff, and parts of the other tariff. Any new consumer who has elected or hereafter elects to adopt the Gore tariff may subsequently elect to adopt the Southland tariff. 10 15

(10) When a consumer of electrical energy has elected or is deemed to have elected to adopt the Southland tariff under either of the last *two preceding* subsections he may not at any time thereafter change to the Gore tariff or, if he is not a new consumer, revert to the prices being paid by him at the passing of this Act. 20

(11) In this section, unless the context otherwise requires,—

“Gore tariff” means the terms and conditions of retail supply of electrical energy and the retail prices and minimum charges for electrical energy in operation in the Borough of Gore on the twenty-ninth day of March, nineteen hundred and twenty-seven: 25 30

“Minister” means the Minister of Public Works:

“New consumer” means a consumer of electrical energy in the Borough of Gore who was connected to the Minister’s supply of electrical energy for the first time after the thirty-first day of March, nineteen hundred and thirty-nine, and includes every consumer in so far as he is a consumer in respect of premises situated in the borough and connected to the Minister’s supply for the first time after that date: 35 40

“Southland tariff” means the terms and conditions of retail supply of electrical energy and the retail prices and minimum charges for electrical energy from time to time in operation under the Minister’s Southland 45

5 Electric-power Supply Scheme; but does not include any special terms and conditions, retail prices, or minimum charges which may be applicable in the Borough of Gore or in the Borough of Maitua, or which for any special reason may, after the passing of this Act, be made applicable to any other particular part of the Southland Electric-power District.

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PART II.

WAR PENSIONS.

13. For the purposes of this Part of this Act— Interpretation.

“Dependant” in relation to a member of the Forces means—

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(a) His wife by a marriage subsisting at the date of his death or disablement:

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(b) His wife by a marriage taking place within the period of two years immediately succeeding the date of his disablement if the War Pensions Board is satisfied either that at the date of his disablement there was a binding contract to marry subsisting between the parties to the marriage, or that the wife is the mother of a child born to the member before or within ten months after the date of his disablement and that such child was living at the date of the marriage:

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(c) Any child of a member whether born before or after the date of his death or disablement and being the issue of a marriage to which paragraph (a) or paragraph (b) hereof relates or any stepchild by virtue of such a marriage:

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(d) Any illegitimate child of a member born before or within ten months after the date of his death or disablement:

(e) Any child adopted by a member before the date of his death or disablement:

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(f) Any other person, standing to the member in the relationship of father, mother, step-father, step-mother, grandfather, grandmother, grandson, granddaughter, brother,

sister, half-brother, half-sister, or mother-in-law, who was in fact wholly or in part dependent upon him at any time within the period of twelve months immediately preceding the date of his death or disablement:

“ Member of the Forces ” means a member of the New Zealand Army, or of the New Zealand Naval Forces, or of the Royal New Zealand Air Force:

“ War Pensions Board ” means the War Pensions Board established under the War Pensions Act, 1915:

“ War Pensions Appeal Board ” means the War Pensions Appeal Board established under the War Pensions Amendment Act, 1923:

“ Wife ”, in relation to a member of the Forces, includes the widow of a deceased member of the Forces.

See Reprint
of Statutes,
Vol. VI, p. 796

Ibid., p. 821

Provision for
pensions in
event of death
or disablement
of members of
New Zealand
Forces.

14. (1) In the event of the death of any member of the Forces (whether before or after the passing of this Act), by enemy action or by misadventure suffered in the performance of his duties, there may, out of moneys appropriated by Parliament for the purpose, be paid to or on behalf of his dependants, a pension or pensions computed at the rates that would be payable if he had been a member of the Forces within the meaning of the War Pensions Act, 1915, and if his death had been due to service with those Forces.

(2) In the event of the disablement of any member of the Forces (whether before or after the passing of this Act), by enemy action or by reason of misadventure suffered in the performance of his duties, there may, out of moneys appropriated by Parliament for the purpose, be paid to that member and to or on behalf of his dependants a pension or pensions computed at the rates that would be payable if he had been a member of the Forces within the meaning of the War Pensions Act, 1915, and if his disablement had been due to service with those Forces.

(3) Nothing in this Part of this Act shall be construed to confer on any person a right to receive a pension thereunder in respect of the death or disablement of any member of the Forces within the meaning

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of the War Pensions Act, 1915, if the death or disablement of that member resulted from his service with those Forces.

5 **15.** (1) All claims for pensions under this Part of this Act shall be made to the Secretary for War Pensions, and shall be referred by him to the War Pensions Board, and that Board shall, with respect to any such claim, have the same powers as if the claim were a claim under the War Pensions Act, 1915.

Claims for pensions to be dealt with by War Pensions Board.

10 (2) The date from which all pensions granted under this Part of this Act shall commence shall be decided by the War Pensions Board.

15 **16.** (1) There shall be a right of appeal to the War Pensions Appeal Board from decisions of the War Pensions Board given under this Part of this Act in so far as they consist of—

Appeals from decisions of Board.

20 (a) The rejection of any claim for a pension on the ground that the death or disablement of the member of the Forces in respect of whose death or disablement the claim is made was not due to enemy action or to misadventure in the performance of his duties; and

25 (b) The assessment of a pension granted to any member of the Forces in so far as the assessment is based on medical grounds.

(2) On any such appeal the Appeal Board may confirm the decision of the War Pensions Board or may grant a pension or increase or reduce the amount of any pension.

30 **17.** (1) The War Pensions Board may in its discretion, but subject to the provisions of this section, grant an economic pension to any member of the Forces or to any person in respect of any member of the Forces.

Economic pensions.

35 (2) An economic pension shall not be granted under this section to any member of the Forces or to any other person unless, if the services of the member had been with the Forces within the meaning of the War Pensions Act, 1915, an economic pension could
40 have been granted in accordance with that Act and its amendments.

45 (3) No economic pension shall be granted under this section at a rate exceeding the rate of the economic pension that would in like circumstances be granted under the War Pensions Act, 1915, and its amendments.

In computing pension payable under this Part of this Act, income in nature of pension or retiring-allowance to be taken into account.

18. In determining the rate of any pension under this Part of this Act the War Pensions Board shall take into consideration any amount paid by way of pension, retiring-allowance, compensation, or compassionate allowance out of the Public Account or out of any Government superannuation fund in respect of the death or disablement of the person in respect of whose death or disablement the claim for a pension is made. 5

References in other Acts to war pensions to include references to pensions under this Part of this Act.

19. Unless in any case the context otherwise requires, references in any other Act to pensions under the War Pensions Act, 1915, or to persons in receipt of any such pension shall be deemed to include a reference to a pension granted under this Part of this Act or a reference to a person in receipt of any such pension, as the case may require. 10 15

Repeal.

20. Section thirty-four of the Finance Act, 1926, is hereby repealed.

PART III.

NATIONAL PROVIDENT FUND.

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

21. 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).

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

Extension of definition of expression "permanent staff" in relation to hospitals.

22. In addition to the classes of persons who are included in the definition of the expression "permanent staff", in relation to a hospital, in section two of the principal Act, the said expression shall, subject to the approval in every case of the National Provident Fund Board, be deemed to include any other person who is for the time being employed by a Hospital Board (whether or not the employment is part of a prescribed course of training). 25 30

Section 11 of principal Act amended.

23. Section eleven of the principal Act is hereby amended by omitting from the proviso to subsection two the words "five years", and substituting the words "three years". 35

Section 12 of principal Act amended.

24. Section twelve of the principal Act is hereby amended by adding the following subsection:—

"(3) If a person who ceases to be a contributor so desires, the amount payable to him under the last preceding subsection shall, if he at any time before receiving that amount becomes liable for contributions under any of the provisions of this Act, be accepted as payment in advance of future contributions payable by him, or may, in the discretion of the Board and on 40 45

such conditions as the Board determines, be accepted as payment in advance of contributions, or in respect of the payment of contributions in arrears or of fines due from and payable by any other person, notwithstanding that in any such case the period of twelve months referred to in the said subsection may not have elapsed."

25. Section fifteen of the principal Act is hereby amended by adding to subsection five thereof the words " or (in either case) to some other person or persons, to be expended on behalf of the said widow or children, or any of them, in such manner as the Board directs "

Section 15 of principal Act amended.

26. (1) In computing the amount to be paid by way of a refund of contributions, pursuant to any of the provisions of the principal Act, to any contributor to the Fund or to the personal representatives or to any other person or authority in respect of any contributor or deceased contributor, no account shall be taken of any benefits theretofore received by the contributor under section nineteen of that Act or under the corresponding provisions of any former Act.

Payments under section 19 of principal Act not to be taken into account in computing refunds of contributions.

(2) For the purposes of this section the term " contributor " includes any person in respect of whom any local authority or any other body or person is a contributor to the Fund.

(3) Section twenty of the principal Act is hereby repealed.

Repeal.

27. Section twenty-seven of the principal Act is hereby amended by repealing subsection one, and substituting the following subsection:—

Section 27 of principal Act amended.

"(1) The local authority shall from time to time deduct from the wages or salary of each person in respect of whom it is a contributor to the Fund as provided by this Act, as such wages or salary becomes due or payable, such proportion thereof as is agreed upon between the Board and the local authority in respect of that person."

28. Section twenty-eight of the principal Act is hereby amended by inserting, after the words " eighteen months " where those words occur in subsection three and in subsection four, the words " or such further period as the Board may allow or determine "

Section 28 of principal Act amended.

29. (1) Subsection one of section thirty-four of the principal Act is hereby amended by inserting, after the words " by special resolution ", the words " with the

Section 34 of principal Act amended.

consent of the Board", and by inserting, after the words "a reduced or increased rate of pension", the words "or a minimum rate of pension".

(2) Subsection one of the said section thirty-four is hereby further amended by omitting from the proviso the words "such consent", and substituting the words "the consent of the Board or of the persons concerned".

Provision for retirement on pension of employees of local authorities before the retiring-age prescribed by pension-scheme.

See Reprint of Statutes, Vol. VI, p. 73

Married contributors may elect to accept reduced pensions in consideration of increased pensions to widows.

30. Section two of the National Provident Fund Amendment Act, 1931, is hereby amended by adding the following subsection:—

"(5) Where by the terms and conditions of a pension-scheme provision is made for the payment of pensions on the retirement from the service of a local authority of its employees or any of them on their attaining a specified age, the Board, on application by the local authority, may amend the scheme so as to provide for the payment of a reduced pension to any person who retires from the service of the local authority at any time within five years before he has attained the specified age."

31. (1) In this section the term "contributor" means a person on whose behalf any local authority or any other body or person is a contributor to the Fund.

(2) Any married contributor within the meaning of this section may, before accepting any instalment of his pension, elect in the prescribed form and manner that his right to a pension computed otherwise than in accordance with this section shall be determined and in lieu thereof:—

(a) That he and his wife shall on his retirement be jointly entitled to a pension of such amount and subject to such conditions as the Board may determine, to continue in force until the death of the survivor; or

(b) In the alternative, that the contributor on his retirement shall be entitled to a pension of such amount as the Board may determine (being less than the amount to which he would be entitled if he had not made an election under this section) and that on his death his widow shall be entitled during her lifetime to a pension of such amount and subject to such conditions as the Board may determine.

(3) Before any election under this section is considered by the Board, the Board shall obtain such medical evidence with respect to the contributor as may be prescribed.

5 (4) No pension shall be granted under this section to a contributor and his wife, or to a contributor or his widow, in excess of an amount to be actuarially computed in accordance with regulations in that behalf.

10 (5) Any pension granted to a widow pursuant to this section shall be in addition to any allowance to which she would otherwise be entitled under the principal Act.

(6) For the purposes of this section the wife or widow of a contributor does not include any woman other than the wife of the contributor as on the date
15 of his election.

(7) Every election made by a contributor in accordance with this section shall, on acceptance by the Board, be final.

20 **32.** (1) Where, pursuant to any of the provisions of the principal Act or of any pension-scheme established thereunder, any moneys are payable to an infant, such moneys may be paid either to the infant or, subject to such terms and conditions as the Board may determine, to any other person to be expended on
25 behalf of the infant.

(2) Any receipt given by an infant or any other person for moneys paid under the authority of this section shall be a good discharge to the Board.

30 **33.** (1) Where the amount standing to the credit of a contributor to the Fund at the time of his death does not exceed *two hundred* pounds, and probate of the will of such contributor or letters of administration of his estate is or are not produced within such time as
35 the Board thinks reasonable, the Board may, in its discretion, without requiring probate or letters of administration, pay the amount or any part thereof to any of the persons following, that is to say:—

(a) Any person who has paid the funeral expenses
40 of the contributor:

(b) The widow or widower of the contributor:

(c) The persons entitled to the estate of the contributor under the statutes of distribution:

Money payable to infant may be paid to other person on his behalf.

Payments on account of deceased contributors without production of probate or letters of administration. Cf. 1928, No. 12, s. 88; see Reprint of Statutes, Vol. VI, p. 888

(d) Any person undertaking to maintain the children of the contributor:

(e) Any person entitled to take out probate or letters of administration:

(f) The Public Trustee or the Native Trustee. 5

(2) In making any payment as aforesaid the Board shall have regard to the rules of law regulating the distribution of the estates of persons dying intestate, but it may nevertheless, if it considers that injustice or undue hardship would result from the observance of those rules, make such payment otherwise than in accordance therewith. 10

(3) All payments made pursuant to this section shall be valid as against all persons, and no liability shall attach to the Board or to the Government of New Zealand in respect of any such payment. 15

(4) Before making any payment under this section the Board may require the production of satisfactory proof of the death of the contributor.

(5) For the purposes of this section the term "contributor" includes any person in respect of whom a local authority or any other body or person is a contributor to the Fund. 20

Section 61
of principal
Act amended.

34. Section sixty-one of the principal Act is hereby amended as follows:— 25

(a) By omitting from subsection one the words "for a longer period than two years at any one time, or":

(b) By omitting from the same subsection the first proviso, and substituting the following proviso:— 30

"Provided that the Board may, in any special case, extend the period for which a contributor may be absent from New Zealand without being disqualified from receiving any benefit under this Act": 35

(c) By inserting, after the word "duties" in the second proviso, the words "as a member of any of the Naval, Military, or Air Forces of His Majesty raised in New Zealand, or". 40

PART IV.

LOCAL AUTHORITIES AND PUBLIC BODIES.

35. (1) Where a local authority has, whether before
or after the passing of this Act, made a special rate
5 to secure the repayment of moneys borrowed for the
purpose of repaying the whole or any part of any
special loan, the Crown shall be liable for payment of
that rate to the same extent as but not to any greater
extent than, if the special loan had not been repaid, the
Crown would have been liable for any special rate made
or levied to secure the repayment of that loan. If
any dispute arises as to the extent to which the Crown
is liable for the payment of any special rate by virtue
15 of this section it shall be determined by the Controller
and Auditor-General, and his decision shall be final
and conclusive.

(2) This section shall apply with respect to rates
for the year ending on the thirty-first day of March,
20 nineteen hundred and forty, and for every subsequent
year.

(3) Nothing in this section shall be construed to
limit the liability of the Crown for the payment of any
rates in accordance with the provisions in that behalf
25 of section one hundred and twenty-three of the Local
Bodies' Loans Act, 1926, or of any other enactment.

36. (1) Nothing in section twenty-two of the Local
Bodies' Loans Act, 1926, or in any resolution or special
order made under that section shall affect the liability
30 of the Crown for the payment of any special rates.

(2) For the purpose of computing the amount of
any subsidy in respect of general rates payable to
any local authority under section nine of the
Appropriation Act, 1916, or section seventy-one of
35 the Municipal Corporations Act, 1933, or any other
enactment, there shall be deducted from the amount
of its general rates levied for any year all amounts
paid by the local authority out of its general fund
in that year pursuant to section twenty-two of the
40 Local Bodies' Loans Act, 1926.

(3) This section shall apply with respect to rates
for the year ending on the thirty-first day of March,
nineteen hundred and forty, and for every subsequent
year.

Crown liability
for special rates
in respect of
redemption
loans.

See Reprint
of Statutes,
Vol. V, p. 409

Payment of
loan charges
out of general
fund not to
affect Crown's
liability for
special rates, or
to increase
subsidy on
general rates.

Ibid.,
pp. 371, 427
1933, No. 30

Extending authority of Hospital Boards to borrow during financial year ended 31st March, 1939.

See Reprint of Statutes, Vol. III, p. 748

37. It shall be deemed to have been lawful for any Hospital Board to have borrowed by way of bank overdraft during the year ended the thirty-first day of March, nineteen hundred and thirty-nine, an amount approved by the Minister of Health in that year in excess of that authorized by section sixty of the Hospitals and Charitable Institutions Act, 1926, to the extent of one-fourth of the estimated contributions payable to the Board by contributory local authorities during that year together with one-fourth of the estimated amount receivable by way of subsidy on such contributions.

Section 33 of the Finance Act, 1938, amended.

1938, No. 13

38. (1) Section thirty-three of the Finance Act, 1938, is hereby amended by repealing subsection four, and substituting the following subsection:—

“(4) Where the moneys to be paid by any local authority under any agreement entered into under this section are not all to be payable within the financial year in which the agreement is entered into, those moneys, or so much thereof as consists of principal or the capital value of any instalments, shall, for the purposes of the Local Government Loans Board Act, 1926, be deemed to be moneys borrowed by the local authority for the purpose of meeting a liability to which section twelve of that Act applies.”

See Reprint of Statutes, Vol. V, p. 415

(2) Every agreement entered into between a local authority and the Minister of Public Works before the passing of the Finance Act, 1938, that by virtue of section thirty-three of that Act would have been lawful if that section had been in force when the agreement was entered into shall be deemed to have been validly and lawfully entered into under that section.

Water-supply charges by local authority contributing to cost of Government water-supply works, &c.

1938, No. 13

39. (1) In this section, unless the context otherwise requires,—

“Local authority” has the same meaning as in section thirty-three of the Finance Act, 1938:

“Water-supply agreement” means an agreement entered into between a local authority and the Minister of Public Works under section thirty-three of the Finance Act, 1938, in respect of any water-supply works; and includes any such agreement validated by subsection *two* of the *last preceding* section:

“Water-supply charge” means a charge imposed by a local authority under this section.

(2) Subject to the provisions of this section, any local authority that has entered into a water-supply agreement may from time to time impose and levy on all lands in its district, or in such portion of its district as may be specified in that behalf by the local authority, a water-supply charge for the purpose of paying any moneys due by it under the agreement and of providing for the costs of recovering the charge.

(3) A water-supply charge shall be at such rate or rates as may be prescribed in that behalf by by-laws made by the local authority:

Provided that the total amount payable in respect of the charge in any one financial year shall not exceed by more than ten per centum the amount payable by the local authority under the water-supply agreement during that year.

(4) All moneys received by the local authority in respect of any water-supply charge shall be paid by it into a separate account, and shall be applied for the purposes hereinbefore mentioned.

(5) All land which by reason of its altitude is incapable of deriving any possible benefit from any water-supply works or which is adequately supplied with water from streams, springs, or water-races not forming part of any water-supply works shall be exempt from any water-supply charge in respect of those works.

(6) If any dispute arises between a local authority and an occupier of any land as to whether the land is exempted from a water-supply charge by the *last preceding* subsection the dispute shall be referred to arbitration under the Arbitration Act, 1908, and the reference shall be to two arbitrators, one to be appointed by each party to the dispute, unless the parties agree to submit the matters in dispute to a single arbitrator.

(7) The power conferred on any local authority to make by-laws is hereby extended so as to authorize the local authority from time to time to make such by-laws as may be deemed by it to be necessary or

See Reprint
of Statutes,
Vol. I, p. 346

expedient for the purposes of this section, and in particular, without limiting the general power hereby conferred, for all or any of the following purposes:—

(a) Prescribing the rate or rates of water-supply charges: 5

(b) Prescribing the time or times when any water-supply charge shall be payable:

(c) Prescribing the manner in which a water-supply charge shall be assessed:

(d) Making provision for the cutting-off of water in the event of default being made in payment of a water-supply charge. 10

(8) Without limiting the powers conferred on a local authority by the *last preceding* subsection it is hereby declared that by-laws made under that subsection may provide for the assessment of a water-supply charge at a uniform rate or at a rate according to the quantity of water supplied or according to the extent of the benefit received or likely to be received from the water-supply. 15 20

(9) Every water-supply charge shall be deemed to be a separate rate, and the provisions of the Rating Act, 1925, shall, with the necessary modifications, and except to the extent to which they are inconsistent with this section or with by-laws made thereunder, apply to every water-supply charge accordingly. 25

(10) A local authority that proposes to impose a water-supply charge shall give notice in writing to that effect to the Minister of Public Works, and on the giving of any such notice the provisions of subsection six of section thirty-three of the Finance Act, 1938, shall have no application to that local authority. 30

40. (1) Any local authority or public body may from time to time contribute any sum or sums of money to the Red Cross Centennial Fund sponsored by the New Zealand Red Cross Society, Incorporated. 35

(2) All contributions made to the said Fund before the passing of this Act that by virtue of this section would have been valid if this Act had been in force when they were made shall be deemed to have been validly and lawfully made. 40

See Reprint
of Statutes,
Vol. VII,
p. 977

Authorizing
local authorities
to contribute
to the Red
Cross
Centennial
Fund.

41. (1) For the purposes of this section the term "local authority" has the same meaning as in Part XIV of the Public Revenues Act, 1926.

5 (2) Any local authority may grant leave of absence to any of its employees for the purpose of serving in any of His Majesty's Naval, Military, or Air Forces, whether within New Zealand or elsewhere, and may, during such leave of absence, pay to every such employee or to his order the whole or any part of the
10 salary or wages of that employee, at the rate at which he was employed at the commencement of his leave of absence.

Leave of absence on pay or part pay to employees of local authorities on naval, military, or air service.
See Reprint of Statutes, Vol. VII, p. 56

PART V.

MISCELLANEOUS.

15 42. (1) Notwithstanding anything to the contrary in the Legislature Act, 1908, or in the Electoral Act, 1927, the seat of a member of the Legislative Council or of the House of Representatives shall not become vacant, nor shall any person be incapable of appointment to
20 the Legislative Council or of election to the House of Representatives, by reason of his being a member of any of His Majesty's Naval, Military, or Air Forces or by reason of his receipt of pay as such member.

Members of Parliament not disqualified by reason of being members of His Majesty's Forces.

25 (2) No person shall, by reason of his being a member of any of His Majesty's Forces, be deemed to be a Civil servant or a public servant or a contractor within the meaning of either of the Acts referred to in the *last preceding* subsection, notwithstanding the receipt by him of pay as such member of His Majesty's
30 Forces.

Ibid., Vol. VI, pp. 446, 469

(3) The foregoing provisions of this section shall not apply with respect to any person who receives an annual or permanent salary as a member of any of His Majesty's Forces.

35 (4) The Suspension of Disqualification During War Act, 1915, and section sixteen of the Electoral Act, 1927, are hereby repealed.

Repeals.
Ibid., pp. 468, 479

(5) This section shall be deemed to have come into force on the third day of September, nineteen hundred
40 and thirty-nine.

Commencement.

- Disqualification provisions as to members of General Assembly not to apply to certain payments. See Reprint of Statutes, Vol. VI, p. 469
- Validating appointment of a former member of Parliament as a public servant. Ibid., p. 480
- Providing for superannuation for the Naval Forces. Ibid., Vol. VII, p. 559
- Special superannuation rights of members of Naval Forces, Army, and Air Force. Ibid., p. 559
- 43.** The provisions of the Electoral Act, 1927, or any other Act, as to the disqualification of members of the General Assembly, shall not apply with respect to any payment that has been received by Joseph Hodgens, Esquire, out of public moneys in respect of his visit to Australia during the year nineteen hundred and thirty-nine for special work in connection with the employment of artisans. 5
- 44.** (1) Nothing in section twenty-one of the Electoral Act, 1927, shall apply with respect to the appointment as a public servant of Clifford Lorrie Hunter, Esquire. 10
- (2) This section shall be deemed to have come into force on the sixth day of March, nineteen hundred and thirty-nine. 15
- 45.** (1) The Governor-General may from time to time, by Order in Council, declare that the provisions of Part I of the Public Service Superannuation Act, 1927, with such modifications as he shall think fit, shall apply to any specified class or classes of members of the Naval Forces. 20
- (2) Any such Order in Council may be at any time revoked or amended by a subsequent Order in Council. Every Order in Council under this section shall have effect according to its tenor. 25
- 46.** (1) The Governor-General may from time to time, by Order in Council, declare that all members of the Naval Forces and of the Army and of the Royal New Zealand Air Force who are contributors to the Public Service Superannuation Fund, or any specified classes of such contributors, whose length of service is not less than such period as may be prescribed in the Order (being not less than twenty years), shall, after their lawful retirement from the Public Service, be entitled to receive from the Fund annual retiring-allowances for the rest of their lives computed in the manner prescribed by Part I of the Public Service Superannuation Act, 1927, notwithstanding that they may not have attained the age or have had the length of service which would entitle them in accordance with the terms of that Part to a retiring-allowance. Any such Order in Council may prescribe different periods of service in respect of different classes of contributors. 30 35 40

(2) Upon the retirement of any contributor to whom an Order in Council under the *last preceding* subsection applies there shall, without further appropriation than this section, be paid out of the Consolidated Fund into
 5 the Public Service Superannuation Fund such amount as may be certified by the Government Actuary to be the actuarial equivalent of the extra burden imposed upon the Superannuation Fund in respect of that contributor's retiring-allowance by the operation of
 10 the Order in Council.

(3) The Governor-General may from time to time, by Order in Council, declare that any member of the Naval Forces or of the Army or of the Royal New Zealand Air Force who is for the time being a
 15 contributor to the Public Service Superannuation Fund and who before he became a contributor was a member of any of His Majesty's Forces, may, subject to the prior approval of the Minister of Finance, pay into the Fund any sum prescribed by the Order in Council,
 20 and that on making such payment the contributor shall be deemed for the purpose of section twenty-six of the Public Service Superannuation Act, 1927, to have been a contributor to the Fund, prior to the date when he became such a contributor, for a period calculated in
 25 a manner to be prescribed by the Order in Council. Any such Order in Council may be general or may be limited to any specified class or classes of contributors and may make different provisions in respect of different classes of contributors.

See Reprint
of Statutes,
Vol. VII, p. 570

(4) Any Order in Council under this section may be at any time revoked or amended by a subsequent Order in Council. Every Order in Council under this section shall have effect according to its tenor.

47. (1) Section forty-nine of the Public Service
 35 Superannuation Act, 1927, is hereby amended by repealing subsection one, as set out in subsection one of section twenty-four of the Finance Act (No. 2), 1935, and substituting the following subsection:—

Altering dates
for actuarial
examinations
of several
superannuation
funds.

40 “(1) For the period of five years ended on the thirty-first day of March, nineteen hundred and thirty-nine, and for each successive period thereafter of such

Ibid., p. 579
1935, No. 41

duration, not exceeding five years, as the Governor-General determines in each case, an examination of the Fund shall be made by an actuary appointed for that purpose by the Governor-General."

See Reprint
of Statutes,
Vol. VII, p. 607

(2) Section one hundred and eleven of the Public Service Superannuation Act, 1927, is hereby amended by repealing subsection one, as set out in subsection two of section twenty-four of the Finance Act (No. 2), 1935, and substituting the following subsection:—

"(1) For the period of five years ended on the thirty-first day of January, nineteen hundred and thirty-nine, and for each successive period thereafter of such duration, not exceeding five years, as the Governor-General determines in each case, an examination of the Fund shall be made by an actuary appointed for that purpose by the Governor-General."

1935, No. 41

(3) Section twenty-five of the Finance Act (No. 2), 1935, is hereby amended by omitting the words "For the period ending on the thirty-first day of March, nineteen hundred and thirty-four, and for each triennial period thereafter", and substituting the words "For the period of five years ended on the thirty-first day of March, nineteen hundred and thirty-nine, and for each successive period thereafter of such duration, not exceeding five years, as the Governor-General determines in each case."

Repeal.

(4) Section twenty-four of the Finance Act (No. 2), 1935, is hereby repealed.

Preserving
superannuation
rights of
J. A. Gilmour,
Esquire, S.M.
See Reprint
of Statutes,
Vol. VII,
pp. 615, 584

48. James Alexander Gilmour, Esquire, who, on his appointment as a Stipendiary Magistrate, inadvertently omitted to make an election as hereinafter provided within the time prescribed in that behalf by section thirty-nine of the Finance Act, 1929, may, within one month after the passing of this Act, by notice in writing to the Secretary of the Public Service Superannuation Board, elect to remain a contributor to the Public Service Superannuation Fund, and if he duly makes such an election nothing in section sixty-three of the Public Service Superannuation Act, 1927, shall apply or be deemed to have at any time applied to him, and he shall be deemed to have continuously been a contributor to the aforesaid Fund.

49. There shall, without further appropriation than this section, be paid to John Stevenson, Esquire, of Blenheim, retired Commissioner of Crown Lands, out of the Public Service Superannuation Fund, the
- 5 sum of one hundred and fifty pounds, being a portion of the amounts that during the period of two years ended on the thirty-first day of March, nineteen hundred and thirty-nine, were pursuant to section thirty-three of the Public Service Superannuation Act,
- 10 1927, deducted from his retiring-allowance by reason of the remuneration received by him during that period for his services as Chairman of the Marlborough Adjustment Commission.
50. The payments made during the financial year
- 15 ending on the thirty-first day of March, nineteen hundred and forty, by the trustees of the Dunedin Savings-bank of the following sums out of the profits of the bank are hereby validated and declared to have been lawfully made, namely:—
- 20 (a) Two hundred and fifty pounds to the Dunedin Returned Soldiers' Association, Incorporated, for the erection of headstones on non-war graves in the Soldiers' Plot in the Anderson's Bay Cemetery:
- 25 (b) Two hundred and fifty pounds to the Otago Early Settlers' Association, for repairs to the buildings of the Association.
51. The trustees of the New Plymouth Savings-bank may pay to Mr. Moses Taylor Phillips out of the
- 30 profits of the bank the sum of three hundred and thirteen pounds three shillings and fivepence (being the amount of the profit made by the bank upon the realization of certain property mortgaged to the bank by Mr. Phillips), less the costs and expenses incurred
- 35 and to be incurred by the trustees in connection with the payment and the obtaining of authority therefor.

Authorizing payment of portion of certain amounts deducted from superannuation allowance of John Stevenson, Esquire.
See Reprint of Statutes, Vol. VII, p. 574

Validating certain payments by Dunedin Savings-bank.

Authorizing payment by New Plymouth Savings-bank to Mr. M. T. Phillips.