

POST OFFICE AMENDMENT BILL (NO. 2)

EXPLANATORY NOTE

THIS Bill amends the Post Office Act 1959. It is in the same form as the Post Office Amendment Bill introduced earlier this year and before the Commerce and Energy Committee of the House at the time of the dissolution of the 40th Parliament.

Clause 1 relates to the Short Title and commencement. The Bill is to come into force on a date to be fixed by the Governor-General by Order in Council.

Clause 2 substitutes a new Part VII of the Act dealing with the Post Office Savings Bank to liberalise the scope of its operation and to include in its activities the matters previously contained in Part VIII of the Act (money orders, postal notes, postal orders, and travellers cheques). Most of the present detail in both Parts has been omitted and is to be dealt with by regulations or determined by the Postmaster-General.

The new *section 113* defines the expression "depositor".

Section 114 widens the scope of the Post Office Savings Bank to include such banking and banking related services as may be prescribed by regulations or determined by the Postmaster-General with the concurrence of the Minister of Finance.

Section 115 provides for payment of all money received into the Post Office Account and the investment of such deposits and again provides for details to be prescribed by regulations or the Postmaster-General.

It also provides, as in the present *section 125*, for amounts payable by the Post Office Savings Bank to be paid without further appropriation than this clause.

Section 116 provides, as at present, for security for depositors and bondholders.

Section 117 deals with the determination of rates of interest payable in respect of money deposited or invested as at present.

Section 118 preserves the confidentiality of transactions with the Post Office Savings Bank.

Section 119 provides for the remittance of funds and transfers of depositors' funds and replaces the present Part VIII of the Act. The detailed arrangements are to be prescribed by regulations or determined by the Postmaster-General.

Section 120 provides for the Postmaster-General's ancillary powers.

The power to take and deal in shares in any company that provides services in connection with such banking services as are authorised under the proposed section 114 and the specific power to enter into contracts in relation to his functions under Part VII of the Act are new.

Section 121 continues the present register of securities.

Section 122 provides for nomination of beneficiaries as at present.

Section 123 continues the present Home Lay-by Accounts with part of the details to be contained in regulations or directed by the Postmaster-General.

Section 124 continues the present application of other Acts to the Post Office Savings Bank.

Section 125 provides for a general regulation-making power.

Clause 3 rewrites the present section 178 regarding the preparation of annual accounts to show more fully the financial position of the Post Office and its operations for the year.

Clause 4 amends section 179 regarding the accounts to be laid before Parliament in view of the new wording of section 178 under *clause 3* of the Bill.

Clause 5 amends the declaration of secrecy in view of the proposed revised wording of section 118 under *clause 2* of the Bill.

Clause 6 deals with consequential repeals.

Hon. Jonathan Hunt

POST OFFICE AMENDMENT (NO. 2)

ANALYSIS

Title 1. Short Title and commencement 2. New Part VII substituted	117. Determination of rates of interest payable in respect of money deposited or invested with Post Office Savings Bank 118. Confidentiality 119. Remittance of funds and transfer of depositors' funds 120. Ancillary powers of Postmaster-General 121. Register of securities 122. Depositor may nominate beneficiary in event of death 123. Home Lay-by Accounts 124. Application of other Acts 125. Regulations 3. Financial statements to be prepared 4. Accounts to be laid before Parliament 5. Declaration of secrecy 6. Repeals Schedule
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A BILL INTITULED

An Act to amend the Post Office Act 1959

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

- 1. Short Title and commencement**—(1) This Act may be cited as the Post Office Amendment Act (No. 2) 1984, and shall be read together with and deemed part of the Post Office Act 1959* (hereinafter referred to as the principal Act).
- 10 (2) This Act shall come into force on a date to be fixed by the Governor-General by Order in Council.

*Reprinted 1970, Vol. 3, p. 2155

Amendments: 1971, No. 120; 1972, No. 123; 1973, No. 2; 1973, No. 86; 1974, No. 64; 1975, No. 74; 1975, No. 98; 1977, No. 72; 1978, No. 24; 1980, No. 41; 1981, No. 26; 1982, No. 45; 1982, No. 95; 1982, No. 161

2. New Part VII substituted—The principal Act is hereby amended by repealing Parts VII and VIII, and substituting the following Part:

“PART VII

“THE POST OFFICE SAVINGS BANK

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“113. **Interpretation**—In this Part of this Act, unless the context otherwise requires, the term ‘depositor’ means an account holder or holder of securities or any other customer of the Post Office Savings Bank.

“114. **Postmaster-General may establish and operate Post Office Savings Bank**—(1) The Postmaster-General may continue to operate a Post Office Savings Bank within New Zealand. 10

“(2) The Postmaster-General may carry out such banking and banking related services, under such terms and conditions as 15 may be prescribed by regulations made under this Act or as he may from time to time determine, with the concurrence of the Minister of Finance.

“(3) Without limiting the generality of **subsection (2)** of this section, the Postmaster-General may allow the opening and 20 operation of such accounts and services by such persons or classes of persons and on such terms and conditions as may be prescribed by regulations made under this Act or as the Postmaster-General may from time to time determine.

“(4) Without limiting the generality of **subsection (2)** of this 25 section—

“(a) The Postmaster-General may from time to time issue securities for purchase by any person:

“(b) The terms and conditions relating to the issue, subsequent holding, transmission, assignment, 30 cancellation, and any other matter which the Postmaster-General sees fit in respect of securities referred to in **paragraph (a)** of this subsection shall be as prescribed by regulations made under this Act or as the Postmaster-General may from time to time 35 determine.

“115. **Deposits, payments, and investments**—(1) All money received under this Part of this Act from, or on behalf of, depositors shall be paid into the Post Office Account.

“(2) All payments made to depositors and persons entitled 40 to claim on accounts and securities of depositors, together with

all expenses incurred in carrying out this Part of this Act, shall, without further appropriation than this section, be paid out of the Post Office Account.

5 “(3) Any money paid into the Post Office Account under this Part of this Act, or such part thereof as the Postmaster-General directs, may be invested in the manner prescribed by section 68 (7) of the Public Finance Act 1977 or, with the concurrence of the Minister of Finance, by way of loans or advances upon or subject to such terms and conditions as may be prescribed 10 by this Act or by any regulations made thereunder or as the Postmaster-General may from time to time determine.

“ (4) The rates of interest payable in respect of any amount loaned or advanced under this Part of this Act shall be fixed by the Postmaster-General, subject to a maximum set by the 15 Minister of Finance.

“116. **Security to depositors and bondholders**—If at any time the money available in the Post Office Account is insufficient for the payment of amounts (including any accrued interest or prize money) due to depositors and to holders of 20 any securities issued under this Act the Minister of Finance shall, without further appropriation than this section, pay the amount of the deficiency from the Consolidated Account into the Post Office Account and, as soon as practicable thereafter, shall report the deficiency and payment to Parliament.

25 “117. **Determination of rates of interest payable in respect of money deposited or invested with Post Office Savings Bank**—(1) For money deposited for a fixed or minimum term, or invested in securities except those securities where the interest is distributed wholly by prizes as determined 30 by ballot, the rates of interest to be paid shall be determined from time to time by the Director-General with the concurrence of the Secretary to the Treasury.

“ (2) Subject to **subsection (1)** of this section the rates of interest payable in respect of any account or any securities shall be 35 determined from time to time by the Minister of Finance.

“118. **Confidentiality**—(1) Every officer shall maintain confidentiality in respect of all transactions of the Post Office Savings Bank with its depositors, the state of the account of any depositor, the extent of the assets or liabilities of any 40 depositor, or any other matter, in relation to a depositor, that comes to his knowledge in the course of his duties to the Post Office, except for the purpose of performing his duties to the depositor or the Post Office or when required by law.

“(2) Any officer who discloses any information contrary to the provisions of **subsection (1)** of this section commits an offence against this Act.

“**119. Remittance of funds and transfer of depositors’ funds**—(1) Money may be remitted or sums standing to the credit of depositors may be transferred within or beyond New Zealand through the medium of the Post Office Savings Bank. 5

“(2) The conditions applicable to the remittal services under **subsection (1)** of this section and to any remittal instrument issued pursuant to it may be prescribed by regulations made under this Act or as the Postmaster-General may from time to time determine. 10

“(3) The Postmaster-General may make such arrangements either within or beyond New Zealand as may be necessary to give full effect to **subsection (1)** of this section. 15

“(4) All arrangements made and conditions imposed under **subsections (1), (2), and (3)** of this section and regulations made under this Act shall be binding and conclusive upon the persons for whom or in favour of whom any remittal instruments are issued, and upon all persons interested through or claiming under those persons, and upon all holders of remittal instruments. 20

“(5) No person shall have any right to compensation, nor shall any liability be imposed on Her Majesty or the Postmaster-General, or any officer, by reason of delay in or refusal of the payment of any remittal instrument or by reason of any neglect, omission, or mistake in the issue or payment thereof. 25

“**120. Ancillary powers of Postmaster-General**—(1) The Postmaster-General shall have all such ancillary powers as are necessary, conducive, or incidental to the performing of any of his functions under this Part of this Act. 30

“(2) Without limiting the generality of **subsection (1)** of this section the Postmaster-General shall, for the purpose of exercising any functions conferred on him under this Part of this Act, have power to— 35

“(a) Exercise all such powers in respect of any property securing a mortgage taken by him as are conferred upon mortgagees by law or are necessary, conducive, or incidental to protect his interest in the property: 40

“(b) Take and deal in shares in any company providing services in connection with such banking and banking related services as are authorised under **section 114** of this Act:

“(c) Secure and deal in any registered trade mark:

“(d) Enter into any contract that he considers necessary. 45

“121. **Register of securities**—(1) The Postmaster-General may cause registers of securities to be kept by officers of the Post Office (to be known respectively as the Registrars) at such place or places as the Postmaster-General directs.

5 “(2) Every such register shall be kept in such manner and form and contain such particulars as may be prescribed by regulations made under this Act or as the Postmaster-General from time to time directs.

10 “(3) Subject to regulations made under this Act, no notice of any trust relating to any registered security, whether expressed, implied, or constructive, shall be entered in any such register or be receivable by the Postmaster-General or by any officer of the Post Office.

15 “122. **Depositor may nominate beneficiary in event of death**—(1) Any depositor who is or has been married or is of or over the age of 18 years may nominate any person or persons to whom any amount not exceeding the amount set by section 65C of the Administration Act 1969 standing to the credit of the depositor in any account in the Post Office Savings Bank at the time of the depositor’s death is to be paid on his death.

20 “(2) Subject to Part IA of the Administration Act 1969, the making, revocation, variation, or replacement of any nomination under this section and the payment of any amount pursuant to any such nomination shall be in accordance with regulations made under this Act.

“123. **Home Lay-by Accounts**—(1) The Postmaster-General may permit any person to open an account in the Post Office Savings Bank as a Home Lay-by Account.

30 “(2) The terms and conditions relating to the opening and operation of Home Lay-by Accounts shall be prescribed by regulations made under this Act or as the Postmaster-General may from time to time direct.

35 “(3) The Minister of Finance may, without further appropriation than this section, pay from the Consolidated Account to the Post Office Account any amount required for the payment of suspensory free deposits as may be prescribed by regulations made under this Act.

40 “124. **Application of other Acts**—(1) The provisions of sections 5 to 8 of the Banking Act 1982 shall apply with respect to the Post Office Savings Bank.

“(2) Subject to the provisions of this Act and of regulations made under this Act, the Post Office Savings Bank shall be a banker within the meaning of the Bills of Exchange Act 1908.

“(3) Nothing in the Gaming and Lotteries Act 1977 shall apply to those securities where the interest is distributed, in whole or in part, by prizes determined by ballot or to the sale or purchase of any such securities or to any cash prize payable to the holder of any such security or in respect of the holding of a ballot for the distribution of prizes to such holders. 5

“(4) Any securities where the interest is distributed wholly by way of cash prizes shall be deemed not to be a New Zealand Government security for the purposes of section 4 of the Trustee Act 1956. 10

“125. **Regulations**—The Governor-General may from time to time, by Order in Council, make regulations in regard to any matter or for any purpose for which regulations are prescribed or contemplated by this Part of this Act, and may make all such other regulations as are necessary or expedient for giving full effect to the provisions of this Part of this Act and for the due administration thereof.” 20

3. Financial statements to be prepared—The principal Act is hereby amended by repealing section 178, and substituting the following section:

“178. The Postmaster-General shall forthwith after the close of each financial year cause to be prepared such statements of accounts as may be necessary to show fully the financial position of the Post Office and the financial results of its operations for the year.” 25

4. Accounts to be laid before Parliament—Section 179 of the principal Act is hereby amended— 30

(a) By omitting from subsection (1) the words “balance sheets and accounts”; and

(b) By omitting from subsection (2) the words “balance sheets or accounts”,—

and substituting in each case the words “statements of account”. 35

5. Declaration of secrecy—The First Schedule to the principal Act is hereby amended by repealing paragraphs (c) to (f) of clause 5 (as substituted by section 2 of the Post Office Amendment Act 1982), and substituting the following paragraph:

5 “(c) Information relating to any transaction of the Post Office
 Savings Bank with its depositors, the state of the
 account of any depositor, the extent of the assets
10 or liabilities of any depositor, or any other matter
 in relation to a depositor that comes to my
 knowledge in the course of my duties to the Post
 Office.”

6. Repeals—The enactments specified in the Schedule to this Act are hereby consequentially repealed.

SCHEDULE

Section 6

ENACTMENTS REPEALED

- 1965, No. 9—The Post Office Amendment Act 1965: Sections 5 and 6. (Reprinted 1970, Vol. 3, p. 2282.)
- 1969, No. 39—The Post Office Amendment Act 1969: Sections 3, 4, 5, and 6. (Reprinted 1970, Vol. 3, p. 2284.)
- 1969, No. 40—The Wills Amendment Act 1969: Section 3 (2). (Reprinted 1977, Vol. 4, p. 3713.)
- 1971, No. 51—The Stamp and Cheque Duties Act 1971: So much of the Second Schedule as relates to section 134 of the Post Office Act 1959.
- 1972, No. 123—The Post Office Amendment Act 1972.
- 1973, No. 2—The Post Office Amendment Act 1973.
- 1974, No. 64—The Post Office Amendment Act 1974.
- 1975, No. 24—The Post Office Amendment Act 1975.
- 1977, No. 65—The Public Finance Act 1977: Section 149 (1).
- 1977, No. 72—The Post Office Amendment Act 1977.
- 1980, No. 41—The Post Office Amendment Act 1980: Section 2.
- 1981, No. 26—The Post Office Amendment Act 1981: Sections 2 and 3.
- 1982, No. 45—The Post Office Amendment Act 1982.
- 1982, No. 144—The Banking Act 1982: So much of the Second Schedule as relates to the Post Office Act 1959.