

**Reprint
as at 3 June 2017**



National Expenditure Adjustment Act 1932

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National Expenditure Adjustment Act 1932: repealed, on 3 June 2017, by section 3(1) of the Statutes Repeal Act 2017 (2017 No 23).

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Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.
Note 4 at the end of this reprint provides a list of the amendments incorporated.

This Act is administered by the Treasury.

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An Act to make provision, firstly, for the further adjustment of public expenditure by the reduction of rates of salaries, wages, pensions and allowances; secondly, for the making of commensurate reductions in rates of interest, rent, and other fixed charges; thirdly, for the imposition of a special stamp duty on receipts of income derived from securities issued by the Government of New Zealand or by local or public authorities; fourthly, for determining the rates of interest that may be paid on deposits by any savings bank, building society, or investment society; and lastly, for determining the conditions on which trading companies may accept money on deposit

1 Short Title

This Act may be cited as the National Expenditure Adjustment Act 1932.

2 Division into Parts

This Act is divided into Parts, as follows:

Part 1—Public expenditure adjustment

Part 2—Reduction of pensions and allowances payable out of Consolidated Fund

Part 3—Reduction of interest, rent, and other fixed charges

Part 4—Stamp duty on receipts of interest from government and local bodies securities

Part 5—Rates of interest on deposits payable by investment societies

Part 6—Trading companies deposits.

Section 2: amended, on 1 January 1966, pursuant to section 139(2) of the Building Societies Act 1965 (1965 No 22).

Section 2: amended, on 1 April 1949, pursuant to section 39(1) of the Trustee Savings Banks Act 1948 (1948 No 62).

Part 1

Public expenditure adjustment

3 Salary defined

- (1) Save as provided by the next succeeding subsection, the term **salary** means, for the purposes of this Part, the salary, wages, allowances, fees, commission, and every other emolument, whether in 1 sum or several sums, and whether paid in money or not, received by any person to whom this Part applies.
- (2) The term **salary** does not include—
 - (a) travelling expenses or travelling allowances, or any fee, commission, or other emolument which the Minister of Finance declares not to be salary; or
 - (b) any superannuation or other retiring allowance.
- (3) The value of any benefits which for the purposes of this Part are by virtue of the foregoing provisions of this section included in the term salary shall be determined in the manner prescribed by section 115 of the Public Service Superannuation Act 1927 so far as that section is applicable, and in all other cases shall be determined in manner prescribed by the Minister of Finance.

4 Application of this Part

- (1) Save as provided in the next succeeding section, this Part shall apply to—
 - (a) all Ministers of the Crown:
 - (b) the Speaker and Chairman of Committees of the Legislative Council, and the Speaker and Chairman of Committees of the House of Representatives:

- (c) members of the Legislative Council or House of Representatives:
 - (d) the Clerk and Clerk-Assistant of the Legislative Council, and the Clerk and Clerk-Assistant of the House of Representatives:
 - (e) the High Commissioner for New Zealand:
 - (f) the Controller and Auditor-General:
 - (g) the Public Service Commissioner and the Assistant Commissioners, or any Acting Assistant Commissioner:
 - (h) all persons employed in the Public Service within the meaning of Part 1 of the Public Service Superannuation Act 1927 (whether permanently so employed or not):
 - (i) all persons employed in the Education Service within the meaning of Part 4 of the Public Service Superannuation Act 1927 (whether permanently so employed or not):
 - (j) members of the Government Railways Board and all employees of the Government Railways Department:
 - (k) any other person in receipt of remuneration from public moneys within the meaning of the Public Revenues Act 1926, or who is or may be remunerated from grants made from public moneys, to whom this Part may be applied by the Minister of Finance, not being a person exempted from the operation of this Part by the next succeeding section.
- (2) If the Minister of Finance is satisfied that the terms of any agreement or arrangement hereafter entered into between the Government Railways Board and any society or association of employees of the Second Division of the Government Railways Department would effect a reduction of expenditure in respect of the salaries of those employees not less than the reduction that would be effected therein by this Part, he may, by order in writing, exclude the members of such society or association from the operation of the said Part. Any such order may at any time be revoked or cancelled, and thereupon the members of the society or association shall again become subject to this Part, save that in any such case, in computing the reduction to be made from the rate of remuneration of any such member, all reductions effected pursuant to the terms of any agreement or arrangement as aforesaid shall be taken into account.

5 Exemptions

Nothing in this Part shall apply to—

- (a) members of the New Zealand Naval Forces:
- (b) any person employed by the Government or by any other authority for a specific limited term of office pursuant to a contract made out of New Zealand.

6 Reduction of salaries of Ministers of Crown and members of Parliament

The rates of salaries and honoraria payable to Ministers of the Crown and to members of Parliament prescribed by the Civil List Act 1920, as reduced by section 4 of the Public Expenditure Adjustment Act 1921–22 and by section 5 of the Finance Act 1931, shall, as from 1 April 1932, be further reduced in manner following:

- (a) in the case of Ministers of the Crown, by an amount equal to 15% of the rates theretofore payable:
- (b) in the case of the Speaker of the House of Representatives, by an amount equal to 12.5% of the rate theretofore payable:
- (c) in the case of the Speaker of the Legislative Council, the Chairman of Committees of the Legislative Council, and the Chairman of Committees of the House of Representatives, by an amount equal to 10% of the rates theretofore payable:
- (d) in the case of all other members of Parliament, by an amount equal to 10% of the rates theretofore payable.

7 Reduction of salaries of other persons to whom this Part applies

- (1) The rates of salary of all other persons to whom this Part applies (whether such rates are computed on an annual, monthly, weekly, daily, hourly, or other basis) shall, as from 1 April 1932, be reduced in manner following, that is to say:
 - (a) where the rate of salary as at 31 March 1932 did not exceed 225 pounds per annum, or its equivalent, the rate of reduction shall be 5% thereof:
 - (b) where the rate of salary as at the said 31 March 1932 exceeded 225 pounds per annum, or its equivalent, but did not exceed 720 pounds per annum, or its equivalent, the rate of reduction shall be 10% thereof:
 - (c) where the rate of salary as at the said 31 March 1932 exceeded 720 pounds per annum, or its equivalent, the rate of reduction shall be 12.5% thereof:

provided that the reductions effected pursuant to the foregoing provisions of this section shall not so operate as to reduce the rate of salary of any person below the reduced rate of salary of any other person in the same service who on 31 March 1932 was in receipt of a lower salary than such first-mentioned person.

- (2) Where any person is the holder of 2 or more offices to which this Part applies, the rate of reduction shall be the rate appropriate to the aggregate of the salaries received by him as at 31 March 1932.
- (3) Where the emoluments received or receivable by any person in respect of an office to which this Part applies are, in the opinion of the Minister of Finance, not calculable at an annual rate, the rate of reduction of such emoluments by the operation of this Part shall be 10% thereof.

- (4) Where any salary is computed otherwise than on an annual basis, the annual equivalent of such salary shall be computed in accordance with regulations made under this Part.
- (5) Where in any case rates of payment for overtime are fixed by reference to the rates of payment for time other than overtime, the last-mentioned rates shall, as from 1 April 1932, be deemed to be the rates as reduced in accordance with this Part.
- (6) Where for the purposes of this Part the salary of any person includes any benefits the value of which is not paid in money, the amount by which his salary is reduced shall be wholly deducted from that part of his salary which is payable in money.

8 Reduced grants to education boards and to governing bodies of university colleges, and to local authorities, etc

- (1) Where pursuant to any Act or other authority grants are made from the Consolidated Fund or other public moneys to any Education Board, or to the governing body of any secondary school or of any University college or other institution, and such grants are available for the payment of salaries by such Education Board or governing body, then, notwithstanding anything to the contrary in any Act or other such authority, the amount of such grants shall be reduced by an amount equivalent to the reduction to be effected pursuant to this Part in the amount of the salaries payable by such Board or governing authority. Where any such grant is only partly available for payment of salaries directly or indirectly, the Minister of Finance shall determine the portion of such grant that shall be deemed for the purposes of this section to be available for payment of salaries, and the amount of such portion shall be reduced accordingly.
- (2) The rates of all grants or subsidies payable out of the Consolidated Fund or other public moneys to any local authority pursuant to section 72 of the Municipal Corporations Act 1920 or to Fire Boards under the Fire Brigades Act 1926 or to the Rotorua Borough Council pursuant to section 6 of the Rotorua Borough Act 1922, as those rates were severally reduced by subsection (2) of section 7 of the Finance Act 1931, shall, as from 1 April 1932, be further reduced by 10% of the rates theretofore in force.

9 Saving of rights of contributors to superannuation funds

[Repealed]

Section 9: repealed, on 1 April 1948, by section 91(1) of the Superannuation Act 1947 (1947 No 57).

10 Saving of rights of Stipendiary Magistrates to retiring allowances

[Repealed]

Section 10: repealed, on 1 April 1948, by section 91(1) of the Superannuation Act 1947 (1947 No 57).

11 Saving of rights of certain other persons with respect to compensation for loss of office or retiring allowances

Every person (not being a person to whom either of the 2 last preceding sections relates) whose rate of remuneration is reduced by this Part and who is entitled on retirement to compensation for loss of office or to a retiring allowance computed with reference to the rate of his remuneration shall, on retirement after the passing of this Act, be entitled to the same compensation or to the same rate of retiring allowance as if this Act had not been passed.

12 Statutory scales, etc, of salaries to be subject to this Part

- (1) The provisions of this Part as to rates of honoraria or salary shall apply notwithstanding anything in any Act or in any regulations or scale of salaries to the contrary; and the rates of honoraria and salaries as fixed pursuant to this Part shall continue in force until lawfully altered.
- (2) All rates of salaries and wages which by any Act or by any scheme of classification are appropriate to any position or office shall be deemed to be reduced by the amount of any reduction effected by this Part in the rate of remuneration of any person holding such position or office, or, in the case of positions and offices vacant on 1 April 1932, that would have been effected if any person had been holding such position or office on that date.

13 Regulations

- (1) The Governor-General may from time to time make all such regulations as may be deemed necessary for the purpose of carrying this Part into effect. In particular, but without limiting the authority conferred by this section, any such regulations may provide for the adjustment of anomalies or for the relief of cases of hardship, or may fix the actual amount by which any rates of salaries shall be reduced where a reduction to the extent prescribed by this Part would result in any fraction of a penny being payable.
- (2) Such regulations shall be sufficient authority for the payment of any moneys certified in manner prescribed by those regulations to be payable in accordance therewith.

14 Application of this Part to Cook Islands and Samoan Public Services

- (1) The Governor-General may from time to time, by Order in Council, apply this Part to all persons employed in the Cook Islands Public Service and to all persons employed in the Samoan Public Service, whether permanently so employed or not, or to such persons or classes of persons so employed as are specified in such order, or to all persons so employed other than persons or classes of persons specified in such order.
- (2) Every such Order in Council shall have effect according to its tenor from a date specified therein, being not earlier than 1 April 1932, and may from time to time be amended or may at any time be revoked.

15 Questions in dispute to be settled by Minister of Finance

If any question arises as to the application of this Part to any office or position, or as to the reduction pursuant to this Part of the expenditure of any public moneys, it shall be determined by the Minister of Finance.

Part 2**Reduction of pensions and allowances payable out of Consolidated Fund****16 Protection of present pensions**

Notwithstanding anything to the contrary in the succeeding provisions of this Part, the rate of pension payable to any person who is in receipt of a pension on the passing of this Act shall not be reduced by the operation of this Part by more than 10% thereof while the current pension certificate remains in force.

Old-age pensions

[Repealed]

Heading: repealed, on 28 September 1934, pursuant to section 14(3) of the Finance Act (No 2) 1934 (1934 No 12).

17 Amendment of Pensions Act 1926 in relation to old-age pensions

[Repealed]

Section 17: repealed, on 28 September 1934, by section 14(3) of the Finance Act (No 2) 1934 (1934 No 12).

Widows' pensions

[Repealed]

Heading: repealed, on 18 October 1935, pursuant to section 15(2) of the Finance Act 1935 (1935 No 5).

18 Amendment of Pensions Act 1926 in relation to widows' pensions

[Repealed]

Section 18: repealed, on 18 October 1935, by section 15(2) of the Finance Act 1935 (1935 No 5).

Miners' pensions

[Repealed]

Heading: repealed (with effect on 1 July 1936), on 4 September 1936, pursuant to section 13(2) of the Pensions Amendment Act 1936 (1936 No 26).

19 Amendment of law relating to miners' pensions

[Repealed]

Section 19: repealed, on 18 October 1935, by section 16(5) of the Finance Act 1935 (1935 No 5).

20 Amendment of Pensions Act 1926 in relation to pensions to miners' widows

[Repealed]

Section 20: repealed (with effect on 1 July 1936), on 4 September 1936, by section 13(2) of the Pensions Amendment Act 1936 (1936 No 26).

South African War pensions

[Repealed]

Heading: repealed, on 28 September 1934, pursuant to section 15(2) of the Finance Act (No 2) 1934 (1934 No 12).

21 Amendment of Pensions Act 1926 in relation to South African War pensions

[Repealed]

Section 21: repealed, on 28 September 1934, by section 15(2) of the Finance Act (No 2) 1934 (1934 No 12).

General amendments of Pensions Act 1926

[Repealed]

Heading: repealed, on 14 September 1938, pursuant to section 76(1) of the Social Security Act 1938 (1938 No 7).

22 Definition of income amended for purposes of Pensions Act 1926

[Repealed]

Section 22: repealed, on 14 September 1938, by section 76(1) of the Social Security Act 1938 (1938 No 7).

23 Restriction of right to receive 2 or more pensions

[Repealed]

Section 23: repealed, on 14 September 1938, by section 76(1) of the Social Security Act 1938 (1938 No 7).

National Provident Fund

[Repealed]

Heading: repealed, on 12 October 1946, pursuant to section 23(2) of the National Provident Fund Amendment Act 1946 (1946 No 35).

24 Consequential amendments of National Provident Fund Act 1926

[Repealed]

Section 24: repealed, on 12 October 1946, by section 23(2) of the National Provident Fund Amendment Act 1946 (1946 No 35).

*War pensions**[Repealed]*

Heading: repealed, on 18 October 1935, pursuant to section 18(2) of the Finance Act 1935 (1935 No 5).

25 Reducing rate of certain war pensions*[Repealed]*

Section 25: repealed, on 18 October 1935, by section 18(2) of the Finance Act 1935 (1935 No 5).

*Family allowances**[Repealed]*

Heading: repealed (with effect on 1 July 1936), on 4 September 1936, pursuant to section 3(2) of the Family Allowances Amendment Act 1936 (1936 No 28).

26 Section 3 of Family Allowances Act 1926 amended*[Repealed]*

Section 26: repealed (with effect on 1 July 1936), on 4 September 1936, by section 3(2) of the Family Allowances Amendment Act 1936 (1936 No 28).

Part 3**Reduction of interest, rent, and other fixed charges****27 Purpose of this Part**

The purpose of this Part is to effect reductions in rates of interest payable by mortgagors and in rents and certain other fixed charges, commensurate with the reductions in salaries and wages made by or pursuant to Parts 1 and 2 of the Finance Act 1931 and by Part 1 of this Act.

28 This Part to bind the Crown

This Part shall bind the Crown.

29 Interpretation

(1) In this Part, unless the context otherwise requires,—

chattels has the meaning given thereto by section 2 of the Chattels Transfer Act 1924

contract includes every binding agreement, whether in writing or not, whereby any person undertakes to pay any interest or rent

mortgage means any deed, memorandum of mortgage, instrument, or agreement whereby security for the payment of moneys or for the performance of any contract is granted over land or chattels or any interest therein respectively; and includes—

- (a) any debenture or debenture stock heretofore issued by any company carrying on business in New Zealand, or by any incorporated society or other body corporate, not being a debenture or other security of a class specified in subsection (1) of section 45; or
 - (b) any instrument of security granted over or in respect of any policy for securing a life insurance, endowment, or annuity; or
 - (c) any agreement for the sale or purchase of land; or
 - (d) any customary hire purchase agreement within the meaning of section 57 of the Chattels Transfer Act 1924.
- (2) For the purposes of this Part an agreement for the sale and purchase of land shall be deemed to be a mortgage of such land, and a customary hire purchase agreement in respect of any chattel shall be deemed to be a mortgage of such chattel, in each such case to secure payment of the unpaid purchase money and interest thereon and the fulfilment of the conditions set forth in the agreement.
- (3) For the purposes of this Part any sum paid or payable under any contract to which this Part applies by way of premium, or bonus, or other like payment, shall be deemed to be interest or rent as the case may require, accruing from day to day throughout the term of the contract.
- (4) The Governor-General may at any time, by Order in Council published in the *Gazette*, exclude from the operation of this Part any specified class or specified classes of mortgages or other contracts.

Section 29(1) **chattels**: inserted (with effect on 10 May 1932), on 9 December 1932, by section 2(1) of the National Expenditure Adjustment Amendment Act 1932 (1932 No 18).

30 Limitation of application of this Part

Nothing in this Part shall apply with respect to—

- (a) the rate of interest payable under any mortgage (not being a mortgage for a fixed term, whether expired or unexpired) securing the repayment of any principal moneys that are repayable on demand, or to the rate of interest payable under any mortgage debenture or other charge secured exclusively on any such mortgage or mortgages; or
- (b) the rate of interest or rent payable pursuant to a contract entered into after 1 April 1932; or
- (c) the rent payable under any lease or licence of Crown lands or of other lands administered by a Land Board, if such rent is fixed by reference to the capital value of the lands comprised in the lease or licence and does not exceed 5% of such capital value.

Section 30(a): amended (with effect on 10 May 1932), on 9 December 1932, by section 3 of the National Expenditure Adjustment Amendment Act 1932 (1932 No 18).

31 Reduction of rates of interest and of rents

Subject to the provisions of this Part, rates of interest payable under mortgages of property situated in New Zealand and rents payable in respect of land or of any interest in land or in respect of any building or part of a building so situated, payable under contracts in force at the passing of this Act, shall be reduced as provided in this Part, and the rates as so reduced shall not be increased, except by leave of a competent court.

Section 31: amended, on 1 October 1936, by section 84(1)(a) of the Mortgagors and Lessees Rehabilitation Act 1936 (1936 No 33).

32 Standard rate of reduction of interest and rent

- (1) The standard reduction of rates of interest and of rent payable under any contract to which this Part applies shall be ascertained as follows:
 - (a) in the case of a contract entered into on 1 January 1930 or within the period of 5 years immediately preceding that date, the standard reduction shall be 20% of the rate prescribed by the contract:
 - (b) in the case of a contract entered into at any time earlier than 5 years before 1 January 1930 or at any time after that date, the standard reduction shall be 20% of the rate (to be determined in accordance with the next succeeding subsection) that would have been fixed by the contract if it had been entered into on the said 1 January 1930.
- (2) Where for the purposes of this Part it is necessary to fix the rate of interest or rent that would have been payable under any contract if such contract had been entered into on 1 January 1930 such rate may, failing agreement by the parties, be fixed by arbitration if the parties agree to submit the matter to arbitration. If such rate is not fixed by agreement of the parties or by arbitration as aforesaid, it shall, on application by motion by either of the parties, be fixed by the Supreme Court if the annual amount of interest or rent payable in accordance with the terms of the contract exceeds 300 pounds, and in all other cases shall be fixed by a Stipendiary Magistrate.
- (3) If the rate of interest or rent as at 31 March 1932, payable under any contract to which this Part applies, does not exceed the residue of the rate in respect of which the standard reduction has been computed, after such standard reduction has been made, no reduction of interest or rent shall require to be made under this Part.
- (4) If the rate of interest or rent as at 31 March 1932, payable under any contract to which this Part applies, exceeds the residue of the rate in respect of which the standard reduction has been computed, after such standard reduction has been made, the reduction required to be made under this Part shall be the difference between such rate and the residue aforesaid, but not exceeding in any case a reduction of 20% of the rate as at 31 March 1932.

33 Penal rates and net rates of interest and rent reduced in accordance with this Part

Where by any contract provision is made for the payment of a penal rate of interest or of rent, or for a reduced rate of interest or rent in consideration of prompt payment or for other consideration, both such penal rate and such net rate shall, subject to the provisions of section 36, be reducible and reduced in accordance with the foregoing provisions of this Part.

34 Reduced rates of interest and rent to come into force on 1 April 1932

- (1) All interest and rent to which this Part applies that accrue on or after 1 April 1932 shall, if the rates thereof require to be reduced by this Part, be payable at the reduced rates determined in accordance with the foregoing provisions of this Part.
- (2) Where before or after the passing of this Act any interest or rent accrued in respect of a period commencing after 31 March 1932 is paid at a rate in excess of the reduced rate fixed in accordance with this Part the amount so paid in excess may be recovered in any court of competent jurisdiction by action commenced not later than 3 months after the date of payment or 3 months after the passing of this Act, whichever is the later, or the amount so recoverable may be credited to the person who paid the same, in respect of interest or rent thereafter becoming due, if within the time aforesaid he so elects by notice in writing given to the person to whom such payment was made.
- (3) For the purposes of this Part all interest and rent shall be deemed to accrue from day to day.

Section 34(1): amended, on 1 October 1936, by section 84(1)(b) of the Mortgagors and Lessees Rehabilitation Act 1936 (1936 No 33).

35 Special provisions where rate of interest not specified in contract

In the case of a customary hire purchase agreement or in any other case where the rate of interest payable in terms of any contract is not specified therein, the parties to the contract shall determine, for the purposes of this Part, what part of the moneys payable in terms of the contract shall be deemed to be principal moneys and what part thereof shall be deemed to be interest, and, in default of agreement by the parties as to the said matters, any Stipendiary Magistrate, on application made by any party to the contract, shall determine what shall be deemed, for the purposes of this Part, to be the rate of interest payable under the contract.

36 Limitations of foregoing provisions in respect of interest

- (1) Notwithstanding anything in the foregoing provisions of this Part, the net rate of interest payable under any mortgage of chattels shall not be reduced by the operation of this Part below the rate of 6.5% per annum, and the net rate of interest payable under any other mortgage shall not be so reduced below the rate of 5% per annum:

provided that in the case of company debentures issued free of income tax (being debentures to which section 171 of the Land and Income Tax Act 1923 is applicable) the rate of interest may be reduced by the operation of this Part below 5% per annum but shall not be so reduced below the rate of 4.5% per annum.

- (2) Where by any mortgage provision is made for a penal rate of interest or for a reduced rate of interest in consideration of prompt payment or other consideration, the gross rate shall not be reduced by the operation of this Part so that the margin between such gross rate and the net rate is less than 0.5% per annum or is less than the margin between the original gross rate and the original net rate, whichever of such margins is the less.
- (3) Where a mortgage comprises both chattels and land or other property, an apportionment of the moneys secured thereby shall, if necessary for the purposes of this section, be made by agreement between the parties thereto, and in default of agreement may be made by a Stipendiary Magistrate on application in that behalf by any of the parties thereto.

37 Limitation of foregoing provisions in respect of ground rents

[Repealed]

Section 37: repealed, on 9 December 1932, by section 7 of the National Expenditure Adjustment Amendment Act 1932 (1932 No 18).

38 Right to apply to court for relief

- (1) If any mortgagee or landlord, or other person entitled under any contract to receive any interest or rent, is aggrieved by the operation of this Part, he may apply to any court of competent jurisdiction for relief, on any of the following grounds:
 - (a) on the ground that the rate of interest or of rent payable under the contract is fair, taking into consideration the nature of the security or the premises, as the case may be:
 - (b) on the ground that adequate concessions have already been granted to the mortgagor or tenant, either voluntarily or under the provisions of the Mortgagors Relief Act 1931 or section 78 or section 115 of the Maori Purposes Act 1931:
 - (c) on the ground that the reduction of the rates of interest or of rent in accordance with this Part would be a cause of undue hardship to the person entitled to receive such interest or rent, as the case may be.
- (2) On the hearing of any application under this section the court may make such order as in the circumstances it thinks just and equitable, taking into consideration the economic position of New Zealand as well as the conditions of the parties.
- (3) In any case where the total annual amount payable under the contract as interest or as rent exceeds 300 pounds, applications for relief under this section

shall be made to the Supreme Court, and in all other cases such applications shall be made to a Stipendiary Magistrate.

Section 38(1)(b): amended, on 27 November 1947, pursuant to section 9(1)(b) of the Maori Purposes Act 1947 (1947 No 59).

Section 38(1)(b): amended, on 22 December 1933, by section 51 of the Finance Act 1933 (No 2) (1933 No 41).

39 Powers of court under Mortgagors Relief Acts not affected by this Part

Nothing in the foregoing provisions of this Part shall be construed to limit the powers to grant relief to mortgagors and tenants conferred on the Supreme Court or on any Magistrate by the Mortgagors Relief Act 1931.

40 Applications for relief under section 38 and questions for determination under section 32(2) to be referred by court to Adjustment Commission

[Repealed]

Section 40: repealed, on 7 October 1939, by section 50 of the Statutes Amendment Act 1939 (1939 No 39).

41 Provision for the reduction of dividends on cumulative preference shares

[Repealed]

Section 41: repealed, on 23 October 1963, by section 2(1)(a) of the National Expenditure Adjustment Amendment Act 1963 (1963 No 104).

42 Supreme Court may authorise reduction of annuities or other periodical payments derived from proceeds of rent or interest

- (1) The Supreme Court, on application in that behalf by any trustee, or by any person taking benefit or incurring obligation under any deed, will, or settlement, may by order modify the provisions of such deed, will, or settlement in so far as they provide for payment of any annuity or other periodical payment, if in any such case the court is satisfied that the terms of the deed, will, or settlement cannot be complied with, or cannot be complied with without causing undue hardship to any person taking benefit or incurring obligation under such deed, will, or settlement.
- (2) Any such order may provide for the reduction of the rate of any annuity or other periodical payment as aforesaid, or may authorise the trustee or trustees to make such provision in relation to the trust estate as may be necessary for payment being made at the rate provided for in the deed, will, or settlement or at any reduced rate fixed by the order of the court.
- (3) The powers conferred on the court by the foregoing provisions of this section shall extend to authorise the court to modify—
 - (a) any order made by it under Part 2 of the Family Protection Act 1908; or
 - (b) any order for the payment of alimony or maintenance made by it, with or without the consent of the parties, in the exercise of its jurisdiction in divorce and matrimonial causes; or

- (c) any deed or agreement providing for the payment of alimony or maintenance to any husband or wife, or providing for maintenance in respect of the children of any marriage.
- (d) any order made by the Court of Appeal under Part 2 of the Family Protection Act 1908 or any order made by that court for the payment of alimony or maintenance.

Section 42(3)(a): amended, on 22 December 1933, by section 5(3)(a) of the Finance Act 1933 (1933 No 33).

Section 42(3)(b): amended, on 22 December 1933, by section 5(3)(a) of the Finance Act 1933 (1933 No 33).

Section 42(3)(c): amended, on 22 December 1933, by section 5(3)(a) of the Finance Act 1933 (1933 No 33).

Section 42(3)(d): inserted, on 22 December 1933, by section 5(3)(b) of the Finance Act 1933 (1933 No 33).

43 Regulations

The Governor-General may from time to time, by Order in Council, make all such regulations as may be deemed necessary for the purpose of giving full effect to the provisions of this Part.

Part 4

Stamp duty on receipts of interest from government and local bodies securities

[Repealed]

Part 4: repealed, on 1 January 1972, pursuant to section 101(1) of the Stamp and Cheque Duties Act 1971 (1971 No 51).

44 This Part to be read with Stamp Duties Act 1923

[Repealed]

Section 44: repealed, on 1 January 1972, by section 101(1) of the Stamp and Cheque Duties Act 1971 (1971 No 51).

45 Application of this Part

[Repealed]

Section 45: repealed, on 1 January 1972, by section 101(1) of the Stamp and Cheque Duties Act 1971 (1971 No 51).

46 Stamp duty in respect of interest derived from securities to which this Part applies

[Repealed]

Section 46: repealed, on 1 January 1972, by section 101(1) of the Stamp and Cheque Duties Act 1971 (1971 No 51).

47 Local authorities to receive net duty on interest from their securities after deduction of administrative expenses

[Repealed]

Section 47: repealed, on 1 January 1972, by section 101(1) of the Stamp and Cheque Duties Act 1971 (1971 No 51).

48 Duration of this Part

[Repealed]

Section 48: repealed, on 1 January 1972, by section 101(1) of the Stamp and Cheque Duties Act 1971 (1971 No 51).

49 Regulations

[Repealed]

Section 49: repealed, on 1 January 1972, by section 101(1) of the Stamp and Cheque Duties Act 1971 (1971 No 51).

Part 5

Rates of interest on deposits payable by investment societies

Part 5 heading: amended, on 1 January 1966, pursuant to section 139(2) of the Building Societies Act 1965 (1965 No 22).

Part 5 heading: amended, on 1 April 1949, pursuant to section 39(1) of the Trustee Savings Banks Act 1948 (1948 No 62).

50 Governor-General may fix maximum rates of interest payable on deposits with savings banks

[Repealed]

Section 50: repealed, on 1 April 1949, by section 39(1) of the Trustee Savings Banks Act 1948 (1948 No 62).

51 As to rates of interest payable by investment societies

- (1) The Governor-General may from time to time, by Order in Council, fix the maximum rates of interest that may be paid—
 - (a) *[Repealed]*
 - (b) by any investment society, being any company, society, or association, whether incorporated or not, formed for the purpose of investing borrowed moneys (including any person who holds himself out as carrying on the business of accepting moneys on deposit), and not being a trading company within the meaning of Part 6.
- (2) Any such order may fix different rates with respect to different classes of deposits to be therein defined or according to the amount of any deposit.
- (3) Every such order shall, according to the tenor thereof, take effect on the date of its publication in the *Gazette* or on such later date as may be specified therein.

- (4) Any such order may apply to future deposits only or may apply both to such deposits and to deposits existing at the date of such notice.

Section 51 heading: amended, on 1 January 1966, pursuant to section 139(1) of the Building Societies Act 1965 (1965 No 22).

Section 51(1)(a): repealed, on 1 January 1966, by section 139(1) of the Building Societies Act 1965 (1965 No 22).

Section 51(1)(b): amended, on 9 December 1932, by section 11 of the National Expenditure Adjustment Amendment Act 1932 (1932 No 18).

Section 51(1) proviso: repealed, on 31 July 1934, by section 16(1) of the Finance Act 1934 (1934 No 2).

51A Exemption of investment societies

The Governor-General may from time to time, by Order in Council, exempt any investment society or any class of investment societies from the operation of this Part, either generally or in respect of any deposits or class of deposits and either unconditionally or upon or subject to such conditions as may be specified in the Order in Council. Any such Order in Council may be at any time amended or revoked.

Section 51A: inserted, on 25 October 1960, by section 2 of the National Expenditure Adjustment Amendment Act 1960 (1960 No 74).

Section 51A heading: amended, on 1 January 1966, pursuant to section 139(2) of the Building Societies Act 1965 (1965 No 22).

Section 51A: amended, on 1 January 1966, by section 139(2) of the Building Societies Act 1965 (1965 No 22).

52 Section 44 of Building Societies Act 1908 amended

[Repealed]

Section 52: repealed, on 1 January 1966, by section 139(1) of the Building Societies Act 1965 (1965 No 22).

53 Investment societies to furnish returns as to deposits, etc

[Repealed]

Section 53: repealed, on 6 December 1951, by section 36(1) of the Finance Act 1951 (1951 No 78).

54 Form and verification of statements

[Repealed]

Section 54: repealed, on 6 December 1951, by section 36(1) of the Finance Act 1951 (1951 No 78).

55 Copy of statement to be supplied to Minister of Finance

[Repealed]

Section 55: repealed, on 6 December 1951, by section 36(1) of the Finance Act 1951 (1951 No 78).

56 Offences and legal proceedings

[Repealed]

Section 56: repealed, on 6 December 1951, by section 36(1) of the Finance Act 1951 (1951 No 78).

Part 6

Trading companies deposits

57 Interpretation

- (1) In this Part, unless the context otherwise requires,—

contract of deposit means any contract or agreement, written or verbal, express or implied, relating to the receipt of money by a borrower upon the terms that the same shall be repaid either at a fixed date, or by instalments, or at call, and bearing interest until repayment at an agreed rate, except that no contract or agreement shall be a contract of deposit for the purposes of this Part if—

- (a) such contract or agreement is expressed in a mortgage or other instrument by way of security; or
- (b) such contract or agreement is expressed in debentures issued in a series by an incorporated company; or
- (c) if the money was received in the course of a mercantile current account

trading company means any person, firm, or company engaged in any profession or in any trade or business and whose principal business is not the acceptance of moneys on deposit and the investment of such moneys.

- (2) The Governor-General may from time to time, by Order in Council, exempt any trading company or class of trading companies from the operation of this Part either generally or in respect of any deposits or class of deposits and either unconditionally or upon or subject to such conditions as may be specified in the Order in Council. Any such Order in Council may in like manner be at any time amended or revoked.

Section 57(1) **trading company**: amended, on 9 December 1932, by section 13(1) of the National Expenditure Adjustment Amendment Act 1932 (1932 No 18).

Section 57(2): replaced, on 7 December 1945, by section 50(2) of the Finance Act (No 2) 1945 (1945 No 45).

58 Governor-General may fix maximum rates of interest payable by trading companies on deposits held by them

- (1) The Governor-General may from time to time, by Order in Council, fix the maximum rates of interest that may be paid by any trading company on moneys for the time being deposited with it.
- (2) Any such order may relate to any specified trading company, or to all such companies, and may fix different rates of interest with respect to different classes of deposits to be therein defined, or according to the amount of any deposit.
- (3) Every such order shall, according to the tenor thereof, take effect on the date of its publication in the *Gazette* or on such later date as may be specified therein.
- (4) Any such order may apply to future deposits only or may apply both to such deposits and to deposits existing at the date of the notice.

Section 58(1) proviso: repealed, on 31 July 1936, by section 46(2) of the Finance Act 1936 (1936 No 16).

59 Trading companies accepting deposits to prepare quarterly statements thereof

[Repealed]

Section 59: repealed, on 6 December 1951, by section 36(1) of the Finance Act 1951 (1951 No 78).

60 Form and verification of statements

[Repealed]

Section 60: repealed, on 6 December 1951, by section 36(1) of the Finance Act 1951 (1951 No 78).

61 Copy of statement to be supplied to Minister of Finance

[Repealed]

Section 61: repealed, on 6 December 1951, by section 36(1) of the Finance Act 1951 (1951 No 78).

62 Offences and legal proceedings

[Repealed]

Section 62: repealed, on 6 December 1951, by section 36(1) of the Finance Act 1951 (1951 No 78).

63 Restricted application of this Part

Nothing in this Part shall apply to—

- (a) any bank carrying on business under the Banking Act 1908; or
- (b) the Post Office Savings Bank; or
- (c) any savings bank within the meaning of the Savings-banks Act 1908; or
- (d) any local authority or public body.

Reprints notes

1 *General*

This is a reprint of the National Expenditure Adjustment Act 1932 that incorporates all the amendments to that Act as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Statutes Repeal Act 2017 (2017 No 23): section 3(1)
Stamp and Cheque Duties Act 1971 (1971 No 51): section 101(1)
Building Societies Act 1965 (1965 No 22): section 139(1), (2)
National Expenditure Adjustment Amendment Act 1963 (1963 No 104)
National Expenditure Adjustment Amendment Act 1960 (1960 No 74)
Finance Act 1951 (1951 No 78): section 36(1)
Trustee Savings Banks Act 1948 (1948 No 62): section 39(1)
Maori Purposes Act 1947 (1947 No 59): section 9(1)(b)
Superannuation Act 1947 (1947 No 57): section 91(1)
National Provident Fund Amendment Act 1946 (1946 No 35): section 23(2)
Finance Act (No 2) 1945 (1945 No 45): section 50(2)
Statutes Amendment Act 1939 (1939 No 39): section 50
Social Security Act 1938 (1938 No 7): section 76(1)
Mortgagors and Lessees Rehabilitation Act 1936 (1936 No 33): section 84(1)(a), (b)
Family Allowances Amendment Act 1936 (1936 No 28): section 3(2)
Pensions Amendment Act 1936 (1936 No 26): section 13(2)
Finance Act 1936 (1936 No 16): section 46(2)
Finance Act 1935 (1935 No 5): sections 15(2), 16(5), 18(2)
Finance Act (No 2) 1934 (1934 No 12): sections 14(3), 15(2)
Finance Act 1934 (1934 No 2): section 16(1)
Finance Act 1933 (No 2) (1933 No 41): section 51
Finance Act 1933 (1933 No 33): section 5(3)

National Expenditure Adjustment Amendment Act 1932 (1932 No 18)