

No. 6360.

RURAL FINANCE CORPORATION ACT 1958.

An Act to consolidate the Law relating to the Rural Finance Corporation and the Objects Constitution Functions Powers and Management thereof.

[30th September, 1958.]

BE it enacted by the Queen's Most Excellent Majesty by and with the advice and consent of the Legislative Council and the Legislative Assembly of Victoria in this present Parliament assembled and by the authority of the same as follows (that is to say):—

1. This Act may be cited as the *Rural Finance Corporation Act 1958*, and shall come into operation on a day to be fixed by proclamation of the Governor in Council published in the *Government Gazette*, and is divided into Parts as follows:—

Short title,
commence-
ment and
division.

Part I.—Establishment Objects Constitution and Management of the Corporation ss. 4–16.

Part II.—Properties and Funds of the Corporation ss. 17–35.

Part III.—Loans by the Corporation ss. 36–42.

Part IV.—Compositions and Schemes of Arrangement ss. 43–48.

Part V.—General ss. 49–58.

Repeal.
First
Schedule.

2. (1) The Acts mentioned in the First Schedule to the extent thereby expressed to be repealed are hereby repealed accordingly.

(2) Except as in this Act expressly or by necessary implication provided—

(a) all persons things and circumstances appointed or created by or under the repealed Acts or existing or continuing under any of such Acts immediately before the commencement of this Act shall under and subject to this Act continue to have the same status operation and effect as they respectively would have had if such Acts had not been so repealed;

(b) in particular and without affecting the generality of the foregoing paragraph such repeal shall not disturb the continuity of status operation or effect of any regulation by-law order appointment application certificate incorporation determination direction agreement consent loan fund vesting composition scheme of arrangement insurance approval liability or right made effected issued granted given presented fixed accrued incurred or acquired or existing or continuing by or under any of such Acts before the commencement of this Act.

Interpretation.

No. 5414 a. 4.

“Chairman.”

“Corporation.”

“Country industries.”

“Financial year.”

“Member.”

“Metropolis.”

“Part.”

“Prescribed.”

3. (1) In this Act unless inconsistent with the context or subject-matter—

“Chairman” means chairman of the Corporation.

“Corporation” means the Rural Finance Corporation declared by this Act to have been established by the *Rural Finance Corporation Act 1949*.

“Country industries” includes secondary as well as primary industries carried on outside the metropolis.

“Financial year” means the twelve months ending on the thirtieth day of June.

“Member” means member of the Corporation.

“Metropolis” has the same meaning as in the *Melbourne and Metropolitan Board of Works Act 1958*.

“Part” means Part of this Act.

“Prescribed” means prescribed by or by regulations made under this Act and (where the case so requires) by by-laws made under this Act.

"Schedule" means Schedule to this Act.

"Schedule."

"Treasurer" means the Treasurer of Victoria.

"Treasurer."

(2) (a) Unless inconsistent with the context or subject-matter any reference in this Act to moneys raised or provided, or loans made, or interest received, or fees charges and moneys paid or moneys borrowed, or debentures or inscribed stock issued, or the Corporation's operations, or borrowers, or compositions or schemes of arrangement, or mortgages securities or charges under this Act or any Part thereof shall be deemed to include a reference to moneys raised or provided, or loans made, or interest received, or fees charges and moneys paid, or moneys borrowed, or debentures or inscribed stock issued, or the Corporation's operations, or borrowers, or compositions or schemes of arrangement, or mortgages securities or charges under the *Rural Finance Corporation Act 1949* or the corresponding Part thereof (as the case may be) before the commencement of this Act.

As to construction of certain references.

(b) The foregoing provisions of this sub-section shall be read as in aid of and not in derogation from the provisions of sub-section (2) of section 2 of this Act.

PART I.—ESTABLISHMENT OBJECTS CONSTITUTION AND MANAGEMENT OF THE CORPORATION.

4. For the purposes of this Act there shall be a body corporate by the name of the Rural Finance Corporation (which is hereby declared to have been first established and incorporated by the *Rural Finance Corporation Act 1949*).

Establishment of Corporation. No. 5414 s. 5.

5. The objects for which the Corporation is established and constituted are—

Objects for which Corporation is established and constituted. No. 5414 s. 6.

- (a) to encourage and assist country settlement and development;
- (b) to stimulate country production;
- (c) to improve the conditions under which country industries are conducted;
- (d) to protect maintain improve and develop country industries;
- (e) to encourage the establishment of new country industries—

by the making of advances by way of loan at the lowest possible rates of interest to persons engaged or to be engaged in the carrying on of any country industry (whether those persons are farmers or manufacturers or processors or are individuals or bodies corporate or unincorporate) and otherwise by carrying out the functions conferred or imposed on the Corporation by this Act.

Constitution
of the
Corporation.
No. 5414 s. 7
(1)-(3).

6. (1) The Corporation shall consist of three members appointed by the Governor in Council and one of the members shall be appointed as chairman of the Corporation by the Governor in Council.

(2) Of the members so appointed—

(a) one shall be a person having a knowledge of and experience in business finance;

(b) one shall be a person having a knowledge of and experience in primary production and rural industries.

(3) No member of the Corporation shall during his continuance in the office of member engage in any employment other than in connexion with the duties of that office.

Filling of
vacancies.
No. 5414
s. 7 (4).

7. The Governor in Council whenever any vacancy occurs in the office of chairman or any other member of the Corporation may appoint some other qualified person to fill the vacancy.

Incorporation.
No. 5414 s. 8.

8. The members and their successors in office shall be a body corporate under the name of the Rural Finance Corporation with perpetual succession and a common seal and capacity in law of suing and being sued and subject to and for the purposes only of this Act of taking purchasing holding exchanging mortgaging taking on mortgage leasing taking on lease selling dealing with and disposing of real and personal property and of taking securities thereon and of doing and suffering all such other acts and things as bodies corporate may by law do or suffer.

Salaries and
expenses of
members.
No. 5414 s. 9.

9. (1) The chairman and the other members of the Corporation shall severally be entitled to be paid such salaries and expenses as are determined by the Governor in Council.

Tenure of
members.

(2) Subject to this Act every member—

(a) shall be entitled to hold office for the term (not exceeding five years) for which he is appointed or re-appointed; and

(b) shall if qualified be eligible for re-appointment.

Members not
subject to
*Public Service
Act.*

(3) No member shall in respect of his office be subject to the *Public Service Act 1958*.

Office of
profit under
the Crown.
No. 5414 s. 10.

10. The offices of the chairman and of the other members of the Corporation and of the officers of the Corporation shall be offices or places of profit under the Crown within the meaning of Part II. of *The Constitution Act Amendment Act 1958*.

11. (1) The Governor in Council may remove any member from his office on an address praying for such removal being presented to the Governor—

Removal of
members from
office.
No. 5414 s. 11.

- (a) by the Legislative Council and the Legislative Assembly respectively in the same session of Parliament; or
- (b) by the Legislative Assembly alone in two consecutive sessions thereof provided that not less than six weeks shall intervene between such addresses when made by the Legislative Assembly alone.

(2) At any time when Parliament is not sitting the Governor in Council may suspend any member from his office for—

Suspension
of members.

- (a) inability inefficiency mismanagement or misbehaviour; or
- (b) refusal or neglect or failure to carry out any of the provisions of this or any other Act imposing any duty on him—

and a full statement of the cause of such suspension shall be laid before both Houses of Parliament within seven days after the commencement of the next session thereof; and if an address at any time during that session is presented to the Governor by the Legislative Council or the Legislative Assembly praying for the restoration of such member to his office he shall be restored accordingly but if no such address is so presented the Governor in Council may confirm such suspension and declare the office of such member to be and the same shall thereupon become and be vacant.

12. (1) There shall be a general manager of the Corporation who shall be appointed by the Governor in Council and who—

General
manager of
Corporation.
No. 5414 s. 13
(1) (2).

- (a) shall hold office for such term and subject to such conditions as the Governor in Council thinks fit and with such remuneration as is fixed by the Governor in Council; and
- (b) shall be an officer of the Corporation and shall subject to the Corporation have the supervision and control of all the activities and operations of the Corporation.

(2) The general manager shall not during his continuance in the office of general manager engage in any employment other than in connexion with the duties of that office.

13. (1) For the purposes of this Act—

- (a) subject to the approval of the Governor in Council the Corporation—
 - (i) may appoint or employ such officers (including a secretary) and other persons

Appointment
&c. of
officers, &c.
No. 5414 s 13
(3)-(5).

to assist in the execution of this Act as it thinks necessary;

(ii) may remove any such officer or person;

(iii) shall pay such salaries wages and allowances to the officers and other persons appointed or employed by it as appear to be proper;

(b) with the approval of the Treasurer and the consent of the Minister administering the Department concerned may make use of the services of any of the officers and employés of the public service.

Saving of rights of members and officers who were members of public service.

(2) If any person appointed as a member or officer of the Corporation was immediately before his appointment—

(a) an officer of the public service; or

(b) (having formerly been an officer of the public service) engaged or employed in any office or capacity in which he was eligible on the recommendation of the Public Service Board to be re-appointed upon the termination of such engagement or employment to some office in the public service—

such person shall be eligible (in all respects as if he were a member of the public service) on the recommendation of the Public Service Board to be re-appointed at or before the termination of his term of office under this Act to some office in the public service with a classification and emolument corresponding with or higher than that which he held in the public service immediately prior to his appointment as a member or officer of the Corporation or to his engagement or employment as aforesaid and as if the whole period of his service under this Act and any corresponding previous enactment and (where the case so requires) in any other such office or capacity had been a period of service in the public service.

(3) Any member or officer of the Corporation who at the date of his appointment as a member or officer of the Corporation is an officer within the meaning of the *Superannuation Act 1958* shall notwithstanding such appointment be deemed to continue subject to that Act to be an officer within the meaning of that Act.

Branches and agents.
No. 5414 s. 14.

14. The Corporation may—

(a) establish branches of the Corporation in Victoria;

(b) close any such branches;

(c) subject to the approval of the Treasurer appoint or employ agents, and may remove any such agent.

15. As and when so directed by the Governor in Council any Government department and the Commissioners of the State Savings Bank of Victoria having office accommodation available in any country centre shall make available to the Corporation portion of that accommodation upon such terms as are agreed upon between the Minister administering the department concerned or the said Commissioners (as the case may be) and the Corporation or in default of such agreement as are determined by the Governor in Council.

Office accommodation in country centres.
No. 5414 s. 15.

16. The provisions of the Second Schedule shall be applicable to the business of the Corporation and to all matters therein dealt with in aid of the effectual administration of this Act.

Application of Second Schedule.
No. 5414 s. 16.

PART II.—PROPERTIES AND FUNDS OF THE CORPORATION.

17. (1) The Corporation shall hold all real and personal property whatsoever for and on account of the Crown.

Property to be held on behalf of the Crown.
No. 5414 s. 17.
Recovery.

(2) Nothing in this section shall limit the right of the Corporation to sue for and recover any real and personal property in the name of the Corporation.

(3) Neither the Crown nor the Corporation shall by reason only of any prerogative right of the Crown have any priority of right to payment of any moneys payable to the Corporation under this Act.

No priority of payments by reason of prerogative.

18. (1) The funds of the Corporation shall include—

Funds of the Corporation.
No. 5414 s. 18;
No. 5955 s. 2.

(a) any loan moneys raised or provided by the State and issued or applied for the purposes of this Act or the *Rural Finance Corporation Act 1949*;

Money raised or provided by the State.

(b) any moneys raised by the Corporation with the consent of the Treasurer by the issue of debentures or inscribed stock under and in accordance with this Part;

Moneys raised by debentures or inscribed stock.

(c) any moneys borrowed by the Corporation with the consent of the Treasurer by way of loan or overdraft from any bank (including the State Savings Bank of Victoria) under and in accordance with this Part;

Moneys borrowed by loan or overdraft.

(d) any moneys received by the Corporation in respect of loans made by the Corporation under Part III. out of the funds of the Corporation;

Repayment of loans.

(e) any interest received by the Corporation under Part IV. (not being interest required by that Part to be paid into the Rural Rehabilitation Fund);

Interest under Part IV.

Fees and charges.

(f) any fees or charges paid to the Corporation pursuant to this Act;

Moneys paid into funds pursuant to this Act.

(g) any moneys paid into the funds of the Corporation pursuant to this Act.

Moneys in certain fund not to form part of funds of Corporation.

(2) The funds of the Corporation shall not include any moneys forming part of the Rural Rehabilitation Fund established and kept in the Treasury.

Moneys on deposit.

(3) The Corporation may, apart from any borrowing power conferred on it by this Act, receive moneys on deposit for a fixed term and pay interest thereon; and any moneys so received shall be paid temporarily into the funds of the Corporation.

Guarantee of payment of liabilities of Corporation by Government of Victoria.
No. 5414 s. 19.

19. (1) All liabilities of the Corporation including the repayment of all moneys borrowed in accordance with this Part by the Corporation by the issue of inscribed stock or debentures or by way of loan or overdraft from any bank (including the State Savings Bank of Victoria) and the payment of interest thereon are hereby guaranteed by the Government of Victoria.

Appropriation of Consolidated Revenue for fulfilling guarantees.

(2) Any sums required by the Treasurer of Victoria for fulfilling such guarantees shall be paid out of the Consolidated Revenue (which is hereby to the necessary extent appropriated accordingly) and any sums received or recovered by the Treasurer from the Corporation or otherwise in respect of any sums so paid by the said Treasurer shall be paid into the Consolidated Revenue.

Limitation of amount to be raised by loan under this Part.
No. 5414 s. 20.

20. Save as expressly provided in this Part the total amount raised by the State by loan under the *Rural Finance Corporation Act* 1949, issued and applied out of the Loan Fund pursuant to this Part and raised by the Corporation under this Part and the said Act shall not exceed the sum of Ten million pounds.

Authority to Treasurer of Victoria to issue and apply amounts not exceeding £10,000,000 out of the Loan Fund.
No. 5414 ss. 21-25.

21. (1) The Treasurer of Victoria may under the authority of this Act issue and apply out of the Loan Fund amounts not exceeding in all the sum of Ten million pounds (and any amounts so issued and applied shall be deemed to be loan moneys provided by the State).

(2) The amounts so issued and applied shall be applied by the Corporation for the purposes of this Act.

(3) For the purposes of sub-section (1) of this section such amounts as have been raised pursuant to the corresponding previous enactment by loan by the State shall be deemed to be included in the sum authorized to be issued and applied out of the Loan Fund pursuant to the said sub-section.

22. The Corporation shall out of its revenue pay to the Treasurer of Victoria such sums as the Treasurer may require in order to provide for, or as a contribution towards, the payment of interest and contributions to the National Debt Sinking Fund in respect of loan moneys provided by the State under this Part or raised by the State under any corresponding previous enactment.

Corporation to provide interest and sinking fund contributions on loan moneys provided or raised by the State.
No. 5414 s. 26;
No. 5955 s. 3.

23. (1) Subject to this Part—

(a) for the purposes of this Act the Corporation may from time to time with the consent of the Governor in Council borrow and re-borrow at interest such sums of money as it thinks requisite but such sums shall not exceed in all the sum of Ten million pounds;

Power to Corporation to borrow.
No. 5414 s. 27.

(b) the Corporation may borrow and re-borrow such sums on the security of the revenues funds and assets of the Corporation;

(c) in the event of the whole or any part of such sums being repaid by the Corporation the Corporation may re-borrow the same, and so *toties quoties*. but there shall not be owing at any one time more than the said sum of Ten million pounds; and

Re-borrowing.

(d) for the purpose of making provision to pay off any loan or part of a loan raised by the Corporation under this Act the Corporation with the consent of the Governor in Council may re-borrow on the credit of the revenues funds and assets of the Corporation the necessary money before the loan or part becomes payable notwithstanding that by such re-borrowing the said sum of Ten million pounds is temporarily exceeded.

Borrowing to pay off loan.

(2) Except as provided in paragraph (d) of the last preceding sub-section the Corporation may not borrow or re-borrow as aforesaid so that there is at any one time owing by the Corporation under this Act any sum which together with—

Limitation of borrowing power of Corporation by reference to amount raised and provided by the State.

(a) any sums issued and applied out of loan moneys raised or provided by the State before the commencement of this Act under the *Rural Finance Corporation Act 1949*; and

(b) any amounts issued and applied out of the Loan Fund pursuant to this Part—

exceeds Ten million pounds.

24. (1) Any sums which the Corporation is under this Part authorized to borrow may be raised as one loan or as several loans.

Power to borrow as one loan or as several loans.
No. 5414 s. 28.

Money borrowed on debentures or stock.

(2) Every loan raised by the Corporation under this Part shall be raised—

- (a) by the issue of debentures payable to bearer with interest coupons attached;
- (b) by the creation and issue of inscribed stock to be called "Rural Finance Corporation Inscribed Stock" (in this Act referred to as "stock"); or
- (c) partly in one way and partly in the other.

Debentures and stock how secured.

(3) All such debentures and stock respectively—

- (a) shall with interest thereon be charged and secured upon the revenues funds and assets of the Corporation;
- (b) shall bear interest at such rate and be redeemable at such date or dates and at such place or places in or outside the Commonwealth as the Corporation with the consent of the Treasurer and the sanction of the Governor in Council determines; and

Interest on and dates of redemption of debentures and stock.

- (c) may with the consent of the holder or the registered owner thereof respectively be paid off at any time previous to the due date thereof at not more than the par face value thereof or (with the consent of the Treasurer and the sanction of the Governor in Council) at a premium, with interest thereon to date of payment only.

Provision for paying off in certain cases.

(4) Interest secured by any such debentures or stock shall be payable—

- (a) half-yearly on days fixed by the Corporation; and
- (b) at such place or places in or outside the Commonwealth as the Corporation with the consent of the Treasurer and the sanction of the Governor in Council determines.

Time and place of payment of interest.

Issue of stock to debenture-holders and vice versa.

(5) The Corporation at the request of the holder of any debenture or of the registered owner of any stock issued under this Part may in lieu thereof issue to him stock or debentures (as the case may be) in respect of the same loan and of the same amount bearing the same interest and of the same currency.

Sinking fund. No. 5414 s. 29.

25. (1) In the case of every loan raised by it under this Part, the Corporation shall provide a sinking fund at such rate and for such period as the Governor in Council approves.

Power to sell securities in funds, &c.

(2) Whenever it is necessary to have resort to any fund mentioned in this section for the purpose of paying off any loan in respect of which the fund is provided or portion of such loan,

the Corporation may sell any securities in which the fund is invested or obtain an advance thereon from any bank or banks in Victoria or elsewhere.

(3) Notwithstanding anything in the foregoing provisions of this section the Governor in Council may by Order published in the *Government Gazette* direct that in the case of any loan raised by the Corporation under this Part it shall not be necessary for the Corporation to provide a sinking fund if he is satisfied that debentures or stock or both representing a sufficient proportion of the principal sum borrowed including interest will fall due and be repaid in each year during the currency of the loan.

Power of Governor in Council to dispense with sinking fund in certain cases.

26. (1) Any trustee unless expressly forbidden by the instrument (if any) creating the trust may invest any trust funds in his hands in any debentures or stock issued by the Corporation under the authority conferred by this Part.

Power to invest in Corporation's securities. No. 5414 s. 30.

(2) Such debentures and stock shall be a lawful investment for any moneys which any company or body corporate incorporated by any Act of the Parliament of Victoria is authorized or directed to invest in addition to any other investments expressly authorized for the investment of such moneys.

To be lawful investment for companies, &c.

(3) Any trustee or company or body corporate as aforesaid may pursuant to this Part convert any such debentures in his or its hands into such stock.

As to conversion of debentures into stock.

(4) Notwithstanding anything in any Act, such debentures and stock shall be a lawful investment for any moneys which The Commissioners of the State Savings Bank of Victoria are authorized or directed to invest pursuant to the *State Savings Bank Act 1958* as if they were municipal debentures.

As to investment by Commissioners of State Savings Bank of Victoria.

(5) No notice of any trust express implied or constructive shall be received by the Corporation or by any officer of the same in relation to any debenture issued under this Act, and the Corporation or any such officer shall not be bound to see to the execution of any such trust to which any such debenture may be subject.

Notice of trust in relation to debenture not receivable.

(6) No notice of any trust express implied or constructive shall be received by the registrar or the Corporation in relation to any stock or entered in any stock ledger or other book kept by the registrar, and the registrar and the Corporation shall not be bound to see to the execution of any such trust to which any part of the said stock may be subject.

Notice of trust in relation to stock not receivable.

(7) A person advancing money to the Corporation and receiving in consideration of such advance any debenture or stock issued under this Act shall not be bound to inquire into the application of the money advanced or be in any way responsible for the non-application or misapplication thereof.

Owners of securities not responsible for application of moneys.

Provisions of Third Schedule incorporated. No. 5414 s. 31.

Application of provisions of Third Schedule to debentures.

27. (1) The provisions of the Third Schedule shall be deemed and taken to be and shall have the same force and effect as if contained in this Act.

(2) The provisions of Part I. of the said Schedule shall apply with respect to debentures issued by the Corporation under this Part.

(3) The provisions of Part II. of the said Schedule shall apply with respect to stock issued by the Corporation under this Part.

Fees.

(4) The Corporation may demand take and receive for or in respect of the several matters and things with respect to which fees are provided for under Part I. or under Part II. of the Third Schedule the fees so provided or as to any other matters or things thereunder such reasonable fees as are specified in that behalf in the by-laws of the Corporation.

Making false entry in books &c. No. 5414 s. 32.

28. (1) Any person who wilfully and with intent to defraud—

(a) makes any false entry in or alters any word or figure in any of the books kept by the Corporation in which books the accounts of the owners of any stock issued by the Corporation under this Part are entered and kept;

(b) in any manner falsifies any of the accounts of any of such owners in any of the said books; or

(c) makes any transfer of any share or interest of or in any such stock in the name of any person not being the true and lawful owner of such share or interest—

shall be guilty of felony and be liable to imprisonment for a term of not more than fifteen years.

Making out false interest warrant &c.

(2) Any officer or servant of or person employed or intrusted by the Corporation who knowingly and with intent to defraud makes out or delivers any interest cheque or warrant for payment of any interest or money payable in respect of any stock aforesaid for a greater or less amount than the person on whose behalf such warrant is made out is entitled to shall be guilty of felony and be liable to imprisonment for a term of not more than seven years.

Forging &c. debentures.

(3) Any person who forges or alters or offers utters or disposes of or puts off knowing the same to be forged or altered any debenture made out and issued or purporting to be made out and issued under this Part by the Corporation shall be guilty of felony and shall be liable to imprisonment for a term of not more than ten years.

Construction of section as in aid of and not in derogation from other laws relating to offences concerning stock or debentures.

(4) The provisions of this section shall be read and construed as in aid of and not in derogation from the provisions of the *Crimes Act* 1958 or of any other Act or any other law with respect to offences relating to stock or debentures.

29. (1) Subject to the approval of the Governor in Council the Corporation may make by-laws for or with respect to all matters and things authorized or required to be prescribed or necessary or expedient to be prescribed for carrying out or giving effect to the provisions of this Part in relation to stock and debentures issued by it and the Third Schedule, and in particular without affecting the generality of the foregoing may make by-laws for or with respect to—

Power of Corporation to make by-laws.
No. 5414 s. 33.

Third Schedule.

- (a) prescribing any forms for use under this Part and the Third Schedule; and any forms so prescribed or forms to the like effect shall be sufficient in law; and
- (b) prescribing any matters with respect to which fees are to be payable under this Part or the Third Schedule and reasonable fees with respect thereto.

(2) Without prejudice to any other method of revocation, any by-law made under this section may be revoked by the Governor in Council by Order published in the *Government Gazette*.

Power to Governor in Council to revoke by-laws hereunder.

30. The Corporation may with the consent of the Treasurer borrow money not exceeding in all at any one time the sum of Two million pounds by way of temporary loan or overdraft from any bank (including the State Savings Bank of Victoria).

Corporation authorized to borrow from banks.
No. 5414 s. 34.

31. (1) The Corporation shall as soon as possible after the end of every financial year set apart the net profits for the year made by the Corporation towards a reserve fund to be established for the purpose of meeting any loss or deficiency which may occur on any of the Corporation's operations under Part III.

Reserve Fund.
No. 5414 s. 36;
No. 5955 s. 4.

(2) The reserve fund shall be applied by the Corporation so far as it will extend towards making good such loss or deficiency.

(3) So far as practicable all moneys standing to the credit of the reserve fund shall until required—

(a) be invested in any securities of or guaranteed by the Government of Victoria or the Commonwealth of Australia or any other Australian State; or

(b) be placed on deposit in any bank—

and any interest derived therefrom shall be added to the reserve fund.

32. Save as otherwise expressly provided all the costs charges and expenses of the administration of this Act shall be defrayed out of the funds of the Corporation.

Expenses of administration.
No. 5414 s. 37.

Audit of
accounts.
No. 5414 s. 38.

33. (1) The accounts of the Corporation shall be audited by the Auditor-General—

- (a) annually at the close of each financial year; and
- (b) at such other times as the Auditor-General thinks fit.

(2) For the purposes of this section the Auditor-General shall have and may exercise all or any of the powers conferred on him with respect to the audit of the public accounts.

(3) The Corporation shall pay to the Treasurer the expenses of any audit of the accounts of the Corporation by the Auditor-General.

Annual
profit and
loss account
balance sheet
and report.
No. 5414 s. 39.

34. (1) The Corporation shall at the end of every financial year cause to be prepared—

- (a) a profit and loss account and balance sheet certified by the members as correct;
- (b) such other statements of accounts as are prescribed; and
- (c) a full report of the operations of the Corporation for the financial year.

(2) Every such profit and loss account and balance sheet and other statements of accounts after being audited by the Auditor-General shall be forwarded to the Treasurer.

(3) The Treasurer shall lay before both Houses of Parliament copies of every such report and of every such audited profit and loss account balance sheet and other statements of accounts.

Agency
department.
No. 5955 s. 8.

35. (1) Notwithstanding anything in this Act where any money is provided from the Public Account for any special purpose the Treasurer of Victoria may, subject to such directions and conditions as he thinks fit to give or impose, direct the Corporation to take charge of the administration of the money for such purpose.

(2) For the purpose of giving effect to any such direction the Corporation shall establish a separate agency department of the Corporation, and all accounts relating to the administration of any such moneys shall be kept in such department and separately from other accounts of the Corporation.

PART III.—LOANS BY THE CORPORATION.

Loans under
this Part to be
out of funds
of the
Corporation.
No. 5414 s. 41.
Securities to
be taken.

36. (1) All loans granted by the Corporation under this Part shall be granted out of the funds of the Corporation.

(2) The Corporation shall take such security as it thinks proper in respect of all loans so granted.

37. (1) Subject to this Act the Corporation may, in any case where it thinks that such a course would be in furtherance of the objects for which the Corporation is established and constituted, grant a loan under this Part to any person or body establishing or carrying on any country industry and in addition to any loan to any such person or body may make such other financial provision as may enable such person or body to obtain any necessary machinery plant or equipment.

Persons and bodies to whom loans may be granted under this Part.

No. 5414 s. 42
No. 5955 s. 5.

(2) Such persons or bodies may include—

- (a) persons or bodies of persons carrying on agricultural horticultural pastoral viticultural or other rural pursuits;
- (b) persons or bodies of persons establishing or carrying on outside the metropolis any secondary industry (including any industry for the treating processing packing or making or marketing of any kind of rural product);
- (c) associations societies pools or bodies of any kind formed for the main purpose of the co-operative manufacture or marketing of rural products.

38. (1) Any loan made under this Part—

- (a) shall not be less than Twenty pounds and (together with the amount of any other loan made by the Corporation to the same borrower and not repaid) shall unless the Treasurer approves not be greater than Ten thousand pounds;
- (b) if the security for the loan is land or any interest therein, shall not together with any other loan secured on the land or interest exceed ninety per centum of the value of the land or interest;
- (c) may be advanced in one sum or in instalments;
- (d) may on three months notice in writing being given by the borrower to the Corporation be repaid in whole or in part at any time during the currency of the loan with interest to the date of payment;
- (e) shall, subject to this Act, be made upon such terms and conditions as to repayment payment of interest and otherwise as the Corporation thinks proper.

General provisions as to loans and interest.
No. 5414 s. 48.

(2) Interest on any such loan shall be as low as practicable having regard to the rate of interest at which the Corporation has obtained or borrowed money and to the costs of administration; and such interest shall be payable at such rate as is agreed upon between the Corporation and the borrower, including a higher rate of interest in respect of any interest or principal moneys due and unpaid.

Prescribed fees &c. in respect of loans payable to Corporation.
No. 5414 s. 44;
No. 5955 s. 6.

Power to Corporation to require secured property to be insured.
No. 5414 s. 45.

39. The Corporation may demand and receive from borrowers under this Part such fees costs and charges as are prescribed in respect of loans to such borrowers or to the extent to which they are not so prescribed, as are fixed by the Corporation.

40. (1) The Corporation may require any borrower under this Part to insure and keep insured against such risks as it specifies any property over which it has taken security.

(2) Any borrower so required to insure may at his election insure either with the Corporation or with an insurer approved for the purposes of this section by the Governor in Council.

41. (1) The Corporation may—

(a) specify the purposes for which any loan granted under this Part or any advance in respect thereof is made or is to be made;

(b) specify the purposes to which any money so advanced is to be applied; and

(c) vary any of such purposes.

(2) The Corporation if satisfied that any money so advanced has not been applied for the purpose or purposes for which it was advanced or has been expended in a careless or wasteful manner may—

(a) refuse to pay any further advance in respect of the loan; and

(b) call in the whole amount already advanced, whereupon the borrower shall forthwith repay the same to the Corporation with interest thereon to the date of payment and default in repayment shall constitute default under the mortgage or other security securing the loan.

No further loans or advances under certain Acts.
No. 5414 s. 47;
No. 5602 s. 2.

42. It is hereby declared that it was provided by section forty-seven of the *Rural Finance Corporation Act 1949* that after the commencement of Part III. of that Act no further loans or advances should be made or granted under any of the following Acts or enactments:—

Section seventy-four of the *Milk and Dairy Supervision Act 1928* as re-enacted by any Act.^(a)

Paragraph (k) of sub-section (1) of section eighteen of the *Marketing of Primary Products Act 1935*.^(b)

Farmers Advances Act 1935 or any Act amending the same.

Farm Water Supplies Advances Act 1944 or any Act amending the same.

(a) Sub-section (3) only of section 74 is reproduced in the *Milk and Dairy Supervision Act 1958*.

(b) Section 18 (1) (k) is not reproduced in the *Marketing of Primary Products Act 1958*.

PART IV.—COMPOSITIONS AND SCHEMES OF ARRANGEMENT.

43. In this Part unless inconsistent with the context or subject-matter—

Interpretation.
No. 5414 s. 49.

“Farmer” means any person who, being the owner lessee or occupier of land in Victoria, is engaged otherwise than as an employé in farming operations on that land and includes the owner lessee or occupier of any land in Victoria on which farming operations are being carried on under a share-farming agreement to which he is a party and the legal personal representative of a deceased farmer.

“Farmer.”

“Farming operations” means farming agricultural horticultural viticultural pastoral or grazing operations and without affecting the generality of the foregoing includes dairy-farming poultry-farming and bee-farming.

“Farming operations.”

44. (1) Any farmer may make an application as prescribed in writing and verified as prescribed to the Corporation for its assistance in securing the discharge in whole or in part of his debts by means of a composition or scheme of arrangement between him and any or all of his creditors.

Applications by farmers for compositions or schemes of arrangement with creditors.
No. 5414 s. 51.

(2) The Corporation may prepare or assist in the preparation of any such composition or scheme of arrangement.

Preparation of compositions or schemes of arrangement.

45. (1) If such a composition or scheme is arranged and is approved by the Corporation the Corporation may subject to this Part advance moneys to or for the benefit of the farmer for the purpose of carrying such composition or scheme into effect:

Corporation empowered to advance moneys for purposes of compositions or schemes of arrangement.
No. 5414 s. 52;
No. 5955 s. 7.

Provided that—

- (a) the Corporation shall not approve any composition or scheme or advance any moneys under or in respect of any composition or scheme unless in the opinion of the Corporation—
- (i) the farmer will have as the result of any composition or scheme arranged a reasonable prospect of successfully carrying on farming operations; and
 - (ii) some discharge of the debts of the farmer is necessary to insure that the farmer will continue to carry on farming operations and to give him a reasonable prospect of carrying on those operations successfully;

- (b) no payment under or in respect of a composition or scheme shall be made in respect of any debt due or accruing due to the Commonwealth or a State or any governmental authority.

Conditions of repayment.

(2) The Corporation may fix such terms and conditions as it thinks fit for the repayment of moneys advanced for the purposes of compositions or schemes of arrangement and interest thereon and may take such securities as it thinks fit (whether personal or collateral and whether for or in respect of real or personal property) for the repayment of such moneys and the payment of interest (if any) thereon and may deal with any such security in such manner as it thinks fit.

Repayment of advances.

The Corporation if in its opinion any such moneys will not be repaid may waive the repayment thereof and write off the debt.

Insurance.

(3) The Corporation may before or after approving any composition or scheme of arrangement require the farmer to insure and keep insured such property as it specifies against such risks as it specifies.

Restriction on sale &c. of property for which Corporation holds security.

(4) A farmer over whose property any security is held by the Corporation shall not sell lease mortgage or allow any share farmer to occupy that property without the consent of the Corporation.

Protection of trustees.
No. 5414 s. 53.

46. (1) No trustee shall be chargeable with a breach of trust by reason only of his agreement to any composition or scheme of arrangement under this Part.

Power to municipalities &c. to agree to compositions and schemes of arrangement.

(2) The council of any municipality (including the city of Melbourne and the city of Geelong) or the governing body of any local governing body or statutory corporation specified by proclamation of the Governor in Council published in the *Government Gazette* may notwithstanding anything in any Act agree to any composition or scheme of arrangement under this Part.

"Trustee."

(3) In this section "trustee" includes the legal personal representative of a deceased person.

47. If any farmer—

Power to Corporation to call up advances and exercise rights and remedies in respect of securities.
No. 5414 s. 54.

- (a) who has made an application as aforesaid knowingly makes a false statement or otherwise wilfully misleads the Corporation either before or after the approval by the Corporation of a composition or scheme of arrangement under this Part; or
- (b) over whose property any security is held by the Corporation pursuant to a composition or scheme of arrangement sells leases mortgages or allows

any share farmer to occupy that property without the consent of the Corporation—

the Corporation shall be entitled forthwith to call up any advance which it has made and to exercise its rights and remedies in respect of any security held by it over any of the property of the farmer.

48. (1) For the purposes of this Part there shall be established and kept in the Treasury a fund to be called the "Rural Rehabilitation Fund".

Establishment
of Rural
Rehabilitation
Fund.
No. 5414 a. 55.

(2) Into the fund there shall be paid all repayments of principal made by farmers in respect of payments made to creditors under a confirmed plan of debt adjustment pursuant to the *Farmers Debts Adjustment Act 1935* or under an approved composition or scheme of arrangement pursuant to this Part, all capital moneys arising out of the realization by the Corporation of securities given by farmers to the Corporation for the repayment of moneys paid to creditors under a confirmed plan of debt adjustment pursuant to the said Act or under an approved composition or scheme of arrangement pursuant to this Part, all other capital moneys received by the Corporation from any source in repayment of moneys paid to creditors under a confirmed plan of debt adjustment pursuant to the said Act or under an approved composition or scheme of arrangement pursuant to this Part and all interest received in respect of Commonwealth Government securities given to the Corporation or, before the twenty-sixth day of April One thousand nine hundred and fifty, to the Farmers' Debts Adjustment Board as security (other than collateral security) for moneys paid to creditors under a confirmed plan of debt adjustment pursuant to the said Act or under an approved composition or scheme of arrangement pursuant to this Part.

Payments
into fund.

(3) Out of the fund there shall be paid such moneys as the Corporation thinks proper to or for the benefit of any farmer for the purpose of discharging in whole or in part the debts of that farmer by means of a composition or scheme of arrangement approved by the Corporation under this Part between him and any or all of his creditors.

Payments
out of fund.

PART V.—GENERAL.

49. (1) The Corporation may undertake the insurance of any property over which it has taken security under this Act and for that purpose may enter into contracts of insurance and keep an account to be called the "Insurance Account".

Power to
Corporation
to undertake
insurance of
properties
over which it
has taken
security.

(2) To that account there shall be credited all premiums paid for insurance of such property and against that account there shall be debited all amounts paid upon the damage or destruction

No. 5414 a. 56.

of such property owing to risks against which it is insured and all expenses incidental to the work of insurance carried on by the Corporation.

(3) The Corporation may—

- (a) specify the risks against which insurance is effected under this section;
- (b) repair damaged property or restore destroyed property in lieu of paying insurance money;
- (c) deduct from insurance moneys payable any amount owing to the Corporation in respect of the property insured.

(4) The Corporation may invest such portion of the moneys standing to the credit of that account as it thinks proper in any securities in which a trustee may invest trust funds in his hands, and any interest derived from such investment shall be added to that account.

Power to Corporation to effect repairs or improvements where security has deteriorated.
No. 5414 s. 57.

50. (1) When any property on the security of which the Corporation has granted a loan under Part III. or any property of the farmer over which security is held by the Corporation under Part IV. in the opinion of the Corporation has deteriorated or is deteriorating in value and should be protected against such deterioration the Corporation may out of its funds cause the necessary repairs or improvements to be effected to the property.

(2) If such deterioration is due to the neglect of the borrower or the farmer (as the case may be) the Corporation may recover from the borrower or the farmer as a debt due to it the amount expended in order to effect the necessary repairs or improvements.

Saving.

(3) Nothing in this section shall apply to any property where the deterioration is due to risks against which the property is insured under this Act.

Acquisition or discharge of prior mortgages securities and charges to protect Corporation's security.
No. 5414 s. 58.

51. (1) The Corporation may out of the funds of the Corporation make such payments as are necessary to acquire or discharge any mortgage security or charge held by any body or person over any property in priority to any security thereover held or to be taken by the Corporation under Part III. or Part IV. in any case where the Corporation is of opinion that such acquisition or discharge is necessary to protect the Corporation's security over that property.

(2) All moneys accruing to the Corporation by reason of the acquisition or discharge of prior mortgages charges and securities as aforesaid shall be paid into and become part of the funds of the Corporation.

52. (1) Notwithstanding anything in Part VII. of the *Instruments Act* 1958, for the purposes of this Act—

As to liens
on crops.
No. 5414 s. 59.

- (a) a preferable lien on crops may be given before the existence of a growing crop and shall be as valid and effectual and have the like force and effect as if it had been given on a growing crop; and
- (b) a preferable lien on crops may be given on the crops of two succeeding harvests and the agreement relating thereto may be embodied in one document and registered under the said Part VII., and the provisions of the said Part VII. shall with such adaptations as are necessary extend and apply and be read and construed accordingly, and such agreement when registered shall as regards the crops intended to be affected thereby be as valid and effectual so far as registration is concerned as if in all respects all the requirements of the said Part VII. as to registration had been fulfilled:

Provided that before giving to the Corporation a preferable lien on the crops of two succeeding harvests the borrower shall submit to the Corporation the consent in writing of any mortgagee lessor or unpaid vendor of any land comprising or forming part of the borrower's farm or of the other party to any share-farming agreement relating thereto.

(2) For the purposes of any such preferable lien—

- (a) section sixty-one of the *Instruments Act* 1958 shall be read and construed and have effect as if in the said section for the words "is registered within ten days after the date of such agreement" there were substituted the words "is registered within thirty-one days after the date of such agreement"; and
- (b) the form in the Sixth Schedule to the *Instruments Act* 1958 shall be used with such modifications as are prescribed by regulations under this Act.

Construction
of *Instruments
Act* for
purposes of
such liens.

(3) Sections sixty-three and sixty-four of the *Instruments Act* 1958 shall not apply to any preferable lien given to the Corporation for the purposes of this Act.

Liens by
tenants and
mortgagors.

53. No matter or thing done or omitted to be done and no agreement entered into by the Corporation or by any member officer or other person on its behalf or under its direction shall if the matter or thing was done or omitted to be done or the agreement was entered into *bona fide* for the purposes of this Act subject the Corporation or any such member officer or person to any personal liability in respect thereof.

Protection of
the members
officers and
others from
personal
liability.
No. 5414 s. 60.

Loans not to be granted to members or officers.
No. 5414 s. 61.

54. The Corporation shall not grant any loan or advance to any member deputy member or officer of or any agent of or any person employed by the Corporation.

Penalty for offering or taking bribes.
No. 5414 s. 62.

55. Any person who—

- (a) directly or indirectly takes any fee or reward from any applicant for a loan or advance under this Act; or
- (b) having any pecuniary interest in any property tendered as security for a loan or advance under this Act or being a partner of an applicant for a loan or advance acts as valuer inspector or agent of or adviser to the Corporation in connexion with such property loan or advance; or
- (c) in respect of any loan or advance or application therefor bribes or corruptly influences or attempts to bribe or corruptly influence any person appointed under this Act—

shall be liable to a penalty of not more than Two hundred pounds and if an officer servant inspector valuer or agent of or person employed by the Corporation shall be dismissed from his office or employment.

Forgery.
No. 5414 s. 63.

56. Any person who—

- (a) forges or alters or offers utters disposes of or puts off knowing the same to be forged or altered—
 - (i) any deed bond or writing obligatory or any acquittance receipt release account or statement or the seal of the Corporation or any accountable receipt either for money or goods; or
 - (ii) any note bill or other security for payment of money or letter or power of attorney or other instrument in writing; or
- (b) makes any false entry or knowingly makes up any untrue account which concerns or relates to the affairs or business of the Corporation or of any of its officers with intent to defraud—

shall be guilty of forgery and punishable accordingly.

Fraud.
No. 5414 s. 64.

57. Any person who orally or in writing makes a false statement with intent to defraud in connexion with any application for any loan or advance under this Act shall be liable to a penalty of not more than One hundred pounds.

58. (1) The Governor in Council may make regulations for or with respect to carrying out the provisions of this Act, and in particular for or with respect to—

Regulations.
No. 5414 a. 65.

- (a) the management of the Corporation and the regulation of its business;
- (b) the custody and use of the seal of the Corporation;
- (c) the control of the officers or agents of and persons employed by the Corporation;
- (d) applications for and the making of loans or advances by the Corporation; and fees costs and charges payable in respect thereof;
- (e) the procedure in all cases where no procedure is otherwise prescribed;
- (f) forms for use under this Act (and all such forms or forms to the like effect shall be sufficient in law); and
- (g) any matters and things authorized or required by this Act to be prescribed or necessary or expedient to be prescribed for carrying this Act into execution and for guarding against evasions and violations thereof.

(2) All such regulations shall be published in the *Government Gazette* and be laid before both Houses of Parliament within fourteen days after the making thereof if Parliament is then sitting and if Parliament is not then sitting then within fourteen days after the next meeting of Parliament, and a copy of all such regulations shall be posted to each member of Parliament.

Publication.

SCHEDULES.

Section 2.

FIRST SCHEDULE.

Number of Act.	Title of Act.	Extent of Repeal.
5414 ..	<i>Rural Finance Corporation Act 1949</i>	So much as is not already repealed. Item in Schedule referring to <i>Rural Finance Corporation Act 1949</i> .
5602 ..	<i>Statute Law Revision Act 1951</i> ..	
5955 ..	<i>Rural Finance Corporation (Amendment) Act 1956</i>	The whole.

SECOND SCHEDULE.

Section 16.

Members.

Insolvents incapacitated.

1. No undischarged or uncertificated bankrupt or insolvent shall be capable of being appointed a member.

Office of member how vacated.

2. (1) Any member who—

- (a) becomes bankrupt or insolvent or applies to take the benefit of any Act or law for the relief of bankrupt or insolvent debtors or by any deed or writing compounds with his creditors or makes an assignment of his salary for their benefit;
- (b) is wilfully absent from three consecutive meetings of the Corporation except on leave granted by the Treasurer of Victoria;
- (c) becomes incapable of performing his duties as member; or
- (d) resigns—

shall thereby vacate his office as member.

Members not to be personally interested in contracts &c.

(2) Any member who—

- (a) is in anywise concerned or interested in any bargain or contract made by or on behalf of the Corporation; or
- (b) in anywise participates or claims to be entitled to participate in the profit thereof or in any benefit or emolument arising from the same—

shall thereby vacate his office as member and shall be guilty of a misdemeanour and be liable to a penalty of not more than Five hundred pounds or to imprisonment for a term of not more than three years or to both such penalty and imprisonment.

Deputy members.

3. (1) The Governor in Council, in the case of the illness suspension absence or vacancy in the office of the chairman or of any other member, may appoint some person to act as his deputy during such illness suspension absence or vacancy and every such person shall, while so acting, have the powers and perform the duties of the chairman or other member (as the case may be).

(2) If a person appointed to act as the deputy of the chairman is a member the Governor in Council may appoint some other person to act as deputy of such member while he is acting as the deputy of the chairman.

(3) No person shall hold the office of deputy chairman or deputy member for a longer period than six months at any one time without re-appointment.

SECOND SCHEDULE—continued.

Meetings, &c., of Members.

4. (1) The chairman shall preside at every meeting of the members at which he is present.

Meetings.

(2) Any two members shall be a quorum.

(3) Where the chairman or deputy chairman is not present at a meeting the member who is senior in respect of appointment shall preside.

Procedure.

(4) The chairman or other member presiding at any meeting shall in the event of an equal division of votes at the meeting have a second or casting vote.

Casting vote.

(5) Subject to there being a quorum, no proceeding or act of the Corporation shall be invalidated or illegal in consequence only of there being any vacancy in the number of members at the time of such proceeding or act.

Proceedings validated.

(6) Subject to this Act the members may regulate their own procedure.

Regulation of procedure.

5. (1) The members by writing under the common seal of the Corporation—

Powers of delegation in certain cases.

(a) may declare that any acts of a specified class performed by one member or any documents of a specified class sealed or signed by one member shall have the same force and effect as if performed or sealed by the Corporation or signed by the members; and

(b) may revoke any such declaration.

(2) Every such declaration so long as it remains in force shall have the same effect as if it were enacted in this Act.

(3) A copy of every such declaration and of any revocation thereof shall be published in the *Government Gazette*.

(4) No declaration under this section shall prevent the members from exercising or continuing to exercise any powers of the Corporation or the members.

Contracts.

6. (1) Contracts on behalf of the Corporation may be made varied or discharged as follows:—

Contracts.

Any contract which if made between private persons would be by law required to be in writing and under seal the Corporation may make in writing and under the seal of the Corporation and in the same manner may vary or discharge the same.

Any contract which if made between private persons would be by law required to be in writing signed by the parties to be charged therewith the Corporation may make in writing signed by the members thereof or by two of their number acting by the direction and on behalf of the Corporation and in the same manner may vary or discharge the same.

Any contract which if made between private persons would be by law valid although made by parol only and not reduced into writing the members or any two of them acting by the direction and on behalf of the Corporation may make by parol only without writing and in the same manner may vary or discharge the same.

(2) All contracts made according to the provisions herein contained shall be effectual in law and shall be binding on the Corporation and all other parties thereto their successors heirs executors or administrators (as the case may be).

(3) In case of default in the execution of any such contract either by the Corporation or by any other party thereto such actions or suits may be maintained thereon and damages and costs recovered by or against the Corporation or the other parties failing in the execution thereof as might have been maintained and recovered had the same contracts been made between private persons only.

(4) The Corporation may compound with any party who has entered into any contract with the Corporation or by or against whom any action or suit has been brought against or on behalf of the Corporation for any cause whatsoever for such sums of money or other recompense as the Corporation thinks proper.

Offices of the Corporation.

7. Subject to this Act the Corporation may provide equip furnish and maintain offices for carrying on the business of the Corporation and for that purpose may purchase or rent any necessary land or building or alter remove or enlarge any building or erect any new building upon any land so purchased or rented.

Provision of offices.

Sections 27,
28.

THIRD SCHEDULE.

PART I.—DEBENTURES.

The following provisions shall apply to debentures issued by the Corporation under this Act:—

1. Every debenture shall be in the form prescribed by the by-laws made under this Act or to the like effect: Provided that if no by-law prescribing the form of debentures is made before the issue of debentures for the purposes of any loan under this Act every debenture for the purposes of that loan shall be in the form or to the effect following:—

RURAL FINANCE CORPORATION DEBENTURE.

No.

Transferable by Delivery.

Form.

Under the authority of and subject to the *Rural Finance Corporation Act* 1958.

This debenture entitles the bearer to the sum of _____ pounds on the _____ day of _____ with interest thereon in the meantime at the rate of _____ per centum per annum payable half-yearly on the _____ day of _____ and the _____ day of _____ in every year as per coupons annexed, which principal sum and interest are hereby charged and secured upon the revenues funds and assets (within the meaning of the said Act) of the Rural Finance Corporation: And such principal sum and interest are payable at the bankers for the time being of the said Corporation in the city of Melbourne [or (as the case may be) in (state the name of the place where payable)].

Given under the common seal of the Rural Finance Corporation at the city of Melbourne in the State of Victoria this _____ day of _____ in the year 19 _____.

The common seal of the Rural Finance Corporation was (L.S.)
affixed hereto in the presence of—

Chairman or Member,
Secretary.

2. Debentures shall—

Seal.

(a) be sealed with the common seal of the Corporation in the presence of a member and the secretary or acting secretary; and

Number.

(b) be numbered consecutively beginning with the number one and proceeding in an arithmetical progression whereof the common difference is one.

Pass by
delivery.

3. Every debenture with the interest coupons annexed thereto and every interest coupon after being detached therefrom shall pass by delivery and without any assignment or indorsement.

Rights of
bearer.

4. The bearer of every debenture or detached interest coupon shall have the same rights as if he were expressly named as payee therein.

Payment of
interest.

5. No interest shall be payable in respect of any debenture except to the holder of the coupon representing the interest claimed and upon delivery of the same.

Register of
debentures.

6. (1) The Corporation shall cause to be kept in one or more books a register of debentures, and within a reasonable time after the date of any debenture shall cause to be made an entry in the register specifying the number date and amount of the debenture.

THIRD SCHEDULE—*continued.*

(2) The register of debentures—

- (a) may be inspected at all reasonable times by any person on payment of One shilling for each inspection; and **Inspection.**
- (b) shall be evidence of any matters required or authorized by or under this Act to be inserted therein. **Register to be evidence.**

(3) Any person shall be entitled to obtain from the Corporation copies or extracts certified by the officer in whose custody the register is kept to be true copies of or extracts from such register upon payment for each copy or extract of a fee of Two shillings and sixpence and Twopence for every folio of seventy-two words; and any copy or extract so certified shall be admissible in evidence. **Copies to be supplied.**

7. Upon proof being made before a judge of the Supreme Court in chambers by affidavit of any credible person that any debenture issued by the Corporation under this Act and held by such person the number and sum whereof is specified by him has been lost or accidentally burnt or otherwise destroyed before the same has been paid off, and after the insertion of such advertisements as such judge directs and upon such judge certifying that he is satisfied with such proof, the Corporation may after the expiration of six months cause a new debenture with interest coupons attached to be made having the like currency and bearing the same number date principal sum and rate of interest as the debenture so lost or destroyed and to be delivered to such person upon his giving sufficient security to the Corporation to indemnify the Corporation against any double payment. **Provision for lost debentures.**

8. If any debenture is defaced by accident—

- (a) the Corporation may cancel the same and cause a new debenture to be made in lieu thereof; and **Provision for defaced debentures.**
- (b) the new debenture shall have the like currency and be in all respects subject to the same provisions and bear the same number date and principal sum and rate of interest as the cancelled debenture.

9. (1) All debentures paid off discharged exchanged or converted into stock shall— **Discharged debentures to be destroyed.**

- (a) be cancelled by the secretary; and
- (b) be burnt in the presence of the secretary and the Auditor-General or one of his officers thereto authorized by him in writing.

(2) The Auditor-General or such officer (as the case may be) before the debentures are burnt shall audit the same and allow the accounts thereof and furnish the Corporation with a certificate particularizing the debentures so burnt; and the secretary shall file that certificate in the office of the Corporation.

PART II.—STOCK.

The following provisions shall apply to Rural Finance Corporation Inscribed Stock issued in Melbourne (hereinafter referred to as "stock") :—

1. The Corporation may establish at the office of the Corporation a registry for the inscription of stock created and issued under the authority of this Act and appoint officers of the Corporation to be respectively registrar of stock and deputy-registrar of stock and such deputy-registrar shall in the absence of the registrar have all the powers authorities and duties of the registrar. **Establishment of registry and appointment of registrar.**

2. Stock may be sold by the Corporation for ready money in parcels or amounts of Ten pounds or some multiple of Ten pounds. **Parcels of stock.**

3. (1) The Corporation shall cause to be provided and kept at the office of the Corporation books to be called "stock ledgers." **Stock ledgers.**

THIRD SCHEDULE—continued.

- Inscription of stock.** (2) All stock issued shall be inscribed in the stock ledgers by entering the names of the purchasers of stock and the amount of stock purchased by them respectively.
- Joint purchasers.** (3) In the case of joint purchasers of stock the names of not more than four of them shall be inscribed as the joint purchasers.
- Evidence.** (4) The stock ledgers shall be evidence of any matters appearing therein and required or authorized by or under this Act to be inserted therein.
- Stock how transferable.** 4. (1) Stock or any share therein shall be transferable in the manner prescribed by by-laws of the Corporation from one person to another by instrument in the form so prescribed and not otherwise.
- Restrictions on amount of stock which may be transferred.** (2) No person shall be entitled or allowed to transfer any fraction of One pound or any smaller sum than Ten pounds unless that smaller sum is the full amount of the balance standing to his credit in the stock ledger.
- Execution of transfer.** (3) Every instrument of transfer of the said stock or any share therein shall be executed by all parties and the signatures to the instrument shall be attested in the manner prescribed by the by-laws.
- Registration of transfer.** (4) Every instrument of transfer when executed shall be delivered to the registrar who shall register the same by entering a memorial of it in the stock ledger and shall inscribe the name of the transferee in the stock ledger as the owner of the said stock.
- Application for transmission (other than a transfer) of stock.** 5. (1) Any person to whom any stock is transmitted in consequence of the death or bankruptcy or insolvency of the registered owner of any stock or by any other lawful means than by a transfer in accordance with this Act may apply in the form prescribed by the by-laws to the registrar at the registry to be inscribed as the owner of such stock.
- Verification of application for transmission.** (2) Every such application for transmission shall be verified by statutory declaration or in such other manner as is so prescribed, and—
- (a) in the case of such a transmission consequent on death—the probate of the will or the letters of administration shall be produced to the registrar or in the case of transmission to a survivor or the survivors of a joint owner a certificate of the death of the owner who has died may if the registrar approves be produced to him in lieu of probate or letters of administration; and
- (b) in the case of such a transmission consequent on bankruptcy or insolvency—an office copy of the adjudication or order of sequestration shall be delivered to the registrar.
- Registration of transmission.** (3) The registrar shall if he is satisfied that the provisions of this Act have been complied with register any such transmission by entering a memorial of it in the stock ledger and inscribe the name of the person to whom the stock has been transmitted in the stock ledger as the registered owner of the stock.
- Powers of attorney.** 6. (1) Any person may by power of attorney under his hand and seal and attested by two or more credible witnesses appoint some person to be his attorney for any purpose in relation to stock (including an application for conversion or to receive interest or redemption money).
- (2) A power of attorney shall be valid and effectual for all purposes therein mentioned until notice of its revocation or of the bankruptcy insolvency lunacy unsoundness of mind or death of the principal has been received by the registrar at the registry.
- When transfer books to be closed and ledgers balanced.** 7. (1) No instrument of transfer of stock or of any part thereof shall be registered on any Saturday Sunday or holiday or within the period of fourteen days or within such period (not exceeding twenty-one days) as is prescribed next before any of the days on which the interest thereon is payable.
- (2) During the periods last aforesaid respectively the Corporation shall cause the amount of the said stock respectively standing to the credit of the several registered owners thereof to be ascertained and the balances to be struck and carried forward in the proper stock ledger.
- (3) No instrument of transfer of stock or of any part thereof shall be registered during the period of twenty-one days immediately preceding the date of maturity of stock.

THIRD SCHEDULE—continued.

8. (1) If any person by the affidavit of himself or of another or others makes appear to the satisfaction of a judge of the Supreme Court that any part of the stock standing in the name or names of any other person or persons is held by him or them upon any trust in the execution or performance of which such first-mentioned person is beneficially interested such judge may make an order in the form or to the effect following:—

Power of judge to prohibit transfer in certain cases.

In the Supreme Court.

Upon reading the affidavits of A.B. and C.D. and upon hearing [the attorney or agent or Mr. H. of counsel] for the said A.B., I do order that _____ pounds of Rural Finance Corporation Inscribed Stock created under the *Rural Finance Corporation Act 1958* now standing in the name of G.M. [or the names of G.M. and E.F.] shall not be transferred without the further order of a judge of this court, unless the said A.B. shall by writing under his hand upon the said transfer express his assent thereto.

Dated this _____ day _____ A.D. 19 _____ .

(2) The said order shall be signed in duplicate and with office copies of the affidavit or affidavits mentioned therein shall be delivered to or served upon the Corporation which shall obey the said order and cause the same and the said attested copies to be filed in the office of the Corporation and a memorandum of the said order to be made in the proper place in the stock ledger.

Order to be served upon Corporation &c.

(3) Upon receipt of any such order and office copies as aforesaid the Corporation shall cause to be sent by the post to every person registered as owner of the stock mentioned in such order a notice in the following form or to the like effect:—

Corporation to give notice thereof.

Rural Finance Corporation's Office, Melbourne, 19 _____ .

A judge's order prohibiting the transfer of _____ pounds of Rural Finance Corporation Inscribed Stock created under the *Rural Finance Corporation Act 1958* standing in your name [or in the names of yourself and _____] has been obtained by A.B. and served upon the Rural Finance Corporation.

If you object to the said order you must apply to a judge of the Supreme Court to rescind it, as while it remains in force no transfer can be made without the consent of the person who obtained it.

C.D.,

Secretary.

(4) (a) Any person registered as the owner of the stock mentioned in any such order may at any time apply by summons to any judge of the Supreme Court to rescind such order or to permit a transfer of some specified part of the said stock.

Application to rescind order.

(b) Such judge may make an order with or without costs dismissing such summons or rescinding such first-mentioned order or permitting a transfer of some specified part as aforesaid.

(c) Such order shall be signed in duplicate and shall be delivered to or served upon the Corporation, which shall obey the same and cause it to be filed in the office of the Corporation and a memorandum of it to be made in the proper place in the stock ledger.

9. (1) The receipt of the person in whose name any stock stands in the stock ledger, or if it stands in the names of more persons than one the receipt of one of the persons named in the stock ledger shall be a sufficient discharge to the Corporation for any interest payable in respect of such stock, notwithstanding any trusts to which such stock may then be subject and whether or not the Corporation has had notice of such trusts, and the Corporation shall not be bound to see to the application of the money paid upon such receipt.

Receipt of registered stock-holders to discharge without regard to trust.

(2) If any stock is held in joint names and one or more of the registered owners of the stock dies becomes bankrupt insolvent or otherwise legally incapable, the receipt of any one of the other joint owners or survivors shall be a sufficient discharge to the Corporation for any interest payable in respect of such stock, notwithstanding that a transmission has not been registered as required by this Act.

Receipt where one of joint holders dies &c.

Registrar to
keep forms.

10. (1) The registrar shall keep the several forms prescribed under this Act and required in connexion with stock.

No other
forms to be
used.

(2) No forms other than the prescribed forms shall be used except with the consent of the Chairman of the Corporation.
