

[CONFIDENTIAL.]

(Rough Draft for Consideration Only.)

No. , 1934.

A BILL

To constitute an Employment and Investment Trust, and to define its powers, authorities, duties and functions; to provide for the raising of loans upon the guarantee of the State and for the making of advances by that Trust for the construction of works, the development and stabilisation of industry and employment; to provide for a Sinking Fund; to amend the Trustee Act, 1925, and certain other Acts; and for purposes connected therewith.

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

1. (1) This Act may be cited as the " Employment and Investment Trust Act, 1934." Short title.

(2) This Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette. Commencement.

(3) This Act is divided into Parts as follows :— Division into Parts.

PART I.—PRELIMINARY—SS. 1, 2.

PART II.—THE EMPLOYMENT AND INVESTMENT TRUST—SS. 3-9.

PART III.—POWERS AND FUNCTIONS OF THE TRUST—SS. 10-19.

PART IV.—FINANCE—SS. 20-24.

PART V.—GENERAL—SS. 25-27.

SCHEDULE.

2. In this Act unless the context or subject-matter otherwise indicates or requires— Definitions.

" Fund " means the Employment and Investment Fund.

" Member " means a member of the trust.

" Prescribed " means prescribed by this Act or the regulations.

" Regulations " means regulations made under the authority of this Act.

" This Act " includes the Schedule thereto.

" Trust " means the Employment and Investment Trust of New South Wales.

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PART II.

THE EMPLOYMENT AND INVESTMENT TRUST.

3. (1) There shall be constituted a trust which shall carry into effect the objects and purposes of this Act, and shall have and may exercise and perform the powers, authorities, duties and functions conferred or imposed on the trust by or under this Act or any other Act.

The Employment and Investment Trust of New South Wales.

(2) The corporate name of the trust shall be the "Employment and Investment Trust of New South Wales."

(3) The trust shall consist of five members appointed by the Governor, of whom—

(a) one shall, in and by the instrument by which he is appointed, be appointed chairman of the trust;

(b) one other shall, in and by the instrument by which he is appointed, be appointed deputy-chairman of the trust.

(4) The provisions of the Public Service Act, 1902, shall not apply to the appointment of members of the trust.

(5) The trust shall be a body corporate with perpetual succession and a common seal; and shall for the purposes and subject to the provisions of this Act, be capable of purchasing, holding, granting, demising, disposing of, or otherwise dealing with real and personal property, and of doing and suffering all such other acts and things as bodies corporate may by law do and suffer.

(6) For the purposes of any Act the trust shall be deemed to be a statutory body representing the Crown.

4. (1) For the purpose of first constituting the trust, the appointment of members shall be for a term not exceeding seven years. Any subsequent appointment (other than an appointment made pursuant to subsection three of this section) shall be for a term not exceeding three years.

Term of office of appointed members.

(2)

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(2) Subject to this Act a member shall hold office for the period for which he is appointed and shall be eligible for reappointment.

(3) On the occurrence of any vacancy in the office of a member the Governor shall appoint a person to the vacant office, whose term of office shall be for his predecessor's unexpired term of office.

(4) A member shall be deemed to have vacated his office if he—

- (a) becomes bankrupt, compounds with his creditors, or makes an assignment of his estate for their benefit;
- (b) absents himself from three consecutive meetings of the trust except upon leave granted by the trust;
- (c) becomes an insane person or patient or an incapable person within the meaning of the Lunacy Act of 1898;
- (d) resigns his office by writing under his hand addressed to the Governor;
- (e) becomes disqualified for office as a member of the trust.

5. (1) The chairman and the deputy-chairman of the trust shall respectively receive such remuneration by way of salary, fees or allowances as may be determined by the Governor.

Remuneration of chairman or deputy chairman.

(2) The remuneration of the chairman and of the deputy-chairman of the trust shall not be altered during the respective terms for which they hold office.

(3) The chairman and deputy-chairman and members of the trust shall not be required to devote the whole of their time to the duties of their respective offices.

6. A member of the trust other than the chairman or deputy-chairman shall not be entitled to receive any salary, fee, allowance or remuneration for his services as a member of the trust; but shall be entitled to receive travelling expenses at a rate prescribed.

Members other than chairman or deputy-chairman not to receive remuneration.

7. (1) The trust may appoint an Executive Officer and such other officers as it thinks necessary for the purposes of this Act. Appoint-
ment of
officers.

(2) The provisions of the Public Service Act, 1902, or of any Act amending that Act, shall not apply to the appointment of such Executive Officer or other officers.

(3) Officers employed under this Act shall not be subject to the Public Service Act, 1902, or any Act amending that Act, but shall be engaged for such periods as the trust thinks fit and shall be subject to such conditions as are prescribed.

8. Any officer of the trust (including the Executive Officer) who at the date of his appointment was an officer of the Public Service, or of any statutory corporation representing the Crown, shall— Saving of
rights.

- (a) in the event of his office as an officer of the trust being discontinued or abolished, or in the event of his removal from office otherwise than for misconduct, be eligible for appointment, and shall be appointed to an office in the Public Service or in the service of the statutory corporation of which he was an officer, as the case may be, not lower in classification and salary than that which he held at the date of his appointment as an officer of the trust;
- (b) retain and have any rights accrued or accruing under the Public Service Act, 1902, or any other Act or any regulation, as the case may be;
- (c) continue to contribute to any fund or account, and be entitled to receive any annual, sick, deferred or extended leave, and any payment, pension or gratuity, as if he had remained an officer or employee within the meaning of the Public Service Act, 1902, the Superannuation Act, 1916-1930, or any other Act or any regulation; and for any such purposes his service as an officer of the trust shall be deemed to be service for the purposes of any such Act.

9. The trust may for the purposes of this Act make use of the services of any officer or employee of the Public Service or of a statutory corporation representing the Crown with the approval of the Minister of the Department concerned and the Public Service Board or of the statutory corporation concerned as the case may be.

Use of services of officers, etc.

PART III.

POWERS AND FUNCTIONS OF THE TRUST.

10. The trust constituted under this Act shall be charged with the powers, duties and obligations imposed by this Act. It may adopt any measures tending to foster and stimulate the construction of works, and the development of industries within the State, and may examine and explore any avenues for the development of industry and the creation of useful, profitable and permanent employment of the citizens of the State and the furtherance of the trade and commerce of the State.

Functions of trust.

11. The trust, out of the funds at its disposal, may render financial assistance, by way of loan, for any of the following objects:—

Objects for which trust may make loans.

- (a) country towns water and sewerage works;
- (b) electricity undertakings;
- (c) reclamation schemes;
- (d) works of afforestation;
- (e) works tending to prevent the erosion of river banks or of agricultural land;
- (f) the construction of hospitals;
- (g) the construction, or reconstruction of roads and bridges;
- (h) carrying out of schemes for the abolition of slum areas;
- (i) housing schemes;

(j).

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- (j) railway extension and duplication and tramway and trolley car extensions;
- (k) construction of silos for wheat;
- (l) works of drainage unions or water trusts;
- (m) works of water conservation and distribution;
- (n) artesian or shallow bores;
- (o) public watering places;
- (p) works of sewerage or drainage in suburban areas;
- (q) the erection of schools; and
- (r) any other works of a reproductive or developmental character or which in the opinion of the trust are calculated to relieve unemployment or stimulate industry.

12. (1) The trust may also, subject to this Act, out of the funds at its disposal, render financial assistance by way of loan or guarantee to any person carrying on an industry which the Governor by proclamation declares to be an industry for the purposes of this Act, upon security to the satisfaction of the trust being furnished.

Loans to industries.

(2) The trust shall not render such financial assistance in any case where in its opinion such person can obtain adequate financial assistance from other sources.

13. (1) The Colonial Treasurer may from time to time advance to the trust out of funds provided by Parliament such sums at such rate of interest and upon such terms and conditions as to repayment as the Governor may approve.

Colonial Treasurer, advances by.

(2) The Colonial Treasurer shall receive notice of all meetings of the trust and may personally or by some person nominated by him as his representative attend any such meeting and take part in any discussion. The trust shall furnish the Colonial Treasurer or such person with any information relating to any of its transactions or operations as he may require.

14. The trust may before the thirtieth day of June, one thousand nine hundred and thirty-seven, or such later date as the Governor may from time to time fix by proclamation published in the Gazette, raise by way of loan such sums not exceeding in the aggregate the

Power to borrow.

the amount of fifteen million pounds at such rate of interest and upon such terms and conditions as to repayment and at such times as the Governor with the concurrence of the Australian Loan Council may approve.

15. The repayment of any moneys raised by loan and the interest thereon and the performance of any pecuniary obligation of the trust under any guarantee given by it shall be a charge upon the income revenue and property of the trust and is hereby guaranteed by the Government, and any liability arising from the guarantee by the Government shall be payable out of the Consolidated Revenue Fund.

Government guarantee.

The charge imposed by this section shall not prejudice or affect the power of the trust to sell or convey any property vested in it free of any such charge.

16. (1) An application for financial assistance pursuant to this Act shall be made to the trust, shall contain full particulars as to the amount of money which it is desired should be furnished, the purposes for which the advance is required, the security offered and the provision to be made for repayment of the amount advanced and interest thereon, and shall be supported by such further particulars and information as the trust may require.

Applications for financial assistance.

(2) Where any such application is made by the Municipal Council of Sydney or by the council of a municipality or shire under the Local Government Act, 1919, the trust shall not grant the application unless—

- (a) the provisions of the Sydney Corporation Act, 1932, or of the Local Government Act, 1919, as the case may be, in force for the time being relating to limits of borrowing or restrictions on borrowing have been complied with; and
- (b) the consent in writing of the Minister administering those Acts, has been obtained.

(3) Where any such application is made in respect of any object relating to the construction, reconstruction, or extension of works in a particular area, district or locality, and the trust is satisfied that the council, statutory authority or body making the application is unable to provide the moneys necessary for repayment of

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of the advance and interest thereon, the trust may submit, through the Colonial Treasurer, for the approval of the Governor, a scheme of apportionment of repayments between the council, statutory authority or body and the Consolidated Revenue Fund and shall not grant any such application except in accordance with a scheme approved by the Governor.

The Governor may approve or disapprove of the scheme, or may approve of the scheme with such modifications or alterations as he may think fit.

(4) Where any such scheme has been so approved (either with or without modifications or amendments) the payment to the trust of such part of the repayments and interest as is apportioned to the Consolidated Revenue Fund shall be payable out of that Fund without other appropriation than this Act.

(5) The trust shall take security for the repayment, together with interest, of all amounts advanced, other than amounts the repayment of which is apportioned to the Consolidated Revenue Fund under the provisions of this section.

17. (1) Where the trust reports to the Governor that any work of the character referred to in section eleven of this Act seems desirable in the public interest and that the trust is prepared to render financial assistance for the same, but that the Minister for Public Works, the Commissioner for Railways, or any other constructing authority, council, statutory authority or body, as the case may be, by whom the work would usually be carried out, either from lack of available staff or funds or from pressure of other constructional works, is unable to undertake the work forthwith or within such time as the trust considers reasonable, the Governor may, whether the estimated cost of the work exceeds twenty thousand pounds or not, direct that the work may be carried out by the trust under the Public Works Act, 1912, in which case all the powers and provisions of that Act, as amended by subsequent Acts, relating to authorised works, shall be applicable to such work, and the same shall

Trust may carry out works.

shall for the purposes of that Act as so amended be deemed an authorised work and the trust shall for the like purposes be deemed a constructing authority.

(2) In its report the trust shall submit for the consideration of the Governor a complete scheme setting forth the estimated cost of the work, the lands, if any, required to be appropriated or resumed, and the amount estimated as payable in compensation, and proposals as to—

- (a) the council, statutory authority or body by whom the work, when constructed, shall be managed and controlled; and
- (b) the methods of raising and the probable revenue to be derived from the work; and
- (c) the repayment by any council, statutory authority or body of the amount expended or the apportionment of the repayment of such amount between any council, statutory authority or body, and the Consolidated Revenue Fund; and
- (d) the time within which and the terms as to interest or otherwise upon which the repayment of the amount expended or the part thereof apportioned to the council, statutory authority or body shall be made.

(3) Where the report of the trust sets forth a proposal for the apportionment of repayments of the amount expended between any council, statutory authority or body and the Consolidated Revenue Fund, the report shall be submitted to the Governor through the Colonial Treasurer.

(4) Upon the completion of the work the Governor may, on the recommendation of the trust, by proclamation in the Gazette, vest the work, or the care, control or management thereof, in such council, statutory authority, or body, upon such terms as to repayment as have been agreed upon.

(5) The trust, in carrying out any such work, shall, so far as is reasonably practicable, avail themselves of the services of members of the Public Service.

(6) Any such work shall be carried out under contract.

18. The trust may initiate, carry out, or subsidise any research or inquiry in connection with or for the promotion of any industry in the State or the stimulation of employment therein.

Research.

19. (1) The trust shall have power to acquire by gift, bequest or devise any property for any of the purposes of this Act and to agree to the condition of any such gift, bequest or devise.

Power to accept gifts, etc.

(2) The rule of law relating to perpetuities shall not apply to any condition of a gift, devise or bequest to which the trust has agreed.

Rule against perpetuities not to apply to certain conditions.

cf. 17 and 18 Geo. V, c. 41, s. 8.

PART IV.

FINANCE.

20. (1) There shall be constituted a fund to be called the "Employment and Investment Fund."

Fund.

cf. Act No. 39, 1927, s. 39 (1) (3).

(2) The fund shall be under the direction and control of the trust and shall be applied for the purpose of the administration and execution of this Act and for no other purpose whatsoever.

21. (1) The fund shall consist of—

Assets of fund.

(a) all moneys advanced to the trust by the Colonial Treasurer or provided by Parliament for the purposes of the trust;

cf. Act No. 41, 1919, s. 107.

(b) all moneys borrowed by the trust in pursuance of this Act;

(c) all moneys received by the trust as repayments or interest in respect of financial assistance rendered by the trust;

(d) all moneys directed by or under this Act to be allocated to the fund.

(2) The fund may be applied to any of the following purposes:—

Application of fund.

(a) the administrative expenses of the trust;

(b) the rendering of financial assistance for the purposes of this Act, by way of loan;

(c) payment of principal, interest, and expenses in respect of moneys borrowed by the trust in pursuance of this Act;

(d)

- (d) payment of principal, interest and expenses in respect of any guarantee given by the trust;
- (e) the temporary investment by deposit in any bank or with the Metropolitan Water, Sewerage and Drainage Board of any moneys not immediately required for the purposes of this Act;
- (f) any purpose directed or authorised by or under this Act for the application of the fund.

22. Towards the repayment of any loan raised by the trust there shall be paid by the trust out of the fund such annual amounts by way of sinking fund as will provide for the repayment of the loan at its due date. Sinking fund.

Such amounts shall be paid to the State Debt Commissioners established under the State Debt and Sinking Fund Act, 1904, as amended by subsequent Acts, who shall from time to time apply the moneys at credit of the sinking fund established in connection with any loan raised by the trust in purchasing, redeeming, or paying off such loan, and in the meantime invest such moneys in the manner provided in that Act.

23. The trust shall cause to be kept proper books of account, and shall, as soon as practicable after the thirty-first day of December in each year, prepare and transmit to the Minister for presentation to Parliament a statement of accounts in a form approved by the Auditor-General, exhibiting a true and correct view of the financial position and transactions of the trust. Accounts.

24. (1) The accounts of the trust shall be audited by the Auditor-General, who shall have, in respect thereof, all the powers conferred on the Auditor-General by any law now or hereafter to be in force relating to the audit of public accounts; and the Audit Act, 1902, and Acts amending the same, shall apply to the trust and its officers in the same manner as it applies to accounting officers of public departments. Audit.

(2) Towards defraying the cost and expenses of such audit, the trust shall pay to the Consolidated Revenue Fund such sums, at such periods, as the Colonial Treasurer may decide. Costs of audit.

PART V.

GENERAL.

25. Any person who is or has been a member of the trust, or an Executive Officer, or other officer of the trust, and who reveals any information acquired by him in the performance of any duty under this Act or the regulations, to any person other than a person to whom he is authorised by the trust to communicate it, shall be guilty of a misdemeanour, and shall be liable to imprisonment for any term not exceeding *two* years, with or without hard labour.

Disclosure
of official
matters.

26. The provisions of the Schedule to this Act shall be deemed and taken to have the same force and effect as if contained herein.

Operation
and effect
of Schedule.

27. (1) The Governor may make regulations not inconsistent with this Act, prescribing all matters which are required or authorised to be prescribed, or which are necessary or convenient to be prescribed for carrying out or giving effect to this Act.

Regulations.

(2) The regulations may prescribe penalties not exceeding in any case *fifty* pounds for any contravention or breach of a regulation.

(3) The regulations shall—

- (a) be published in the Gazette;
- (b) take effect from the date of publication or from a later date to be specified in the regulations;
- (c) be laid before both Houses of Parliament within fourteen sitting days after publication if Parliament is in session, and if not, then within fourteen sitting days after the commencement of the next session.

If either House of Parliament passes a resolution of which notice has been given within fifteen sitting days after the regulations have been laid before such House disallowing any regulation or part thereof, such regulation or part shall thereupon cease to have effect.

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THE SCHEDULE.

Sec. 26.

THE TRUST.

1. (1) Three members, one of whom shall be the chairman or deputy-chairman, shall form a quorum of the trust, and shall have and may exercise and perform the powers, authorities, functions and duties which by any Act or means whatsoever are vested in or imposed upon the trust. Quorum.

(2) No proceeding or act of the trust 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. Validity of proceedings and acts.

2. (1) At any meeting of the trust the chairman, if present, shall preside. Chairman to preside at meeting.

(2) When the chairman is not present at any meeting, the deputy-chairman shall preside at such meeting.

(3) The chairman or deputy-chairman presiding at a meeting shall, in the event of an equal division of votes thereat, have a second or casting vote. Casting vote.

3. The trust shall keep minutes of all its proceedings. Minutes.

4. The trust shall furnish the Governor with—
 (a) all such reports, documents, papers and minutes as are required by Parliament pursuant to any Act or pursuant to any order of either House of Parliament; and
 (b) full information on all business of the trust which the Governor may require. Governor to have reports, etc., from the trust.

5. The trust shall make an annual report of its proceedings to the Governor for presentation to Parliament. Annual report.

6. The common seal shall be kept in the custody of the Executive Officer and shall not be affixed to any instrument except in pursuance of a resolution of the trust. The seal.

Any instrument executed in pursuance of any such resolution shall be attested by the signature of any two members of the trust and countersigned by the Executive Officer.

DISQUALIFICATION OF MEMBERS OF THE TRUST.

7. (1) A person shall be disqualified for office as a member of the trust if— Disqualification.

- (a) he holds any position of profit under or in the gift of the trust; or
- (b) he has (except as provided in this clause) any direct pecuniary interest in any agreement or trading with the trust or in any contract let by the trust; or
- (c) he converts to his own use any property of the trust; or
- (d) he by virtue of his office accepts or acquires any personal profit or advantage of pecuniary value other than as by this Act permitted.

cf. Act. No. 41, 1919, s. 30 (3) (4) (5).

(2)

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(2) A person shall not be disqualified for office as a member of the trust by reason only of having a direct pecuniary interest in any agreement or trading with the trust or in any contract let by the trust as a member and in common with the members of an incorporated company consisting of more than twenty-five persons.

Transactions with trust which do not disqualify.

(3) A person shall not be disqualified for office as a member of the trust by reason only of having a direct pecuniary interest in any agreement or trading with the trust or in any contract let by the trust for or with respect to—

- (a) the publication of advertisements in a newspaper of which he is the owner or part owner; or
- (b) the payment to or by the trust of any claim in respect of a dividing fence; or
- (c) the settlement by him of any claim he may have against the trust or a contractor with the trust for compensation in respect of property in which he has an interest upon damage thereto by the trust or a contractor with the trust under its statutory powers or for compensation for the resumption thereof for the purposes of this Act; or
- (d) the sale and delivery of an article to the trust or a contractor with the trust in the ordinary course of a retail business when the sale is made without his personal knowledge and in disregard of his express general instructions.

8. (1) A person disqualified for office as a member of the trust shall not be entitled to be appointed or to hold office or to act as such a member.

Effect of disqualification. Act No. 41, 1919, s. 31.

(2) If a person acts in office as a member of the trust while disqualified therefor, he shall be liable to a penalty not exceeding *one hundred* pounds.

(3) If a person is convicted of acting in office as a member of the trust while subject to disqualification within the meaning of clause seven of this Schedule, the minimum penalty shall be *fifty* pounds, and his conviction shall have the following consequences, that is to say:—

- (a) he shall be disqualified for office as a member of the trust for a period of seven years from the conviction unless the court by which he is convicted sees fit in the circumstances of the case to reduce the period of disqualification to a shorter period not being less than one year;
- (b) he shall not be entitled to receive or recover from the trust or a contractor with the trust any money in respect of the disqualifying position, agreement or trading;
- (c) the trust or a contractor with the trust may within two years after the receipt by him from the trust or a contractor with the trust of any money in respect of the disqualifying position, agreement or trading recover the same from him in any court of competent jurisdiction.

Employment and Investment Trust.

LEGAL PROCEEDINGS, EVIDENCE, ETC.

9. All courts, judges, and persons acting judicially shall take judicial notice of the common seal of the trust affixed to any instrument, and shall, where the instrument purports to have been executed in accordance with clause six of this Schedule, presume that such seal was properly affixed thereto.

Judicial notice of common seal.

10. Any notice, summons, writ or other proceeding required to be served upon the trust may be served by being left at the office of the trust.

Service of notices and legal proceedings.

11. Every notice, order, summons or other like document requiring authentication by the trust may be sufficiently authenticated without the seal of the trust if signed by the Executive Officer.

Documents how authenticated.

12. (1) In any legal proceeding by or against the trust no proof shall be required (until evidence is given to the contrary) of—

Proof of certain matters not required.

- (a) the constitution of the trust;
- (b) any resolution of the trust;
- (c) the appointment of any member of the trust, or of the Executive Officer or any other officer of the trust; or
- (d) the presence of a quorum at any meeting at which any determination is made or any act is done by the trust.

- (2) The production of—
- (a) a copy of the Gazette containing any regulation or notice purporting to have been made or given under any of the provisions of this Act or the regulations, or
 - (b) a copy purporting to be a true copy of any such regulation or notice certified as such under the hand of the Executive Officer,
- Evidence of regulations, etc.

shall be evidence until the contrary is proved of the due making, existence, confirmation, approval, and giving of such regulation or notice, and of all preliminary steps necessary to give full force and effect to the same.

13. All documents whatever purporting to be issued or written by or under the direction of the trust and purporting to be signed by the Executive Officer shall be received as evidence in all courts and before all persons acting judicially within New South Wales, and shall without proof be deemed to have been issued or written by or under the direction of the trust until the contrary is shown.

Evidence of documents issued by the trust.

14. No matter or thing done by the trust or by the Executive Officer or by any officer or other person appointed or employed by the trust, if done bona fide in the exercise of his powers or in the performance of his duties under this Act, shall subject any member of the trust or officer, or other person, to any personal liability in respect thereof.

Protection of trust officers, etc.

15. For the purposes of conducting any investigation or inquiry authorised to be made by or under this Act the members of the trust conducting the investigation or inquiry shall have all the powers and immunities of a commissioner, and the chairman of the trust or the deputy-chairman when presiding shall have the powers

Powers of the trust and chairman in conducting investigations.

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powers of a chairman within the meaning of Division 1 of Part II of the Royal Commissions Act, 1923, and the provisions of that Act with the exception of section thirteen and of Division 2 of Part II shall, *mutatis mutandis*, apply to any witness or person summoned by or appearing before the trust.

FINANCIAL.

16. (1) For the temporary accommodation of the trust it may obtain advances by overdraft of current account in any bank or banks upon the credit of the trust's incomes, revenues and profits or in anticipation of the issue of debentures or stock to such extent as may from time to time be approved by the Governor.

Temporary accommodation.
cf. Act No. 50, 1924, s. 71.

(2) The trust may, subject to the conditions and upon the terms prescribed, receive money on deposit at short call or on fixed deposit.

Trust may receive money on deposit.

17. (1) For securing repayment of the principal and interest on any moneys borrowed, the trust may issue debentures or inscribed stock as prescribed.

Debentures, etc.
Act No. 41, 1919, s. 183.

(2) Every such debenture and every coupon originally annexed to the debenture and whether separated therefrom or not shall be transferable by simple delivery.

Transfer of debentures, etc.

(3) Inscribed stock shall be transferable in the books of the trust in accordance with the regulations.

(4) Debentures or inscribed stock issued under this Act shall be deemed to be included in the general exemptions from stamp duty under Part III of the Stamp Duties Act, 1920-1933, contained in the Second Schedule to that Act.

(5) The holder of a coupon originally annexed to a debenture and whether separated therefrom or not, shall be entitled to receive payment from the trust of the interest mentioned in the coupon upon the presentation of the same on or after the date when and at the place where the interest is payable.

Interest.
Ibid. s. 190 (2).

18. (1) Any trustee, unless expressly forbidden by the instrument (if any) creating the trust, may invest any trust moneys in his hands in stock inscribed by the trust, and the investment shall be deemed to be an investment authorised by the Trustee Act, 1925, or any Act replacing the said Act.

Trustees.
Ibid. s. 191.

(2) Any debenture issued or stock inscribed by the trust shall be a lawful investment for any moneys which any company, council, or body corporate incorporated by any Act of Parliament of New South Wales is authorised or directed to invest in addition to any other investment expressly provided for the investment of such moneys.

(3) No notice of any trust expressed, implied or constructive shall be received by the trust or by any officer of the trust in relation to any debenture or coupon issued or stock inscribed by the trust.

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19. (1) If any debenture issued by the trust is lost or destroyed or defaced before the same has been paid, the trust may, subject to the provisions of this clause, issue a new debenture in lieu thereof.

Lost debentures Act No. 41, 1919, s. 192.

(2) The new debenture with interest coupon annexed shall bear the same date, number, principal sum and rate of interest as the lost, destroyed or defaced debenture.

(3) When the debenture is lost or destroyed the new debenture shall not be issued unless and until—

- (a) a judge of the Supreme Court has been satisfied by affidavit of the person entitled to the lost or destroyed debenture, or of some person approved by the judge, that the same has been lost or destroyed before it has been paid off;
- (b) such advertisement as the judge may direct has been published;
- (c) six months have elapsed since the publication of the last of the advertisements; and
- (d) sufficient security has been given to the trust to indemnify it against any double payment if the missing debenture be at any time thereafter presented for payment.

(4) When the debenture is defaced the new debenture shall not be issued unless and until the defaced debenture is lodged with the trust for cancellation.

(5) The provisions of this clause shall, *mutatis mutandis*, extend to the case of a lost, destroyed, or defaced coupon.

20. (1) A person advancing money to the trust shall not be bound to enquire into the application of the money advanced or to be in any way responsible for the non-application or misapplication thereof.

Protection of investors. Act No. 50, 1924, s. 85.

(2) A notification by the Minister in the Gazette that the Governor has approved a borrowing by the trust and that the Australian Loan Council has concurred shall, in favour of a lender and of any holder of a security given by the trust, be conclusive evidence that all conditions precedent to the borrowing have been complied with, and that the prescribed limits of borrowing have not been exceeded.

21. All debentures, inscribed stock, or other securities secured upon the income, revenue and property of the trust shall rank *pari passu* without any preference one above another by reason of priority of date or otherwise.

Debentures and inscribed stock to rank *pari passu*. *Ibid.* s. 85A.

22. If the trust borrows any money without having first obtained the approval of the Governor, every member holding office who has knowingly and wilfully, or for any personal benefit or advantage, consented to the borrowing shall be liable to a penalty of *five hundred pounds*.

Penalty for illegally borrowing. *Ibid.* s. 86.

The action to recover the penalty shall not be taken without the written consent of the Attorney-General.