
COMMONWEALTH BANK (RURAL
CREDITS).

No. 16 of 1925.

An Act to amend the *Commonwealth Bank Act*
1911-1924 by the provision of a Rural Credits
Department.

[Assented to 14th September, 1925.]

BE it enacted by the King's Most Excellent Majesty, the Senate,
and the House of Representatives of the Commonwealth of
Australia, as follows :—

Short title
and citation:

1.—(1.) This Act may be cited as the *Commonwealth Bank (Rural
Credits) Act* 1925.

(2.) The *Commonwealth Bank Act* 1911-1924 * is in this Act referred
to as the Principal Act.

* Act No. 13, 1911, as amended by No. 24, 1914; No. 43, 1920; and No. 15, 1924.

(3.) The Principal Act, as amended by this Act, may be cited as the *Commonwealth Bank Act 1911-1925*.

2. Section three of the Principal Act is amended by inserting therein before the words "Part VII.—Miscellaneous." the words "Part VI.B.—Rural Credits Department."

3. After Part VI.A. of the Principal Act the following Part is inserted :—

"PART VI.B.—RURAL CREDITS DEPARTMENT.

"60ABA. In this Part, unless the contrary intention appears, 'primary produce' means wool, grain, butter, cheese, fresh, preserved or dried fruits, hops, cotton, sugar and such other produce as is prescribed.

"60ABB. For the purposes of this Part there shall be a Rural Credits Department of the Bank which shall be kept distinct from all other Departments of the Bank.

"60ABC. The Treasurer may, from time to time, out of moneys legally available, lend to the Rural Credits Department such sums, for such periods and at such rates of interest as are agreed upon by the Treasurer and the Bank :

Provided that the total of the sums so lent and not repaid shall not at any time exceed Three million pounds.

"60ABD. Twenty-five per centum of the net annual profits of the Note Issue Department shall be paid into the Rural Credits Department until the amount so paid reaches a total of Two million pounds.

"60ABE.—(1.) For the purposes of this Part, the Bank may issue debentures.

"(2.) The amount of debentures issued under this section and not repaid shall not at any time exceed—

(a) the amount advanced on primary produce by the Rural Credits Department and still outstanding as at the date of the issue of the debentures ; or

(b) four times the amount of the aggregate of—

(i) the sums lent by the Treasurer to the Rural Credits Department and not repaid ;

(ii) moneys paid to the Rural Credits Department out of the net profits of the Note Issue Department ; and

(iii) moneys at credit of the Rural Credits Department Reserve Fund,

whichever is the greater.

"60ABF. Subject to this Act, debentures issued for the purposes of this Part shall be in such form and subject to such conditions as are prescribed.

Period of debentures.	“ 60ABG. The dates for the redemption of the debentures shall be fixed so as to coincide, as nearly as practicable, with the dates at which advances made by the Rural Credits Department are repayable.
Advances by the Bank to the Department.	“ 60ABH. The Bank may make advances to the Rural Credits Department of such amounts, and subject to such terms and conditions, as the Board determines.
Advances by Rural Credits Department.	“ 60ABI. Advances may be made by the Rural Credits Department, upon the security of primary produce placed under the legal control of the Bank, to— <ul style="list-style-type: none"> (a) the Bank or other banks ; (b) co-operative associations formed under the law of the Commonwealth, a State or a Territory under the authority of the Commonwealth ; and (c) such corporations or unincorporate bodies, formed under the law of the Commonwealth, a State or a Territory under the authority of the Commonwealth, as are specified by Proclamation.
Period of advances.	“ 60ABJ. No advance under this Part shall be made for a period of more than one year.
Discounting of bills.	“ 60ABK. In lieu of making advances in accordance with the provisions of this Part, the Rural Credits Department may, on behalf of any institution mentioned in section sixty ABI of this Act, discount bills secured upon produce placed under the legal control of the Bank.
Funds of Bank not to be used except in accordance with this Part.	“ 60ABL. The funds of the Bank shall not be used in the business of the Rural Credits Department except in so far as advances may be made to the Rural Credits Department.
Use of assets.	“ 60ABM. The assets of the Rural Credits Department shall be available, firstly, for meeting the liabilities of the Department other than loans made to it by the Treasurer under this Part and interest thereon and, secondly, for repaying those loans and paying that interest.
Profits of Department.	“ 60ABN. The net profits of the Rural Credits Department shall be dealt with as follows :— <ul style="list-style-type: none"> (a) One-half shall be placed to the credit of a fund to be called the ‘ Rural Credits Department Reserve Fund ’ ; and (b) One-half shall be placed to the credit of the Rural Credits Development Fund, to be used, in such manner as the Board directs, for the promotion of primary production.
Bank's receipts and expenditure in relation to Department.	“ 60ABO. The Board may allot to the Rural Credits Department such portion of the general receipts and expenditure of the Bank as is, in the Board's opinion, referable to the Department.
Investment of funds.	“ 60ABP. Any surplus funds in the Rural Credits Department may be invested in such manner as the Board directs.”.