



ANALYSIS

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1974, No. 19

An Act to establish the Housing Corporation of New Zealand and to define its functions, powers, and duties

[29 June 1974]

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

1. Short Title and commencement—(1) This Act may be cited as the Housing Corporation Act 1974.

(2) This Act shall come into force on a date to be appointed by the Governor-General by Order in Council.

2. Interpretation—In this Act, unless the context otherwise requires,—

“Appointed member” means a member of the Corporation appointed by the Minister under paragraph (b) of subsection (2) of section 3 of this Act:

“Approved securities” means—

(a) The bonds, stock, debentures, funds, or other securities of the Government of New Zealand; or

(b) Any other securities that are for the time being approved by the Minister for the purposes of this Act:

“Committee” means a committee appointed under section 16 of this Act:

“Corporation” means the Housing Corporation of New Zealand established by section 3 of this Act:

“Director-General” means the Director-General of the Corporation appointed in accordance with section 5 of this Act; and also means, in relation to any functions, powers, and duties of or pertaining to the position of Director-General which any other officer

of the Corporation is for the time being directed under subsection (1) of section 6 of this Act to exercise and perform, that other officer:

“Land” includes any interest in land:

“Minister” means the Minister of Housing:

“Property” includes real or personal property, and any estate or interest in any real or personal property, and any debt, and any thing in action, and any licence or authority, and any other right or interest.

Cf. 1965, No. 47, s. 2

PART I

THE HOUSING CORPORATION OF NEW ZEALAND

3. Establishment of Corporation—(1) There is hereby established the Housing Corporation of New Zealand.

(2) The Corporation consists of—

- (a) The Director-General of the Corporation, as chairman; and
- (b) Such other members, not exceeding 4 in number, as may from time to time be appointed by the Minister; and
- (c) One other member, being the Secretary to the Treasury.

(3) The Corporation is a body corporate with perpetual succession and a common seal, and is capable of acquiring, holding, and disposing of real and personal property, and of suing and being sued, and of doing and suffering all other acts and things that bodies corporate may do and suffer.

(4) The powers of the Corporation shall not be affected by any vacancy in its membership.

Cf. 1965, No. 47, ss. 3 (1), (2), 4 (1), (7)

4. Offices of Corporation—(1) The principal office of the Corporation shall be in New Zealand.

(2) The Corporation may establish branch offices and agencies at such places as it thinks fit within or beyond New Zealand.

Cf. 1965, No. 47, s. 3 (4)

5. Director-General of Corporation—(1) There shall from time to time be appointed under the State Services Act 1962 a Director-General of the Corporation.

(2) The office of Director-General may be held in conjunction with any other office or position under the State Services Act 1962.

(3) In addition to his functions as chairman of the Corporation, the Director-General shall be deemed, subject to subsection (4) of this section, to be the permanent head of the Corporation for the purposes of the State Services Act 1962.

(4) The Director-General shall be responsible to the Corporation for the efficient and economical administration of the functions of the Corporation, and section 25 of the State Services Act 1962 shall be read subject to this section.

(5) The remuneration and other payments payable to the Director-General in accordance with the State Services Remuneration and Conditions of Employment Act 1969 shall be paid by the Corporation out of its own funds.

Cf. 1965, No. 47, s. 10

6. Deputies—(1) On the occurrence from any cause of a vacancy in the office of Director-General (whether by reason of death or resignation, or for any other reason), and in the case of absence of the Director-General (from whatever cause arising), and from time to time while such vacancy or absence continues, all or any of the functions, powers, and duties of the Director-General or pertaining to his position may be exercised and performed by any other officer of the Corporation who is for the time being directed by the State Services Commission to exercise and perform them, whether the direction has been given before the vacancy or absence occurs or while it continues.

(2) No direction given by the State Services Commission under subsection (2) of this section and no acts done by an officer acting pursuant to any such direction shall in any proceedings be questioned on the ground that the occasion for the direction had not arisen or had ceased, or on the ground that the officer had not been appointed to the office of Director-General.

(3) The Secretary to the Treasury may from time to time authorise any other officer of the Treasury to act in his place at any meeting of the Corporation, or of any committee, from which the Secretary is absent; and while any officer so authorised acts in the place of the Secretary at such a meeting, he shall be deemed for all purposes to be a member of the Corporation or committee.

Cf. 1965, No. 47, s. 8 (1), (2)

7. Terms of office of appointed members—(1) On the 1st day of February, in the year 1976 and in every succeeding year, one of the appointed members shall retire from office. The member to retire in any year shall be the one who has at that date held office for the longest period since his appointment or (if he has been reappointed) since his last reappointment. If 2 or more members have held office for the longest period, the one of those members who is to retire shall be determined by lot in such manner as the Corporation shall decide.

(2) Except as otherwise provided in this Act, every appointed member may from time to time be reappointed.

(3) Unless he sooner vacates his office under section 6 of this Act, every member shall continue in office until his successor comes into office, notwithstanding subsection (1) of this section.

Cf. 1965, No. 47, s. 4 (4), (5)

8. Disqualification of appointed members—(1) No person shall be capable of being appointed or of continuing to hold office as a member of the Corporation under paragraph (b) of subsection (2) of section 3 of this Act if—

- (a) He is or becomes a member of Parliament; or
- (b) He is adjudged bankrupt under the Insolvency Act 1967 and has not obtained his discharge under Part X of that Act.

(2) No person shall be capable of being appointed or reappointed as a member of the Corporation under paragraph (b) of subsection (2) of section 3 of this Act if he has attained the age of 70 years.

Cf. 1965, No. 47, s. 5 (1)

9. Vacancies—(1) An appointed member may at any time resign his office by delivering a notice in writing to that effect to the Minister.

(2) An appointed member may at any time be removed from office by the Governor-General for disability, neglect of duty, or misconduct, proved to the satisfaction of the Governor-General.

(3) If an appointed member dies, resigns, or is removed from office, the vacancy thereby occurring shall be deemed to be an extraordinary vacancy.

(4) An extraordinary vacancy shall be filled in the same manner as the appointment of the member vacating office.

Cf. 1965, No. 47, ss. 4 (6), 5 (2)

10. Meetings of Corporation—(1) The first meeting of the Corporation shall be held at a time and place to be appointed by the Director-General.

(2) Subsequent meetings shall be held at such times and places as the Corporation from time to time appoints.

(3) Notwithstanding subsection (2) of this section, the Director-General or any 2 members may at any time call a meeting of the Corporation.

(4) The Corporation shall give to the Minister a notice in writing of every proposed meeting, and of the business to be transacted at the meeting, unless the Minister from time to time otherwise directs.

(5) The Minister shall be entitled to attend any meeting of the Corporation.

(6) At every meeting of the Corporation, 3 members shall be a quorum.

(7) The Director-General shall preside at every meeting of the Corporation at which he is present.

(8) If the Director-General for any reason does not intend to attend a meeting of the Corporation, he may appoint any other officer of the Corporation, or any member, to preside at that meeting.

(9) If the Director-General is absent from a meeting of the Corporation, and he has not appointed any other officer or member to preside under subsection (8) of this section, the members who are present shall appoint one of their number to preside at that meeting.

(10) Every question before a meeting of the Corporation shall be decided by a majority of the votes of the members present at the meeting.

(11) On every question before a meeting of the Corporation, the Director-General or other person presiding shall have a deliberative vote, and in the case of an equality of votes he shall also have a casting vote.

(12) Subject to the other provisions of this Act, the Corporation may regulate its own procedure as it thinks fit.

Cf. 1965, No. 47, s. 6

11. Disclosure of interests—(1) Any member of the Corporation who, otherwise than as a member, is directly or indirectly interested in any arrangement or agreement made or entered into, or proposed to be made or entered

into, by the Corporation shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest at a meeting of the Corporation.

(2) A disclosure under this section shall be recorded in the minutes of the Corporation, and, except as otherwise provided by resolution of the Corporation, the member—

- (a) Shall not take part after the disclosure in any deliberation or decision of the Corporation relating to the arrangement or agreement; and
- (b) Shall be disregarded for the purpose of forming a quorum of the Corporation for any deliberation or decision.

12. Remuneration of appointed members—(1) The Corporation is hereby declared to be a statutory Board within the meaning of the Fees and Travelling Allowances Act 1951.

(2) There shall be paid to each of the appointed members, remuneration for his services by way of fees, salary, or allowances, in accordance with the Fees and Travelling Allowances Act 1951, and travelling allowances and travelling expenses in accordance with that Act in respect of time spent travelling in the service of the Corporation.

(3) The Fees and Travelling Allowances Act 1951 shall apply accordingly.

(4) The fees, salaries, allowances, and travelling expenses payable under this section shall be paid from the Consolidated Revenue Account out of money appropriated by Parliament for the purpose.

(5) An amount equal to the amount paid in any financial year under subsection (4) of this section to the appointed members shall in that year be repaid to the Consolidated Revenue Account by the Corporation.

Cf. 1965, No. 47, s. 9

13. Appointment of officers and employees of Corporation—

(1) There may from time to time be appointed under the State Services Act 1962 one or more Assistant Directors-General of the Corporation as are necessary for the efficient and economical carrying out of its functions.

(2) There may from time to time be appointed under the State Services Act 1962 such other officers and employees of the Corporation as are necessary for the efficient and economical carrying out of its functions.

(3) The remuneration and other payments payable to the officers and employees of the Corporation in accordance with the State Services Remuneration and Conditions of Employment Act 1969 shall be paid by the Corporation out of its own funds.

Cf. 1965, No. 47, s. 11

14. Contracts of Corporation—(1) Subject to section 15 of this Act, any contract which, if made between private persons, must be by deed shall, if made by the Corporation, be in writing under the common seal of the Corporation.

(2) Any contract which, if made between private persons, must be in writing signed by the persons to be charged therewith shall, if made by the Corporation, be in writing either under the common seal of the Corporation or signed by any person acting on behalf of and under the express or implied authority of the Corporation.

(3) Any contract which, if made between private persons, may be made orally, may, if made by the Corporation, be made in the manner specified in subsection (1) of this section as in the case of a deed, or in the manner specified in subsection (2) of this section as in the case of a contract required to be in writing, or orally by any person acting on behalf of and under the express or implied authority of the Corporation.

Cf. 1965, No. 47, s. 12

15. Execution of documents on behalf of Corporation—
(1) The Corporation may from time to time, in writing under its common seal, authorise any member or members or officer or officers of the Corporation to execute any deeds, instruments, or other documents on behalf of the Corporation, and may at any time in the same manner revoke any such authority.

(2) Any authority under this section to any officer or officers of the Corporation may be given to—

- (a) A specified officer or officers; or
- (b) An officer or officers of a specified class; or
- (c) The holder or holders for the time being of a specified office or of an office or offices of a specified class.

(3) Every person purporting to execute any document on behalf of the Corporation pursuant to this section shall, in the absence of proof to the contrary, be presumed to be acting in accordance with an authority under this section.

Cf. 1965, No. 47, s. 13

16. Committees—(1) The Corporation may from time to time appoint committees, consisting of members, officers, or employees of the Corporation, or of other persons,—

(a) To advise the Corporation on any matters referred to them by the Corporation; or

(b) To carry out research into any matters referred to them by the Corporation; or

(c) For any other purposes specified in this Act.

(2) Every committee is hereby declared to be a statutory Board within the meaning of the Fees and Travelling Allowances Act 1951.

(3) There may, if the Corporation so directs, be paid to each of the members of a committee (not being officers or employees of the Corporation), out of the funds of the Corporation, remuneration for his services by way of fees, salary, or allowances, in accordance with the Fees and Travelling Allowances Act 1951, and travelling allowances and travelling expenses in accordance with that Act in respect of time spent travelling in the service of the committee.

(4) The Fees and Travelling Allowances Act 1951 shall apply accordingly.

(5) Subject to the other provisions of this Act, and to any directions given by the Corporation, each committee may regulate its own procedure in such manner as it thinks fit.

Cf. 1965, No. 47, s. 14 (1)

17. Delegation of functions or powers of Corporation—

(1) The Corporation may from time to time delegate to any committee, or to any member, officer, or employee of the Corporation, any of the functions or powers of the Corporation, including the power of delegation conferred by this subsection.

(2) No delegation under this section may be made to a committee that consists wholly or partly of persons who are not members, officers, or employees of the Corporation.

(3) Any delegation under this section may be made to—

(a) A specified person; or

(b) A person of a specified class; or

(c) The holder for the time being of a specified office or appointment; or

(d) The holders for the time being of offices or appointments of a specified class.

(4) Subject to any general or special directions given or conditions imposed by the Corporation, or by any committee or person by whom any functions or powers are so delegated, the committee or person to whom those functions and powers are delegated may exercise them in the same manner and with the same effect as if they had been conferred on it or him directly by this Act and not by delegation.

(5) Every committee or person purporting to act pursuant to any delegation under this section shall, in the absence of proof to the contrary, be presumed to be acting in accordance with the terms of the delegation.

(6) Every delegation under this section may be revoked at any time by the Corporation, or by the committee or person by whom it was made, and no such delegation shall prevent the exercise of any function or power by the Corporation, or by the committee or person by whom the delegation was made.

Cf. 1965, No. 47, s. 14

PART II

FUNCTIONS AND POWERS OF CORPORATION

18. Functions of Corporation—(1) The general functions of the Corporation shall be—

- (a) To undertake housing and other urban development and renewal, both on its own account and on behalf of Government departments, and other persons and bodies; and
- (b) To give assistance to any persons in respect of any matters relating to housing and other urban development and renewal.

(2) Without limiting the generality of subsection (1) of this section, the Corporation shall have the following functions:

- (a) To select and acquire land for the purposes of housing and other urban development and renewal;
- (b) To develop land for such purposes by providing housing, commercial, industrial, recreational, and related facilities, amenities, works, and services;
- (c) To sell, lease, and otherwise dispose of land in the course of housing and other urban development and renewal;

- (d) To make loans for any purposes that are for the time being approved in writing by the Minister;
- (e) To make loans for any other purposes that are authorised by this Act or by any other enactments.
- (3) The Corporation shall also have such other functions as are conferred on it by this Act or by any other enactment.

Cf. 1965, No. 47, s. 15

19. Powers of Corporation—(1) The Corporation shall have all the powers that are reasonably necessary or expedient to enable it to carry out its functions.

(2) Without limiting the generality of subsection (1) of this section, the Corporation may from time to time for the purposes of carrying out its functions do all or any of the following things:

- (a) Purchase, take on lease, be granted, accept, or otherwise acquire any property;
- (b) Hold, furnish, equip, develop, improve, alter, extend, repair, and maintain any property;
- (c) Subdivide any land, and plan, design, construct, and provide housing, commercial, industrial, recreational, and related buildings, facilities, amenities, works, and services on any land;
- (d) Enter into covenants or agreements in respect of any property;
- (e) Administer, manage, and control any property;
- (f) Sell, exchange, convey, transfer, assign, lease, dispose of, turn to account, or otherwise deal with any property; and
- (g) Generally carry on any activity or exercise any rights or undertake any liabilities in respect of any property that could be carried on, exercised, or undertaken by any individual owning such property.

(3) Nothing in this section or in section 18 of this Act shall authorise or empower the Corporation to do anything in respect of any property owned by any other person, without the owner's consent.

(4) Without limiting the generality of subsection (1) of this section, the Corporation may also from time to time—

- (a) Act as an agent for the Crown, or for any Government department, or for any other person or body, and in return for such services charge any fees or other remuneration that may be agreed on between the Corporation and the principal; and

(b) Engage such agents as it thinks necessary or expedient for the carrying out of its functions, and in return for the services rendered by any such agent pay to him any fees or other remuneration that may be agreed on between the Corporation and the agent.

(5) The Corporation, in acting for any principal, may with the agreement and on behalf of the principal make any investment in the name of the Corporation.

Cf. 1965, No. 47, ss. 16, 22

20. Corporation to implement policy of Government—

(1) In the exercise of its functions and powers under this Act or any other enactment, the Corporation shall give effect to the policy of the Government in relation to those functions and powers, as communicated to it from time to time in writing by the Minister.

(2) A copy of every communication given by the Minister in any financial year to the Corporation under subsection (1) of this section shall be included in the annual report of the Corporation for that year laid before Parliament under subsection (2) of section 42 of this Act.

Cf. 1965, No. 47, s. 17

21. Loans to local authorities for housing purposes—

(1) The Corporation may from time to time make loans to local authorities for housing purposes.

(2) Any loan made to a local authority by the Corporation under this section may be made either out of money received by the Corporation under subsection (1) of section 32 of the Housing Act 1955, or out of the other funds of the Corporation, as the Corporation may in any case determine.

(3) In this section the term "local authority" means any public body that is for the time being a local authority within the meaning of Part I of the Local Authorities Loans Act 1956.

Cf. 1965, No. 47, s. 18

22. Loans for industry and other purposes—(1) The Corporation may, in accordance with the provisions of this section, make loans for the development of any industry for the time being carried on in New Zealand or elsewhere,

or for the establishment in New Zealand or elsewhere of any new industry, or for any other purpose approved by the Minister for the purposes of this section.

(2) No loan shall be made under the authority of this section except with the approval of the Minister of Finance and on such terms and conditions as he thinks fit.

(3) Where a loan is made under this section to any company the Corporation, for the purpose of protecting its interests, may acquire and hold shares in the company whether such shares are fully paid up or not. In respect of such shares the Corporation shall have the same rights and be subject to the same obligations as other shareholders of the same class.

(4) All loans granted by the Corporation under this section shall be secured in such manner as the Corporation, with the approval of the Minister, thinks fit.

(5) The Minister of Finance may guarantee the Corporation against any loss that may be incurred by it in respect of any loan made by the Corporation pursuant to this section. Any money payable to the Corporation by the Minister pursuant to any guarantee given by him for the purposes of this section may be paid by him out of the Consolidated Revenue Account without further appropriation than this section.

Cf. 1965, No. 47, s. 19

23. Guarantees and indemnities—(1) Subject to this section, the Corporation may in writing, on any conditions that it thinks fit, give for any purposes for the time being approved by the Minister such guarantees or indemnities as it thinks fit in respect of the whole or any part of any money that is payable or that is to become payable or that may become payable by any person (in this section called "the debtor") to any other person (in this section called "the creditor").

(2) The Minister may from time to time specify in writing conditions to be observed by the Corporation in giving guarantees and indemnities under this section. The conditions may relate to guarantees and indemnities generally, or to any particular guarantee or indemnity, or to any particular class of guarantees and indemnities.

(3) Without prejudice to subsections (1) and (2) of this section, the Minister may specify as a condition of any such guarantee or indemnity that the debtor pay a specified

amount to the Corporation, and in any such case the amount shall be fixed by the Corporation in accordance with a formula approved from time to time by the Minister.

(4) Any amount payable to the Corporation pursuant to subsection (3) of this section may be paid by the debtor at the time of the giving of the guarantee or indemnity, or it may be added to the amount of any loan by the creditor to the debtor and included in the guarantee or indemnity; and in the latter case it may be secured by any security instrument given by the debtor in favour of the creditor in respect of the loan as if it formed part of the loan, and shall be paid by the creditor to the Corporation.

(5) Out of the money paid pursuant to subsection (3) of this section, the Corporation shall appropriate a fee at a rate from time to time fixed by it to meet the costs of administration of guarantees and indemnities given under this section, and shall credit the remainder to the General Reserve Fund.

(6) Notwithstanding any rule of law or other provision to the contrary, any person may advance money (including trust funds) on the security of a mortgage of land if the repayment of the money advanced, or of the excess above the amount that might otherwise be advanced, is directly or indirectly secured by a guarantee or indemnity under this section that is expressed to be a guarantee or indemnity to which this subsection applies.

(7) Any loss that may be incurred by the Corporation by reason of the operation of this section shall be a charge against the General Reserve Fund.

Cf. 1965, No. 47, s. 20; 1970, No. 11, s. 2; 1972, No. 104, s. 2

24. Loans, guarantees, and indemnities at request of Minister of Finance—(1) The Minister of Finance may from time to time in writing request the Corporation under this section to make any loan or expend any money or give any guarantee or indemnity, for any purpose specified in this Act, on such conditions as the Minister of Finance may specify.

(2) Where the Corporation makes any loan or expends any money or gives any guarantee or indemnity pursuant to a request by the Minister of Finance under subsection (1) of this section, and in accordance with the conditions

specified by the Minister of Finance under that subsection, the Corporation shall be deemed to be guaranteed by the Minister of Finance in respect of any loss that may be incurred by the Corporation arising out of the loan, expenditure, guarantee, or indemnity; and any money payable to the Corporation by the Minister of Finance pursuant to any such guarantee in favour of the Corporation shall be paid to the Corporation from the Consolidated Revenue Account without further appropriation than this section.

PART III SECURITIES FOR LOANS

25. Securities—(1) Money lent by the Corporation shall be secured in such manner and on such terms as the Corporation thinks fit.

(2) The Minister of Finance shall from time to time fix the rates of interest to be paid on money lent by the Corporation so as to make adequate provision to cover the costs of administration of the Corporation and for all other matters incidental to the proper functioning of the Corporation.

(3) Different rates of interest may be fixed under subsection (2) of this section in respect of different securities or different classes of security or different portions of the same loan.

(4) The Corporation shall determine the value of the security for lending purposes.

Cf. 1965, No. 47, s. 23

26. Mortgages of leasehold interests—(1) Where a registered leasehold interest in land is subject to any mortgage under which the Corporation is the mortgagee, the mortgage shall be deemed to extend to and include the mortgagor's interest in any registered lease that may be granted to him in renewal of the mortgaged lease, or otherwise in lieu of the mortgaged lease.

(2) In this section—

“Mortgage” includes a charge;

“Registered” means registered under the Land Transfer Act 1952.

Cf. 1965, No. 47, s. 24

27. Special provisions as to mortgages of leasehold interests in Crown land or certain classes of Maori land—(1) This section applies to any mortgage under which the Corporation is the mortgagee for the time being and which is a mortgage of the mortgagor's interest in—

- (a) Any lease of any Crown land or of any other land vested in Her Majesty; or
- (b) Any lease of land that is subject to the Maori Vested Lands Administration Act 1954 or to the Maori Reserved Land Act 1955; or
- (c) Any lease to which section 57 of the Maori Vested Lands Administration Act 1954 applies.

(2) In this section—

“Lease” includes an agreement to lease and a licence to occupy;

“Leasing authority”, in relation to any lease referred to in paragraph (a) of subsection (1) of this section, means the Land Settlement Board; and, in relation to any lease referred to in paragraph (b) or paragraph (c) of that subsection, means the Maori Trustee.

(3) Except with the consent of the Corporation, and on such terms as it thinks fit, it shall not be lawful for any leasing authority to forfeit or cancel the mortgagor's interest in any lease for breach of the conditions, or to accept any surrender thereof, or to cancel the mortgagor's right to compensation for or valuation of improvements, without giving to the Corporation at least 3 months' previous notice in writing of its intention so to do.

(4) Notwithstanding such forfeiture, cancellation, or surrender, the mortgage to the Corporation shall, by virtue of this section, be deemed to be a first charge on the improvements then existing on the land for all money payable in respect thereof by any incoming tenant or occupier of the land (to the extent to which the mortgagor would have had interest therein if his title to the land had been lawfully determined otherwise than by forfeiture, cancellation, or surrender), and such money shall be paid to the Corporation accordingly:

Provided that the Corporation may accept from such incoming tenant or occupier a mortgage of his estate and interest in the land in lieu of cash, and any restrictions imposed by any Act on the right of the tenant to mortgage or assign his interest shall not apply in the case of a mortgage granted under this subsection.

(5) If, in the event of such forfeiture, cancellation, or surrender, the Corporation and the leasing authority are unable to agree as to the value of the mortgagor's interest in the improvements, such value shall be determined by arbitration.

(6) In the event of the Corporation, as mortgagee in possession, granting a lease or other tenancy of the land, or of any part of the land (which it is hereby empowered to do without the consent of the leasing authority), then, for the purpose of preventing forfeiture or cancellation of the mortgagor's title for breach of conditions, but for no other purpose, fulfilment of conditions by the person in actual possession under such lease or other tenancy shall be considered as fulfilment by the mortgagor:

Provided that, in the case of any land administered by the Land Settlement Board, the grant of a lease by the Corporation shall be subject to the approval of the Minister of Lands and in the case of any land administered by the Maori Trustee the grant of a lease by the Corporation shall be subject to the approval of the Minister of Maori Affairs.

(7) Where the Corporation as mortgagee in possession of any land grants a lease or other tenancy of the land in accordance with subsection (6) of this section, the rent received by the Corporation shall be apportioned between the Corporation and the leasing authority in proportion to the values of the capital interests in the land of the Corporation and the leasing authority (as representing the Crown or other owner of the land) or in such other proportions as may be mutually agreed to between the Corporation and the leasing authority. Any rent or other revenue that may be received by the leasing authority in respect of a temporary lease or licence granted after the cancellation, forfeiture, or surrender of the mortgagor's title shall be similarly apportioned between the leasing authority and the Corporation.

(8) If the Corporation sells the security in exercise of its powers of sale, any restrictions imposed by any Act on the right of lessee or licensee to mortgage or assign his interest in the land shall not apply with respect to the sale to the purchaser, nor shall any such restrictions apply with respect to the mortgage by the purchaser of his estate or interest in the land to the Corporation to secure the whole or any part of the purchase money.

(9) Any sale by the Corporation in the exercise of its powers of sale may be by public auction or private contract, as the Corporation in its discretion thinks fit, and in the case of sale by private contract advertising shall not be necessary:

Provided that in the case of any land administered by the Land Settlement Board the sale shall be subject to the approval of the Minister of Lands.

(10) Notwithstanding anything to the contrary in any other Act, the power of sale shall be deemed to arise and accrue and may, without the consent of the leasing authority, be exercised by the Corporation at any time after the expiration of the period limited in that behalf by the mortgage.

Cf. 1965, No. 47, s. 25

28. Repayment of loans—The Corporation may in its discretion and on such terms as it thinks fit accept cash in repayment in advance of the whole or part of the money owing under any mortgage or other security held by it.

Cf. 1965, No. 47, s. 26

29. Borrowers to contribute to General Reserve Fund—

(1) Every person who receives from the Corporation a loan of money (except a loan made pursuant to section 24 of this Act) may be required by the Corporation to pay to the credit of the General Reserve Fund a sum to be fixed from time to time by the Corporation, not exceeding in any case 2 percent of the amount of the loan.

(2) Any sum payable pursuant to subsection (1) of this section to the General Reserve Fund may be paid in cash at the time of the making of the loan or, at the option of the borrower, may be added to the amount of the loan, and in the latter case it may be secured by any security instrument in respect of the loan as if it formed part of the loan.

Cf. 1965, No. 47, s. 27; 1972, No. 104, s. 3

PART IV

FINANCIAL PROVISIONS

30. Corporation may issue bonds or stock—(1) Subject to the provisions of this section, the Corporation may from time to time issue bonds, stock, or other securities at such

rate of interest and on such other terms and conditions as it thinks fit, for the purpose of providing funds for carrying on its business under this Act or as consideration for mortgages of land or other securities transferred to it.

(2) All securities issued by the Corporation shall constitute a floating charge on all the assets of the Corporation, and the security created by such charge shall be available *pari passu* for all holders of such securities without priority or preference among themselves, and without regard to the respective dates on which such securities were issued.

(3) Securities issued by the Corporation shall be for such term, not exceeding 50 years, as the Corporation may in any case determine.

(4) The Corporation may at any time purchase any securities issued by it and shall forthwith cancel the same.

Cf. 1965, No. 47, s. 28

31. Securities issued by Corporation to be guaranteed by Crown—(1) All bonds, stock, and other securities of the Corporation (including all bonds, stock, and other securities taken over by the Corporation under section 49 of this Act) are hereby declared to be guaranteed in accordance with the following provisions of this section.

(2) If any default is made by the Corporation in the payment of any principal or interest payable by it in respect of any bonds, stock, or other securities referred to in subsection (1) of this section, such principal or interest, as the case may be, shall forthwith be paid by the Minister of Finance out of the Consolidated Revenue Account without further appropriation than this section.

(3) All money paid by the Minister of Finance under the authority of this section on account of any bonds, stock, or other securities shall constitute a debt due by the Corporation to the Crown, and shall be recoverable accordingly.

Cf. 1965, No. 47, s. 29

32. Investments in securities issued by Corporation—Any money which by virtue of any Act or other authority may lawfully be invested in New Zealand Government securities may be lawfully invested in any bonds, stock, or other securities issued by the Corporation and guaranteed in terms of section 31 of this Act.

Cf. 1965, No. 47, s. 30

33. Corporation may borrow money on hypothecation of securities—(1) In anticipation of the issue by it at any time of any bonds, stock, or other securities the Corporation may, by the hypothecation or mortgage of any such bonds, stock, or other securities, borrow such sum or sums as the Corporation thinks fit. All money borrowed under the authority of this section shall be a first charge on and shall be repaid out of the first money thereafter to be borrowed by the Corporation under the authority of section 30 of this Act for the purpose of providing funds for carrying on the Corporation's business under this Act.

(2) Where the Corporation exercises the power of hypothecation or mortgage of its securities conferred on it by this section, the following provisions shall apply:

(a) Any person lending money on the security of such hypothecation or mortgage shall be entitled to possession of the bonds, stock, or other securities hypothecated or mortgaged until the loan and all interest and other charges payable in respect of them have been paid:

(b) The bonds, stock, or other securities hypothecated or mortgaged may exceed in face value by any amount the sums borrowed by the Corporation:

(c) The Corporation may by the deed or other instrument of hypothecation or mortgage confer on the lender a power of sale of all or any of the bonds, stock, or other securities hypothecated or mortgaged, and that power may be exercised by the lender in such circumstances, in such manner, and to such extent as may be provided in the deed or instrument; and on the sale of any securities pursuant to this paragraph those securities shall for all the purposes of this Act be deemed to be securities issued by the Corporation.

Cf. 1965, No. 47, s. 31

34. Corporation stock may be inscribed by Reserve Bank—Where, pursuant to the authority conferred on it by section 30 of this Act, the Corporation issues any stock the stock may be inscribed or registered in the books of the Reserve Bank of New Zealand on terms to be approved by the Minister of Finance. For the purpose of this section the Corporation shall be deemed to be a public body within

the meaning of paragraph (k) of subsection (1) of section 9 of the Reserve Bank of New Zealand Act 1964.

Cf. 1965, No. 47, s. 32

35. Advances from National Development Loans Account—(1) The Minister of Finance may from time to time, on behalf of the Crown, advance money to the Corporation on such terms and conditions as he thinks fit.

(2) All money required to be paid by the Minister under this section shall, without further appropriation than this section, be paid out of the National Development Loans Account.

(3) Where any money is required to be paid under this section, the authority of the Minister of Finance to borrow money under section 11 of the New Zealand Loans Act 1953 shall be deemed to be extended as if the money so paid had been duly transferred from the National Development Loans Account to another fund or account as mentioned in that section.

(4) The Minister of Finance may from time to time, on behalf of the Crown, enter into agreements with the Corporation for the purpose of giving effect to this section.

Cf. 1965, No. 47, s. 33

36. General Reserve Fund—The Housing Corporation of New Zealand shall establish and shall at all times maintain a General Reserve Fund, to which shall be credited—

- (a) The value of the assets of the State Advances Corporation of New Zealand comprising the General Reserve Fund of the State Advances Corporation that are vested by section 49 of this Act in the Housing Corporation of New Zealand; and
- (b) All money that any person is required under this Act or under any other enactment to pay or contribute to the Fund; and
- (c) Interest on money for the time being credited to the Fund, to be computed for any period at the average rate of interest received for that period on all the approved securities held by the Housing Corporation of New Zealand; and

(d) Any surplus profits of the Housing Corporation of New Zealand that are credited to the Fund in accordance with section 40 of this Act.

Cf. 1965, No. 47, s. 34

37. Corporation to maintain approved securities on account of General Reserve Fund—The Corporation shall at all times keep invested in approved securities such amounts as it thinks fit, being not less in the aggregate than the amount for the time being credited to the General Reserve Fund.

Cf. 1965, No. 47, s. 35

38. Financial year—The financial year of the Corporation shall end with the 31st day of March, or with such other day in any calendar year as the Corporation, with the approval of the Minister, may determine.

Cf. 1965, No. 47, s. 36

39. Unauthorised expenditure—The Corporation may, in any financial year, expend out of the funds of the Corporation for purposes not authorised by this Act or any other enactment any sum or sums not amounting in the whole to more than \$1,000.

40. Distribution of profits—After such provision as the Minister of Finance thinks proper has been made for the depreciation of securities or other assets and for such other matters as in his opinion are necessary for the efficient conduct of the business of the Corporation, the surplus for each financial year shall be paid into the Public Account unless the Minister, in his discretion, authorises the Corporation to credit it wholly or partly to the General Reserve Fund of the Corporation.

Cf. 1965, No. 47, s. 37

41. Audit of accounts—(1) As soon as reasonably practicable after the end of each financial year, the Corporation shall prepare a balance sheet, profit and loss account, and statement of source and application of funds, and such other statements of account as are necessary to show fully the financial position of the Corporation and the financial results of its operation during the year.

(2) The balance sheet, statement, and other accounts shall be audited by the Audit Office, which shall for that purpose have the same powers as it has under the Public Revenues Act 1953 in respect of public money and public stores and the audit of local authorities' accounts.

Cf. 1965, No. 47, s. 39

42. Annual report—(1) As soon as reasonably practicable after the end of each financial year the Corporation shall deliver to the Minister a general report of its operations during that year together with a copy of its duly audited accounts for that year and the report of the Audit Office on those accounts.

(2) A copy of the general report and of the accounts of the Corporation, together with a copy of the report of the Audit Office on the accounts, shall be laid before Parliament as soon as practicable after their receipt by the Minister.

Cf. 1965, No. 47, s. 38

PART V

GENERAL PROVISIONS

43. Protection of name of Corporation—(1) No company or other body corporate shall be incorporated or registered under any enactment in New Zealand under the name "Housing Corporation of New Zealand" or under any other name that in the opinion of the Registrar of Companies so resembles the name of the Corporation as to be calculated to deceive.

(2) No person other than the Corporation shall, by himself or with any other person or persons,—

- (a) Trade or carry on business under; or
- (b) In any other way use as the name or description of any unincorporated body or organisation—

the name "Housing Corporation of New Zealand" or any other name so resembling the name of the Corporation as to be calculated to deceive.

(3) Any person who contravenes subsection (2) of this section commits an offence and shall be liable on summary conviction to a fine not exceeding \$100 and to a further fine not exceeding \$10 for each day on which the offence has continued.

Cf. 1965, No. 47, s. 40

44. Prohibition of procuration fees—It shall not be lawful for any person to demand, charge, recover, or receive a procuration fee in respect of any loan from the Corporation.

Cf. 1965, No. 47, s. 41

45. Corporation's liability for taxes and rates—The Corporation shall be liable for taxes and rates to the same extent as if it were a company incorporated under the Companies Act 1955.

Cf. 1965, No. 47, s. 43

46. Appointed members not Crown servants—No person shall by reason only of the fact that he is an appointed member be deemed to be employed in the service of the Crown for the purposes of the State Services Act 1962 or the Superannuation Act 1956.

47. Personal liability of members—No member shall be personally liable for any act done or default made in good faith by the Corporation, or by any committee, or by any member, in the course of operations of the Corporation or of any committee.

48. Regulations—The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes:

- (a) Prescribing forms of mortgage or other securities given in favour of the Corporation;
- (b) Providing for such matters as are contemplated by or are necessary for giving full effect to the provisions of this Act and for its due administration.

Cf. 1965, No. 47, s. 44

49. Corporation to succeed State Advances Corporation—
(1) The Housing Corporation of New Zealand shall be the successor to the State Advances Corporation of New Zealand established under the State Advances Corporation Act 1965.

(2) On the commencement of this Act,—

- (a) Every director of the State Advances Corporation shall retire from office; and
- (b) All real and personal property that immediately before the commencement of this Act was vested in the State Advances Corporation shall, without conveyance, transfer, or assignment, vest in the

Housing Corporation of New Zealand for the estate and interest of the State Advances Corporation of New Zealand, subject to all liabilities, charges, obligations, and trusts affecting the property; and

(c) All the contracts, debts, and liabilities of the State Advances Corporation immediately before the commencement of this Act (including every guarantee and indemnity continuing to have effect, immediately before the commencement of this Act, under subsection (3) of section 2 of the State Advances Corporation Amendment Act 1970) shall become the contracts, debts, and liabilities of the Housing Corporation of New Zealand.

(3) A District Land Registrar shall, on written application by the Housing Corporation of New Zealand, register it as the proprietor of any estate or interest that is registered in his land registration district under the Land Transfer Act 1952 and is vested in the Housing Corporation of New Zealand by this section.

(4) In the financial year ending with the 31st day of March 1975, the Housing Corporation of New Zealand and the State Advances Corporation of New Zealand shall be deemed to be the same body corporate for the purposes of sections 41 and 42 of this Act, so that one set of accounts and one general report may be prepared, delivered to the Minister, and laid before Parliament by the Housing Corporation of New Zealand, for that financial year.

50. Amendments to other enactments, repeals, and savings—

(1) The enactments specified in the First Schedule to this Act are hereby amended in the manner indicated in that Schedule.

(2) The enactments specified in the Second Schedule to this Act are hereby repealed.

(3) Subject to the other provisions of this Act, and unless in any case the context otherwise requires, every reference in any enactment, regulation, rule, order, agreement, deed, instrument, application, notice, licence, or other document whatsoever, in force at the commencement of this Act,—

(a) To the State Advances Corporation of New Zealand shall hereafter be read as a reference to the Housing Corporation of New Zealand established by this Act:

(b) To the Managing Director or General Manager of the State Advances Corporation of New Zealand shall hereafter be read as a reference to the Director-General of the Housing Corporation of New Zealand.

(4) Notwithstanding the repeal of the State Advances Corporation Act 1965 by this section, all securities vested in the Housing Corporation of New Zealand by section 49 of this Act that immediately before the commencement of this Act were approved securities of the State Advances Corporation of New Zealand within the meaning of the State Advances Corporation Act 1965 shall be deemed to be approved securities within the meaning of section 2 of this Act.

SCHEDULES

Section 50 (1)

FIRST SCHEDULE

ENACTMENTS AMENDED

Title of Act	Amendment
1908, No. 105—The Life Insurance Act 1908 (1957 Reprint, Vol. 8, p. 336)	By omitting from paragraph (aa) of subsection (2A) of section 3 (as inserted by section 45 (2) of the State Advances Corporation Act 1965) the words "State Advances Corporation", and substituting the words "Housing Corporation".
1939, No. 32—The Rural Housing Act 1939 (1957 Reprint, Vol. 13, p. 585)	By omitting from section 9 the words "State Advances Corporation", and substituting the words "Housing Corporation".
1940, No. 10—The Rural Housing Amendment Act 1940 (1957 Reprint, Vol. 13, pp. 585, 592)	By omitting from subsection (1) of section 9 the word "Corporation", where it first occurs, and substituting the words "Housing Corporation of New Zealand".
1941, No. 25—The Rehabilitation Act 1941 (1957 Reprint, Vol. 13, p. 233)	By omitting paragraph (d) of subsection (2) of section 4 (as substituted by section 45 (2) of the State Advances Corporation Act 1965), and substituting the following paragraph: "(d) The Director-General of the Housing Corporation of New Zealand:" By omitting subsection (5A) of section 6 (as inserted by section 45 (2) of the State Advances Corporation Act 1965).

FIRST SCHEDULE—*continued*
ENACTMENTS AMENDED—*continued*

Title of Act	Amendment
1945, No. 17—The Urban Renewal and Housing Improvement Act 1945 (Reprinted 1969, Vol. 4, p. 3235)	<p>By omitting from section 2 the definition of the term "Corporation", and substituting the following definition:</p> <p style="padding-left: 40px;">"Corporation" means the Housing Corporation of New Zealand;".</p> <p>By omitting from subsection (4) of section 18 the words "Commissioner of Works", and substituting the word "Corporation".</p> <p>By omitting from sections 24B and 24C (as inserted by section 6 of the Urban Renewal and Housing Improvement Amendment Act 1969) the words "Commissioner of Works", in both places where they occur, and substituting in each case the word "Corporation".</p>
1953, No. 73—The Public Revenues Act 1953 (Reprinted 1965, Vol. 3, p. 1547)	<p>By omitting section 30.</p> <p>By omitting from subsection (1) of section 79 (as substituted by section 3 of the Public Revenues Amendment Act 1971) the words "the State Advances Corporation of New Zealand under section 19 of the State Advances Corporation Act 1965", and substituting the following words:</p> <p style="padding-left: 40px;">"The Housing Corporation of New Zealand under section 22 or section 24 of the Housing Corporation Act 1974".</p>
1953, No. 94—The Maori Affairs Act 1953 (Reprinted 1968, Vol. 3, p. 2199)	<p>By omitting paragraph (b) of the definition of the term "State Loan Department", in subsection (1) of section 2, and substituting the following paragraph:</p> <p style="padding-left: 40px;">"(b) The Housing Corporation of New Zealand;".</p> <p>By omitting from subsection (3) of section 473 the words "State Advances Corporation", and substituting the words "Housing Corporation".</p>
1955, No. 51—The Housing Act 1955 (1957 Reprint, Vol. 6, p. 221)	<p>By omitting from subsection (1) of section 2 the definition of the term "Corporation", and substituting the following definition:</p> <p style="padding-left: 40px;">"Corporation" means the Housing Corporation of New Zealand;".</p>

FIRST SCHEDULE—*continued***ENACTMENTS AMENDED—*continued***

Title of Act	Amendment
1962, No. 10—The Parliamentary Commissioner (Ombudsman) Act 1962	By inserting in Part I of the Schedule, after the item relating to the Government Printing Office, the following item: “The Housing Corporation of New Zealand.”
1962, No. 132—The State Services Act 1962 (Reprinted 1971, Vol. 4, p. 2533)	By omitting from Part I of the Schedule the item relating to the State Advances Corporation of New Zealand. By inserting in the Second Schedule, after the item relating to the Department of Lands and Survey, the following item: “Housing Corporation of New Zealand.”
	By omitting from the Second Schedule the item relating to the State Advances Corporation.
	By inserting in the Third Schedule, after the item relating to the Health Department, the following item: “Housing Corporation of New Zealand Director-General. Assistant Director-General.”
1962, No. 139—The Sale of Liquor Act 1962 (Reprinted 1969, Vol. 4, p. 2795)	By omitting from the Third Schedule the item relating to the State Advances Corporation.
	By omitting from subsections (1), (2), (3), (4), and (5) of section 20 the words “State Advances Corporation”, wherever they occur, and substituting in every case the words “Housing Corporation of New Zealand”.
1964, No. 32—The Family Benefits (Home Ownership) Act 1964	By omitting from subsection (4) of section 20 the words “State Advances Corporation Act 1965”, and substituting the words “Housing Corporation of New Zealand Act 1974”.
	By omitting from subsection (4) of section 20 the expression “section 27”, and substituting the expression “section 29”.
	By omitting from subsection (4) of section 8 the words “State Advances Corporation”, and substituting the words “Housing Corporation”.
	By omitting from paragraph (b) of subsection (2) and from subsection (8) of section 13 the words “State Advances Corporation”, wherever they occur, and substituting in every case the words “Housing Corporation”.

FIRST SCHEDULE—*continued*
ENACTMENTS AMENDED—*continued*

Title of Act	Amendment
1971, No. 51—The Stamp and Cheque Duties Act 1971	<p>By omitting from paragraph (i) of subsection (1) of section 11, and from paragraph (u) of subsection (1) of section 11, and from paragraph (d) of subsection (2) of section 12 the words “State Advances Corporation”, wherever they occur, and substituting in every case the words “Housing Corporation”.</p> <p>By omitting paragraph (d) of subsection (1) of section 80, and substituting the following paragraph:</p> <p style="padding-left: 40px;">“(d) The Housing Corporation of New Zealand.”</p>
1972, No. 27—The National Housing Commission Act 1972	<p>By omitting from section 2 the definition of the term “Corporation”, and substituting the following definition:</p> <p style="padding-left: 40px;">“‘Corporation’ means the Housing Corporation of New Zealand.”</p> <p>By omitting from paragraph (c) of subsection (1) of section 5 the words “Managing Director”, and substituting the words “Director-General”.</p> <p>By omitting paragraph (d) of subsection (1) of section 5, and substituting the following paragraph:</p> <p style="padding-left: 40px;">“(d) An Assistant Director-General of the Corporation for the time being approved for the purpose by the Minister.”</p>
1974, No. 3—The Rural Banking and Finance Corporation Act 1974	<p>By omitting from section 2 the definition of the term “State Advances Corporation”, and substituting in its appropriate alphabetical order the following definition:</p> <p style="padding-left: 40px;">“‘Housing Corporation’ means the Housing Corporation of New Zealand established by the Housing Corporation Act 1974.”</p> <p>By omitting from section 14 the words “State Advances Corporation”, and substituting the words “Housing Corporation”.</p> <p>By omitting from subsections (1), (2), (4), (5), and (6) of section 41 the words “State Advances Corporation”, wherever they occur, and substituting in every case the words “Housing Corporation”.</p>

FIRST SCHEDULE—continued
ENACTMENTS AMENDED—continued

Title of Act	Amendment
	<p>By omitting from subsections (1) and (3) of section 42 the words "State Advances Corporation", wherever they occur, and substituting in every case the words "Housing Corporation".</p> <p>By omitting from section 43 the words "State Advances Corporation", wherever they occur, and substituting in every case the words "Housing Corporation".</p> <p>By omitting from subsection (2) of section 46 the words "State Advances Corporation", and substituting the words "Housing Corporation".</p>

Section 50 (2)**SECOND SCHEDULE****ENACTMENTS REPEALED**

- 1965, No. 47—The State Advances Corporation Act 1965 (other than sections 40 and 46 of that Act).
- 1970, No. 11—The State Advances Corporation Amendment Act 1970.
- 1972, No. 104—The State Advances Corporation Amendment Act 1972.

This Act is administered by the Housing Corporation of New Zealand.
