

CROWN LANDS ORDINANCE (No. 3) 1975

665

No. 9 of 1976

An Ordinance to amend the
Crown Lands Ordinance 1931 as amended

[Reserved 7 November 1975]
[Assented to 20 January 1976]*

BE it ordained by the Legislative Assembly for the Northern Territory of Australia as follows:

1. This Ordinance may be cited as the *Crown Lands Ordinance* Short title
(No. 3) 1975.

2. The *Crown Lands Ordinance* 1931 as amended is in this Ordinance referred to as the Principal Ordinance
Principal Ordinance.

3. The Principal Ordinance is amended by inserting after section 23 the following new section—

“23AA.(1) Where in a pastoral, agricultural or miscellaneous lease there is a covenant relating to stocking, development work or improvements, the Administrator may, on application made by the lessee, grant a moratorium on the performance of the obligations under that covenant and, during the period of the moratorium, the lease shall be construed as if that moratorium was written into the lease. Administrator may grant a moratorium”

“(2) In considering an application for a moratorium under sub-section (1), the Administrator may take into account the financial resources of the lessee, and for that purpose may require the lessee to furnish him with such financial statements and other information as he considers necessary.

“(3) Subject to sub-section (4), a moratorium under sub-section (1)—

(a) shall, in the first instance, be for such period, not exceeding 2 years as the Administrator thinks fit; and

* Notified in the *Northern Territory Government Gazette* No. 7 of 13 February 1976, page 192.

- (b) may be extended for such further periods, not exceeding one year at any one time, as the Administrator thinks fit.

“(4) The Administrator may give notice in writing to the lessee that, at the expiration of the period of 6 months after receipt of the notice, the moratorium on the performance of the obligations under a covenant will come to an end, and if he does so, then at the expiration of that period of notice, that moratorium shall cease.

“(5) Where in a covenant the subject of a moratorium under sub-section (1) a periodical or other action on the part of the lessee is provided for—

- (a) the time for the performance of the earliest periodical or other action that would have fallen due during the period of the moratorium, had the moratorium not been granted, shall be postponed for a period equal to the period during which the moratorium was in force; and
- (b) the time for the performance of each subsequent periodical action shall be postponed for a period equal to the period of postponement of the first-mentioned periodical action.

“(6) On the expiration of a moratorium, both the lessee and the Crown shall, with respect to the covenant, have the same rights and obligations as they respectively had immediately before the granting of the moratorium.”.

4. Section 24BA of the Principal Ordinance is repealed and the following section substituted:

Forfeiture of
mortgaged lease

“24BA.(1) Where a lease is subject to a mortgage given for valuable consideration and registered under the *Real Property Act and Ordinance*, the Administrator shall not cause notice of the forfeiture of the lease to be published in the *Gazette* in pursuance of section 106E(1) until after the expiration of a period of one month after he has caused notice of his intention to do so to be given to the mortgagee.

“(2) The Administrator shall cause a copy of the notice under sub-section (1) to be given to the lessee, and thereafter the lessee ceases, except with the consent in writing of the Administrator, to be entitled to exercise any of the rights or powers conferred by the lease.

“(3) If, during the period of one month after receipt of a notice under sub-section (1), or within such further time as the Administrator allows, a mortgagee advises the Administrator that he wishes to

exercise his power of sale, the Administrator shall allow him 6 months or such further time as, in the opinion of the Administrator, is reasonable to exercise it.

“(4) Where the Administrator allows a mortgagee time to exercise a power of sale, he shall advise the mortgagee of the extent to which he is prepared to vary the requirements of the lease relating to development work, improvements and stocking and, where he does so, he shall, if the lease is transferred following a sale, so vary those requirements.

“(5) Where a mortgagee exercises his power of sale of a lease after receipt of a notice under sub-section (1) in relation to the lease—

- (a) the total of all amounts due and payable to the Crown by the lessee in relation to the lease up to and including the date of the sale is a debt due and payable to the Crown out of the proceeds of the sale, having priority before all debts secured by mortgage;
- (b) the balance of the proceeds of the sale after payment of all debts and expenses payable out of those proceeds, being the amount that would otherwise be payable to the lessee, is a debt due and payable to the Crown and is not payable to the lessee; and
- (c) upon the transfer of the lease following the sale, the transferee holds the lease, as varied in pursuance of sub-section (4), as though the action leading up to the forfeiture of the lease had not been commenced.”.

5. Section 29(1) of the Principal Ordinance is amended by inserting after “he may” the words “, unless the lease is sooner forfeited,”.

Position of
mortgagee

