

CO-OPERATIVE TRADING SOCIETIES (LOANS GUARANTEE) ORDINANCE 1969

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No. 24 of 1969

An Ordinance to authorize the Commonwealth to guarantee the repayment of money borrowed by certain societies and for related purposes

[Assented to 30 September, 1969]

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

1. This Ordinance may be cited as the *Co-operative Trading Societies (Loans Guarantee) Ordinance 1969*. Short title

2. This Ordinance shall come into operation on a date to be fixed by the Administrator by notice in the *Gazette*.^{*} Commencement

3. In this Ordinance, unless the contrary intention appears— Definitions

“agricultural production” includes cleaning or processing of seeds or grain;

“bank” means a trading bank and includes the Commonwealth Development Bank of Australia and the Reserve Bank of Australia;

“society” means a society registered under the *Co-operative Trading Societies Ordinance 1945* or that Ordinance as amended at any time;

“trading bank” has the same meaning as in the *Banking Act 1959-1967*.

4. Subject to this Ordinance, the Treasurer may, on behalf of the Commonwealth, by writing under his hand, guarantee the repayment, with interest, of the amount or any part of the amount of a loan to be given by a bank to a society. Guarantee of loans

5.—(1.) The Treasurer may, either generally or otherwise as provided by the instrument of delegation, by writing under his hand, delegate any of his powers and functions under this Ordinance except this power of delegation. Delegation by Treasurer

(2.) A power or function so delegated may be exercised or performed by the delegate in accordance with the instrument of delegation.

^{*} The date fixed was 15 October, 1969 (see *Northern Territory Government Gazette* No. 42 of 15 October, 1969, page 323).

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(3.) A delegation under this section is revocable at will and does not prevent the exercise of a power or the performance of a function by the Treasurer.

Eligibility for
a guarantee

6. A guarantee under this Ordinance shall not be given in respect of a loan unless all the members of the society proposing to raise the loan are engaged in agricultural production in the Territory.

Terms of
guarantee

7. A guarantee under this Ordinance shall be for such amount and for such period and be subject to such conditions as the Treasurer determines.

Conditions for
guarantee

8. The Treasurer shall not give a guarantee under this Ordinance in respect of a loan unless—

- (a) the Administrator, by writing under his hand, recommends that the guarantee be given; and
- (b) he is satisfied—
 - (i) that the bank proposing to make the loan will obtain adequate security for the loan; and
 - (ii) that the society proposing to raise the loan has complied with the directions (if any) given by the Administrator or Treasurer in relation to the guarantee.

Annual audits

9. A society shall, during the period of a guarantee under this Ordinance in respect of a loan raised by it, submit, once in each financial year of the society, a statement of its properly audited accounts to the Treasurer.

Application for
guarantee

10.—(1.) A society may apply for a guarantee under this Ordinance to be given in respect of a loan proposed to be raised by it by submitting to the Administrator an application in writing setting out the following information:—

- (a) the registered name and office of the society;
- (b) the purpose of the proposed loan;
- (c) the total amount of the proposed loan;
- (d) the period of the proposed loan;
- (e) the nature of the advance to be made under the proposed loan; and
- (f) the name of the bank that would make the proposed loan.

(2.) The application for the guarantee shall be accompanied by—

- (a) a copy of the bank's offer to make the proposed loan, stating—

- (i) the amount of the proposed loan;
 - (ii) the period of the proposed loan;
 - (iii) the interest rate; and
 - (iv) particulars of the proposed repayment instalments;
- (b) a copy of the Rules of the society;
 - (c) details of any insurance held by the society;
 - (d) a statement of the estimated revenue of and expenditure by the society during each month of the guarantee;
 - (e) a copy of a bank statement as at the date of the application in relation to each bank account of the society;
 - (f) a statement detailing—
 - (i) all assets and liabilities of the society;
 - (ii) the assets of the society offered as security for the proposed loan; and
 - (iii) all title deeds, leases, agreements and other documents pertaining to those assets and liabilities; and
 - (g) such other information as the society may think necessary for the purpose of the application.

11.—(1.) Upon receiving an application and accompanying documents under the last preceding section, the Administrator shall consider them and may request the applicant society to furnish such additional information or advice as he thinks necessary.

Functions of Administrator.

(2.) If the Administrator is disposed to recommend that a guarantee under this Ordinance be given, he shall so recommend.

(3.) If the Administrator is not disposed to recommend that a guarantee under this Ordinance be given, he shall notify the society in writing accordingly.

12. The Administrator or the Treasurer may give directions to a society in relation to a guarantee under this Ordinance for the giving of which the society has applied in respect of a loan proposed to be raised by the society.

Directions to society

13.—(1.) Notwithstanding the provisions of any Ordinance or other law in force in the Territory, a society that has raised a loan in respect of which a guarantee under this Ordinance has been given shall not transfer its liability under the loan to,

Amalgamation or transfer of liability

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nor amalgamate with, any other society without the written consent of the Treasurer.

(2.) Such a transfer or amalgamation with the consent of the Treasurer shall not render the guarantee void or voidable, but the guarantee shall, on and from the date of the transfer or amalgamation, as the case may be, have full force and effect as if the loan had been raised by the society to which the liability is transferred or which is constituted by the amalgamation, as the case may be.

Subrogation and recovery power

14. Where money is paid by the Commonwealth to a bank in pursuance of a guarantee under this Ordinance, the Commonwealth—

- (a) shall, to the extent of any money so paid, be entitled to, and to the benefit of, any securities held by the bank as security for the loan in respect of which the guarantee was given; or
- (b) may recover from the society that raised the loan that money with interest at the rate of six per centum per annum by action in a court of competent jurisdiction.

Appropriation

15. All money payable by the Commonwealth in pursuance of a guarantee under this Ordinance shall be paid out of moneys appropriated from time to time by Parliament for the purpose.

Offence by society

16. A society that contravenes or fails to comply with a provision of this Ordinance applicable to it shall be guilty of an offence and shall be liable upon conviction to a penalty not exceeding One hundred dollars.

Revocation of guarantee

17. Where—

- (a) a society or bank contravenes or fails to comply with a condition applicable to it specified in a guarantee given under this Ordinance; or
 - (b) a society that has raised a loan in respect of which a guarantee has been given under this Ordinance is guilty of an offence under this Ordinance,
- the Treasurer may, on behalf of the Commonwealth, by notice in writing to the relevant society and bank, revoke the guarantee and the guarantee shall thereupon be revoked accordingly.

Regulations

18. The Administrator in Council may make regulations, not inconsistent with this Ordinance, prescribing all matters which by this Ordinance are required or permitted to be prescribed or which are necessary or convenient to be prescribed for carrying out or giving effect to this Ordinance.