

NORTHERN TERRITORY OF AUSTRALIA

LOANS REDEMPTION FUND ACT

No. 44 of 1981

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NORTHERN TERRITORY OF AUSTRALIA

No. 44 of 1981

AN ACT

To establish a redemption fund to receive contributions from statutory corporations for repayment of capital funds raised by way of public loans

BE it enacted by the Legislative Assembly of the Northern Territory of Australia, with the assent as provided by the *Northern Territory (Self-Government) Act 1978* of the Commonwealth, as follows: [Assented to 23 June 1981]

1. SHORT TITLE

This Act may be cited as the Loans Redemption Fund Act 1981.

2. COMMENCEMENT

This Act shall be deemed to have come into operation on 1 July 1980.

3. INTERPRETATION

(1) In this Act, unless the contrary intention appears -

"Fund" means the Loans Redemption Fund established under section 4(1);

"statutory corporation" means -

(a) a body corporate constituted by name by an Act; or

(b) a council within the meaning of the Local Government Act;

"Trust Fund" means the Trust Fund established under section 5 of the Financial Administration and Audit Act.

(2) For the purposes of this Act, an investment under section 6 of moneys standing to the credit of the Fund in securities of the Territory, not being an investment by way of the purchase of securities from a holder of those securities, shall be deemed to be a borrowing of those moneys by the Territory.

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(3) For the purposes of this Act, where the Territory has issued new securities by way of conversion of existing securities in respect of moneys borrowed by the Territory, whether with or without payments to holders of existing securities, the Territory shall be deemed to have borrowed an amount equal to the principal moneys payable under the new securities and to have discharged its liability in respect of the principal moneys payable under the existing securities.

(4) For the purposes of this Act, where the Territory has issued, in respect of a borrowing, including a borrowing referred to in sub-section (3), securities upon which an amount is specified as the face value of the securities, the amount repayable in respect of that borrowing, and the principal moneys payable under the securities, shall be deemed to be an amount equal to that face value.

4. LOANS REDEMPTION FUND

(1) There shall be maintained within the Trust Fund a fund to be known as the Loans Redemption Fund.

(2) Separate accounts shall be kept of the payments into and out of the Fund.

(3) Subject to this Act, the Treasurer has the general control of the Fund, and payments out of the Fund shall not be made except in accordance with decisions of the Treasurer.

5. CONTRIBUTIONS TO FUND BY STATUTORY CORPORATIONS

(1) Subject to sub-section (2), the Treasurer may determine the rate of contribution to be paid into the Fund in each financial year by a statutory corporation and the statutory corporation shall, accordingly, contribute at that rate.

(2) The Treasurer may, in his discretion, review and change the rate of contribution to be paid into the Fund by a statutory corporation.

6. INVESTMENT OF FUND

(1) Subject to sub-section (2), the Treasurer may invest, in accordance with section 33 of the Financial Administration and Audit Act, the moneys standing to the credit of the Fund.

(2) The Treasurer shall not invest moneys in accordance with sub-section (1) unless he is of the opinion that greater benefit will accrue to the Territory by that investment than the benefit that would accrue from the purchase or redemption of securities of the Territory in accordance with section 7.

(3) Moneys received by the Treasurer under this section -

(a) as interest in respect of investments; or

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(b) on realization of investments,
shall be paid into the Fund.

7. APPLICATION OF FUND

(1) The Treasurer may apply moneys standing to the credit of the Fund in reduction of the public debt of the Territory by the repurchase or redemption of securities of the Territory.

(2) Where the Territory is liable to pay an amount by way of interest, commission or brokerage in connection with the repurchase or redemption under sub-section (1) of securities in reduction of the public debt of the Territory, moneys standing to the credit of the Fund may be applied in making that payment.

(3) Securities repurchased or redeemed by the Treasurer, other than securities purchased by way of investment under section 6, shall, for all purposes, be deemed to have been cancelled on the date on which they were repurchased or redeemed, as the case may be.

(4) Where any portion of the public debt of the Territory is discharged under sub-section (1) by the issue of new securities in lieu of existing securities and the making of payments to holders of the existing securities, moneys standing to the credit of the Fund may be applied in making those payments.

8. ADDITIONAL PAYMENTS TO FUND

(1) Subject to sub-section (2), the Treasurer may, in any financial year, pay out of the Consolidated Fund into the Fund, in relation to the public debt of the Territory, such sum as he determines.

(2) The Treasurer shall not make a payment into the Fund in accordance with sub-section (1) unless moneys standing to the credit of the Fund are insufficient to meet payments to be made out of the Fund under section 7.

(3) Payments into the Fund in accordance with sub-section (1) may be made at such times as the Treasurer thinks fit.

