

LOAN (SHORT-TERM BORROWINGS).

No. 61 of 1959.

An Act to Authorize the Borrowing of Money by the Commonwealth for Short Periods and the Expending of the Money so Borrowed.

[Assented to 12th November, 1959.]

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

PART I.—PRELIMINARY.

1. This Act may be cited as the *Loan (Short-term Borrowings) Act 1959*. Short title.

2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.

Parts.

3. This Act is divided into Parts, as follows:—

Part I.—Preliminary (Sections 1–4).

Part II.—Authority to Borrow and Expend Money (Sections 5–7).

Part III.—Creation and Issue of Seasonal Securities (Sections 8–13).

Part IV.—Miscellaneous (Sections 14–23).

Definitions.

4. In this Act, unless the contrary intention appears—

“seasonal security” means Seasonal Inscribed Stock or a Seasonal Treasury Note;

“the Financial Agreement” has the same meaning as in section four of the *Financial Agreement Act 1944*.

PART II.—AUTHORITY TO BORROW AND EXPEND MONEY.

Authority to borrow.

5. The Treasurer may, from time to time, borrow money on the security of seasonal securities.

Money borrowed may be expended for Consolidated Revenue Fund purposes.

6.—(1.) Notwithstanding section fifty-seven of the *Audit Act 1901–1957*, the Treasurer may expend money standing to the credit of the Loan Fund, being money that has been borrowed under this Act, for the purposes of any appropriation made or to be made out of the Consolidated Revenue Fund.

(2.) The Loan Fund is appropriated to the extent necessary for the purposes of this section.

Borrowing to be subject to the Financial Agreement.

7. Nothing in this Act authorizes the borrowing of money, or the creation or issue of securities, otherwise than in accordance with clause six of the Financial Agreement.

PART III.—CREATION AND ISSUE OF SEASONAL SECURITIES.

Power to create Seasonal Inscribed Stock.

8. The Governor-General may, by order—

(a) create capital stock, called Seasonal Inscribed Stock, to the face value of an amount specified in the order, for raising money, by way of loan, in accordance with section five of this Act; and

(b) authorize the Treasurer to issue the stock so created.

Power to make out and issue Seasonal Treasury Notes.

9. The Governor-General may, by order, authorize the Treasurer—

(a) to make out bonds, called Seasonal Treasury Notes, to the face value of an amount specified in the order, for raising money, by way of loan, in accordance with section five of this Act; and

(b) to issue the bonds so made out.

10.—(1.) A Seasonal Treasury Note—

- (a) shall be in accordance with the prescribed form; and
 (b) shall bear the signature of the Secretary to the Department of the Treasury.

Requirements
for Seasonal
Treasury Notes.

(2.) A signature referred to in the last preceding sub-section may be made in the handwriting of the Secretary or may be made by engraving or by any other process determined by the Treasurer.

11. Subject to the next succeeding section, seasonal securities shall be issued and sold at such prices, on such terms and conditions, in such amounts and in such manner as the Treasurer directs.

Prices, &c., of
seasonal
securities.

12. A seasonal security—

- (a) shall be issued at a discount and shall be redeemable at par on maturity; and
 (b) shall mature before the end of the financial year in which the security is issued.

Terms and
conditions of
seasonal
securities.

13. The money secured by a seasonal security is payable out of the Consolidated Revenue Fund, which is appropriated accordingly.

Repayment of
money
borrowed.

PART IV.—MISCELLANEOUS.

14.—(1.) The Treasurer may repurchase a seasonal security at any time before maturity.

Repurchase of
seasonal
securities.

(2.) The Consolidated Revenue Fund is appropriated to the extent necessary for the purposes of this section.

15. Repurchased or redeemed seasonal securities shall not be reissued but shall be cancelled.

Cancellation of
seasonal
securities.

16. For the purposes of sections nine and nine AA of the *National Debt Sinking Fund Act* 1923–1950, money borrowed under this Act shall not be taken into account, either when borrowed or when repaid, in ascertaining the net debt created in a financial year.

Loan not to
be taken into
account for
purposes of
National Debt
Sinking Fund
Act.

17.—(1.) Part III. (other than section twenty-seven) and Part V. of the *Commonwealth Inscribed Stock Act* 1911–1946 apply to Seasonal Inscribed Stock as if it were stock within the meaning of that Act.

Application of
Commonwealth
Inscribed Stock
Act.

(2.) In Part III. of the *Commonwealth Inscribed Stock Act* 1911–1946 in its application to Seasonal Inscribed Stock, “prescribed” means prescribed by regulations under that Act in their application to Seasonal Inscribed Stock.

Application of certain sections of Treasury Bills Act.

18. Sections thirteen, thirteen A, thirteen B and fourteen of the *Treasury Bills Act* 1914–1940 apply to Seasonal Treasury Notes as if they were Treasury Bills issued under that Act.

Seasonal Treasury Notes transferable by delivery.

19. A Seasonal Treasury Note is transferable by delivery.

Exchange of Stock and Notes.

20. Seasonal Inscribed Stock may, in the prescribed manner, and on such terms and conditions as are prescribed, be exchanged for Seasonal Treasury Notes, and Seasonal Treasury Notes may, in the prescribed manner, and on such terms and conditions as are prescribed, be exchanged for Seasonal Inscribed Stock.

Trustees may invest.

21. A trustee, executor or administrator may invest any trust money in his hands in the purchase of seasonal securities.

Liability to stamp duty.

22.—(1.) An instrument or document to which this section applies is not liable to stamp duty or other tax under a law of the Commonwealth or of a State or Territory of the Commonwealth.

(2.) This section applies to—

- (a) a certificate of the proprietorship of Seasonal Inscribed Stock;
- (b) a Seasonal Treasury Note;
- (c) an instrument or document relating to the purchase, sale, transfer, transmission, exchange or redemption of a seasonal security; and
- (d) a cheque or draft drawn by a bank on behalf of the Commonwealth in connexion with the redemption of a seasonal security.

Regulations.

23.—(1.) The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters required or permitted by this Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to this Act, and, in particular, prescribing matters providing for or in relation to—

- (a) the issue of Seasonal Treasury Notes to replace Seasonal Treasury Notes that have been accidentally lost, destroyed or defaced;

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- (b) the destruction of Seasonal Treasury Notes that have been repurchased or redeemed or are defaced; and
- (c) powers of attorney in relation to Seasonal Inscribed Stock.

(2.) The regulations may provide that any of the regulations, or forms prescribed by the regulations, under the *Commonwealth Inscribed Stock Act* 1911-1946 that relate to stock apply, with such modifications (if any) as are prescribed, to Seasonal Inscribed Stock as if it were stock within the meaning of that Act.
