

**LOCAL GOVERNMENT (BORROWING) AMENDMENT  
ACT 1989 No. 20**

NEW SOUTH WALES



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**LOCAL GOVERNMENT (BORROWING) AMENDMENT ACT 1989**  
**No. 20**

NEW SOUTH WALES



**Act No. 20, 1989**

An Act to amend the Local Government Act 1919 with respect to councils' powers of borrowing. [Assented to 20 April 1989]

*Local Government (Borrowing) Amendment 1989***The Legislature of New South Wales enacts:****Short title**

1. This Act may be cited as the Local Government (Borrowing) Amendment Act 1989.

**Commencement**

2. This Act commences on a day or days to be appointed by proclamation.

**Amendment of Local Government Act 1919 No. 41**

3. The Local Government Act 1919 is amended as set out in Schedules 1 and 2.

**Savings**

4. (1) Subsections (3) and (4) of section 182 of the Local Government Act 1919 as in force immediately before the date of commencement of Schedule 1 (6) continue to apply to a loan which had not been repaid before that date.

(2) Subsection (2) of section 188 of the Local Government Act 1919 as in force immediately before the date of commencement of Schedule 1 (11) continues to apply to a security issued under that section which was in force immediately before that date.

**SCHEDULE 1—PRINCIPAL AMENDMENTS**

(Sec. 3)

(1) Sections 173–173c—

Omit section 173, insert instead:

**Borrowing—generally**

173. Except as provided by any other Act, a council may borrow only in accordance with this Division.

**Minister's determination as to borrowing**

173A. (1) A council shall not borrow except in accordance with—

- (a) the borrowing limit determined for the time being by the Minister which has been notified in writing to the council; and
- (b) any terms or conditions determined for the time being by the Minister which have been notified in writing to the council.

(2) Nothing in this section affects section 174 or 176.

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SCHEDULE 1—PRINCIPAL AMENDMENTS—*continued*

**Methods of borrowing**

173B. A council may borrow by way of limited overdraft, renewal loan, ordinary loan or such other means as may be approved by the Minister and notified in writing to the council.

**Delegation of Minister's functions**

173C. The Minister may delegate all or any of the Minister's powers, authorities, duties and functions under this Division (other than this power of delegation) to any person employed in the Department of Local Government.

(2) Section 176 (**Renewal loans**)—

After section 176 (2), insert:

(3) A council may borrow any amount by way of renewal loan if it has first notified the Secretary of the Department of Local Government in writing of the amount to be borrowed.

(3) Section 177 (**Ordinary loans**)—

Omit section 177 (3).

(4) Section 178A (**Advances by ratepayers and occupiers**)—

(a) Section 178A (1)—

Omit “, without obtaining any approval under section 173,”.

(b) Section 178A (6)—

Omit “Minister”, insert instead “Secretary of the Department of Local Government”.

(5) Section 181A (**Capitalisation of interest—suspension of loan rates**)—

Section 181A (c)—

Omit “; and the Governor may when giving his approval (if given) allow or disallow any such provision”.

(6) Section 182 (**Security for ordinary and renewal loans**)—

Omit section 182 (2)–(5).

(7) Section 183 (**Bank accounts**)—

(a) Omit section 183 (1), insert instead:

(1) Subject to the provisions of this Act, all money borrowed by a council shall be lodged to the credit of a bank account of the council, other than an account containing money subject to a trust.

(b) Section 183 (2) (a)—

Omit “, as set out in the approval of the Governor”.

*Local Government (Borrowing) Amendment 1989*SCHEDULE 1—PRINCIPAL AMENDMENTS—*continued*

- (8) Section 185 (**Repayment**)—  
Omit the section.
- (9) Section 186 (**Reserves for loan repayment**)—  
 (a) From section 186 (2), omit “in its application for approval the council intimated that it proposed”, insert instead “the council proposes”.  
 (b) From section 186 (4), omit “application for approval of”, insert instead “decision to raise”.
- (10) Section 187 (**Loans under other Acts**)—  
From section 187 (b), omit “separate”.
- (11) Section 188 (**Security for loans**)—  
Omit section 188 (2), insert instead:  
 (2) All such securities shall, notwithstanding the provisions of any other Act, rank *pari passu*.
- (12) Section 218 (**Ordinances**)—  
After section 218 (f), insert:  
 (f1) borrowing by councils;

SCHEDULE 2—AMENDMENTS BY WAY OF STATUTE LAW  
REVISION

(Sec. 3)

- (1) Part 7, Division 4, short headings—  
Omit the short headings in Division 4.
- (2) Section 175 (**Security of overdrafts**)—  
Omit section 175 (4) and (5).
- (3) Section 182A (**Guarantee by Treasurer**)—  
 (a) Section 182A (1A) (e)—  
Omit “Revenue”.  
 (b) Section 182A (3)—  
Omit “municipalities of Balranald, Hillston and Nyngan”, insert instead “Shires of Balranald, Carrathool and Bogan”.
- (4) Section 186 (**Reserves for loan repayment**)—  
Omit section 186 (3).

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SCHEDULE 2—AMENDMENTS BY WAY OF STATUTE LAW  
REVISION—*continued*

- (5) Section 191 (**Investment by trustees etc.**)—  
Section 191 (1)—  
Omit “, 1898”, insert instead “1925”.
- (6) Section 192A (**Agreements for temporary concessions in repayment of loans and/or interest thereon**)—  
Omit the section.
- (7) Section 192C (**Trustees’ protection in respect of renewal loans**)—  
Section 192C (2)—  
Omit “Master in the Protective Division”, insert instead  
“Protective Commissioner”.
- (8) Section 200C (**Inscribed stock**)—  
(a) Section 200C (3)—  
Omit “, as amended by subsequent Acts,”.  
(b) Section 200C (4) (a)—  
Omit “, or any Act amending or replacing the said Act”.
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[*Minister's second reading speech made in—  
Legislative Assembly on 4 April 1989  
Legislative Council on 12 April 1989*]