

Geelong Market Site (Amendment) Bill

EXPLANATORY MEMORANDUM

Clauses 1–3 state the purposes of the Act, the date of commencement of the Act and the reference to the Principal Act.

Clause 4 amends section 3 of the Principal Act by the insertion of definitions which are consequential upon the amendments to the Principal Act in *Clauses 5* and *6*.

Clause 5 amends section 8 of the Principal Act to clarify the borrowing powers of the City of Geelong and the rights of its creditors.

Sub-clause 5 (a) substitutes a new sub-section (1) in section 8 of the Principal Act to clarify that the City of Geelong, subject to the consent of the Treasurer and the Minister administering the *Local Government Act 1958*, has the power to borrow, obtain financial accommodation, enter into financial arrangements, vary the same, and make repayments in connection with the Geelong Market Site.

Sub-clause 5 (b) substitutes new paragraphs (c) (d) and (e) for paragraph (c) of sub-section 8 (2) of the Principal Act to clarify the rights of creditors of the City of Geelong under the Principal Act.

The new paragraph (c) excludes from the Principal Act the implication of provisions in the *Melbourne and Geelong Debentures and Inscribed Stock Act 1932* for the issue of debentures and inscribed stock.

The new paragraph (d) enables the holder or a mortgage securing borrowings under the Principal Act to apply to the Court for the appointment of a receiver under the *Melbourne and Geelong Debentures and Inscribed Stock Act 1932*.

The new paragraph (e) enables drawing of money by the receiver without the consent of the City of Geelong.

Sub-clause 5 (c) inserts sub-sections (3) and (4) into section 8 of the Principal Act to clarify that a mortgage to secure borrowing under that section has effect as a mortgage under the *Melbourne and Geelong Debentures and Inscribed Stock Act 1932*.

Clause 6 inserts new sub-sections (3A), (3B) and (3C) into section 10 of the Principal Act and amends the wording of sub-section (4) of that section.

The new sub-sections (3A) and (3B) require the City of Geelong to establish within the Geelong Market Site Account a reserve fund comprising surpluses in that account.

The new sub-section (3C) and the amendment of the wording of sub-section (4) of section 10 of the Principal Act provides for the retention of minimum amounts in the reserve fund established under new sub-sections (3A) and (3B).

