

Airline Equipment (Loan Guarantee)

No. 42 of 1972

An Act relating to the provision of certain Equipment for a Domestic Airline.

[Assented to 7 June 1972]

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

Short title.

1. This Act may be cited as the *Airline Equipment (Loan Guarantee) Act 1972*.

Commencement.

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

3.—(1.) The Treasurer may, on behalf of the Commonwealth, at the request of Ansett Transport Industries Limited and subject to the conditions required by this Act, for the purpose of enabling the purchase by Ansett Transport Industries (Operations) Proprietary Limited of four Boeing 727-200 aircraft and related spare parts and equipment, guarantee the repayment of, and the payment of interest on, one or more loans made or to be made to Ansett Transport Industries (Operations) Proprietary Limited.

Guarantee
of certain
loans.

(2.) A guarantee or guarantees shall not be given under the last preceding sub-section in respect of loans exceeding in the whole the sum of Thirty-one million dollars in the currency of the United States of America and for that purpose the amount of a loan made in any other currency shall, for the purposes of the last preceding sub-section be taken to be the amount in the currency of the United States of America that is equivalent to the first-mentioned amount as ascertained—

- (a) in accordance with the effective parity relationship between those currencies as fixed by determination of the International Monetary Fund in force at the time at which the loan was made; or
- (b) if there is no such effective parity relationship, in accordance with the corresponding official rate of exchange between that other currency and the currency of the United States of America applicable at the time at which the loan was made.

(3.) The guarantee in respect of a loan or loans under this section does not affect the rights of Ansett Transport Industries Limited or Ansett Transport Industries (Operations) Proprietary Limited under clause 4 of the agreement set out in the Second Schedule to the *Airlines Agreements Act 1952-1961*.

4. For the purpose of the protection of the financial interests of the Commonwealth, the Treasurer shall not give a guarantee under the last preceding section in respect of a loan unless—

Financial,
conditions of
guarantees.

- (a) the moneys are borrowed upon reasonable terms and conditions;
- (b) proper security is, or is to be, given to the Commonwealth over the aircraft, spare parts and equipment to which the loan relates;
- (c) undertakings to the satisfaction of the Treasurer are given that the aircraft, spare parts and equipment over which security is to be taken in accordance with the last preceding paragraph—
 - (i) will be insured, and kept insured, against all risks that it is customary to insure, and to their full insurable value;
 - (ii) will not be sold or made the subject of a mortgage or charge having priority over the security to the Commonwealth in respect of the guarantee; and
 - (iii) will not be taken out of Australia for a destination that is not in Australia or a Territory of the Commonwealth except after the furnishing of such security as the Treasurer requires;

- (d) undertakings to the satisfaction of the Treasurer are given that, so long as the loan or any interest on the loan remains unpaid—
- (i) officers employed in the Commonwealth Service will have full access at all reasonable times to the financial accounts of Ansett Transport Industries Limited and Ansett Transport Industries (Operations) Proprietary Limited when authorized in writing by the Minister for that purpose; and
 - (ii) each of those companies will do everything within its power to ensure that the officers so authorized have similar access to the financial accounts of any company or firm in which that company at any time has, whether directly or indirectly, a controlling interest; and
- (e) such other conditions as the Treasurer thinks necessary are fulfilled.
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