

Airline Equipment (Loan Guarantee)

No. 131 of 1968

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

[Assented to 9 December 1968]

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 1968*.

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 one Boeing 727 aircraft and related spare parts and equipment, guarantee the repayment of, and the payment of interest on—

Guarantee of certain loans.

- (a) a loan or loans of an amount or amounts not exceeding in the whole Two million five hundred thousand dollars in the currency of the United States of America; and
- (b) a loan or loans of an amount or amounts not exceeding in the whole Two million two hundred and fifty thousand dollars in Australian currency,

made or to be made to Ansett Transport Industries (Operations) Proprietary Limited, being in each case a loan on terms of repayment under which every amount of moneys received by the borrower by way of loan is to be repaid within a period of seven years from the date on which the amount is received.

(2.) 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 purposes 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 and related spare parts and equipment to which the loan relates;
- (c) undertakings to the satisfaction of the Treasurer are given that the aircraft and other assets over which security is to be taken in accordance with the last preceding paragraph—
 - (i) will be insured, and kept insured, against all risks against which 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, for so long as the loan or any interest on the loan remains unpaid, officers employed in the Commonwealth Service will have full access at all reasonable times to the financial accounts of Ansett