

Airline Equipment (Loan Guarantee) Act 1980

No. 30 of 1980

An Act relating to the provision of certain equipment for a domestic airline

[Assented to 8 May 1980]

BE IT ENACTED by the Queen, and 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 1980*.

Commencement

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

Issue of instruments, &c., to be deemed to be a borrowing

3. For the purposes of this Act—

- (a) the issue, in consideration of the payment of moneys or the provision of credit, of instruments acknowledging a debt; or
- (b) the provision of credit,

shall be deemed to be a borrowing to the extent of the amount of those moneys or that credit, as the case may be.

Guarantee of certain loans

4. (1) Where—

- (a) Ansett Transport Industries (Operations) Proprietary Limited has entered into an agreement to borrow moneys; and
- (b) the Treasurer is satisfied that the moneys are for use in connection with the purchase by Ansett Transport Industries (Operations) Proprietary Limited of a Boeing 727-200 aircraft and related spare parts and equipment,

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, guarantee—

- (c) the repayment of moneys borrowed under the agreement; and
- (d) the payment of interest on moneys so borrowed.

(2) A guarantee or guarantees shall not be given under sub-section (1) in respect of moneys borrowed in the currency of the United States of America, or in any other currency, exceeding in the aggregate \$12,200,000 in the currency of the United States of America.

(3) For the purposes of sub-section (2), the amount of a borrowing in a currency other than the currency of the United States of America shall be taken to be the amount in the currency of the United States of America that was equivalent to the first-mentioned amount at the date of the borrowing, as ascertained by the Reserve Bank of Australia.

Conditions of guarantees

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

- (a) the Treasurer is satisfied that the terms and conditions of the borrowing are reasonable;
- (b) where the borrowing consists of, or includes, the issue of instruments—the issue of those instruments, and the form of those instruments, has been approved by the Treasurer;
- (c) proper security to the satisfaction of the Treasurer is, or is to be, given to the Commonwealth over the aircraft, spare parts and equipment to which the borrowing relates;
- (d) 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 paragraph (c)—
 - (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 except after the furnishing of such security as the Treasurer requires;
- (e) undertakings to the satisfaction of the Treasurer are given that, so long as the amount borrowed, or any interest on that amount, remains unpaid—
 - (i) officers of the Australian Public 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

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financial accounts of any company or firm in which that company at any time has, whether directly or indirectly, a controlling interest; and

(f) such other conditions as the Treasurer thinks necessary are fulfilled.

Delegation

6. (1) The Treasurer may, either generally or as otherwise provided by the instrument of delegation, by writing signed by him, delegate to an officer of the Department of the Treasury any of his powers or functions under this Act, other than this power of delegation.

(2) A power or function so delegated, when exercised or performed by the delegate, shall, for the purpose of this Act, be deemed to have been exercised or performed by the Treasurer.

(3) A delegate is, in the exercise or performance of a power or function so delegated, subject to the directions of the Treasurer.

(4) A delegation under this section does not prevent the exercise of a power or the performance of a function by the Treasurer.