

1987-88

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 28 September 1988

(Minister for Transport and Communications)

A BILL

FOR

**An Act relating to the provision of certain equipment for
Qantas Airways Limited**

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

Short title

5 1. This Act may be cited as the *Qantas Airways Limited (Loan Guarantee) Act 1988*.

Commencement

2. This Act commences on the day on which it receives the Royal Assent.

Interpretation

10 3. (1) In this Act:
 “borrow” includes borrow, or otherwise raise money, by dealing in securities.

(2) For the purposes of this Act, the obtaining of credit shall be taken to be a borrowing of an amount equal to the value of the credit obtained.

Guarantee of certain loans

4. (1) The Treasurer may, on behalf of the Commonwealth, and subject to the conditions required by this Act, guarantee: 5

(a) the payment by Qantas Airways Limited of amounts that Qantas Airways Limited is liable to pay with respect to so much of the money borrowed by it as does not exceed the total expenditure that, to the satisfaction of the Treasurer:

(i) will be, or has been, incurred by Qantas Airways Limited in connection with the purchase by it of 3 Boeing 767-300 Extended Range aircraft and related spare parts and equipment; and 10

(ii) will be, or has been, met out of money owned or borrowed by it; and 15

(b) the payment of interest (including any interest on that interest) on money so borrowed.

(2) A guarantee or guarantees shall not be given under subsection (1) in respect of money borrowed in the currency of the United States of America, or in any other currency, exceeding in the aggregate \$235,000,000 in the currency of the United States of America. 20

(3) The power of the Treasurer to give a guarantee under this section includes:

(a) a power to agree, on behalf of the Commonwealth, that proceedings under the guarantee may be taken in a court of a country other than Australia; and 25

(b) a power to waive, on behalf of the Commonwealth, the immunity of the Commonwealth from suit in a court of a country other than Australia in relation to any proceedings that may be taken under the guarantee in such a court. 30

(4) For the purposes of subsection (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. 35

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 unless:

(a) the money is borrowed on terms and conditions that the Treasurer is satisfied are reasonable; 40

(b) appropriate security to the satisfaction of the Treasurer is, or is to be, given to the Commonwealth over property of Qantas Airways

Limited, being property 85% of the value of the interest of Qantas Airways Limited in which, immediately before the giving of security to the Commonwealth, equals or exceeds the amounts borrowed;

- 5 (c) undertakings to the satisfaction of the Treasurer are given that the property of Qantas Airways Limited over which security is, or is to be, taken in accordance with paragraph (b):
- (i) will be insured and kept insured against all risks against which it is customary to insure and to the full insurable value of that property; and
- 10 (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
- (d) such other conditions as the Treasurer thinks necessary are fulfilled.

Delegation

15 **6. (1)** The Treasurer may, by signed instrument, delegate to an officer of the Department of the Treasury all or any of the powers or functions of the Treasurer under this Act.

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

