QANTAS AIRWAYS LIMITED (LOAN GUARANTEE) BILL 1978

Date Introduced: 6 April 1978
House: House of Representatives

Short Digest of Bill

Purpose

To authorise the Treasurer, on behalf of the Commonwealth, to guarantee loans raised by Qantas Airways Limited, in its own name, for the purchase of two Boeing 747 series aircraft.

Background and Related Legislation

The Qantas Airways Limited (Loan Guarantee) Act 1976, contrary to previous practice, provided a government guarantee to overseas loans raised by Qantas in its own name for the purchase of three Boeing 747 series aircraft. Prior to this, the Commonwealth Government had taken out loans on behalf of Qantas.

The present Bill continues the 1976 practice. The proposed government guarantee will be limited to an amount of $US80 million or its equivalent, which represents 80% of the total cost of the two aircraft and associated equipment.

Main Provisions

Sub-clause 4(1) enables the Treasurer, on behalf of the Commonwealth, to guarantee the repayment by Qantas of the amounts borrowed by it for the purchase of the two Boeing 747 aircraft and related spare parts and equipment, and the interest payments on the amounts borrowed.

Sub-clause 4(2) limits the extent of the guarantee to an amount not exceeding $US80 million.

Clause 5 sets out the conditions of the guarantee, the main ones of which are that the Treasurer be satisfied with the terms and conditions of the borrowings, and that the Airline satisfy the Treasurer that adequate and proper security is given to the Commonwealth over the two aircraft.
Clause 6 enables the Treasurer to delegate to an officer of the Department of the Treasury any of his powers or functions under the Act, other than this power of delegation.

7 April 1978

Finance, Industries, Trade and Development Group

LEGISLATIVE RESEARCH SERVICE