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Airline Equipment (Loan Guarantee) Bill 1976

Introduced by the Minister for Transport, Hon. P.J. Nixon,  
House of Representatives 2 November 1976.

Brief Digest of Bill

Purpose

The purpose of this Bill is to seek authority for the Treasurer to guarantee, on behalf of the Commonwealth, the repayment of loans raised by Ansett Transport Industries (Operations) Proprietary Limited to finance the purchase of its seventh Boeing 727-200 series aircraft and related equipment and spare parts.

Summary

The proposed Government guarantee will be limited to an amount of US\$8 million or its equivalent (sub-clause 4 (2)). The airline will also be required to satisfy the Treasurer that the terms and conditions on which the moneys are borrowed are reasonable (sub-clause 5 (a) ), and that various other conditions have been met (sub-clauses 5 (b) - 5 (e) ).

Relevant Information

The figure of US\$8 million or its equivalent represents 80% of the total cost of the aircraft and associated equipment. The aircraft presently under consideration is planned for delivery in December 1976.

The Bill follows the enactment of earlier legislation (Loans (Australian National Airlines Commission) Act 1976) under which the Commonwealth sought approval to borrow US\$9.3 million on

behalf of Ansett's competitor, the Australian National Airlines Commission (TAA) to enable TAA to purchase its seventh Boeing 727-200 series aircraft and related equipment and spare parts.

Finance, Industries, Trade and  
Development

9 November 1976.

LEGISLATIVE RESEARCH SERVICE