

**CARBIDE INDUSTRY DEVELOPMENT AMENDMENT (No. 2)**

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No. 30 of 1980

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**AN ACT** to enable effect to be given to certain Heads of Agreement entered into by the Minister and White Industries Limited with respect to the Electrona carbide industry and to amend the Carbide Industry Development Act 1976.

[Royal Assent 21 May 1980]

**BE** it enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:—

**1**—This Act may be cited as the *Carbide Industry Development Amendment Act (No. 2)* 1980. Short title.

**2**—In this Act, the *Carbide Industry Development Act 1976*\* Principal Act. is referred to as the Principal Act.

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\*Act No. 89 of 1976. For this Act, as amended to 1st September 1979, see the continuing Reprint of Statutes, Vol. II. Subsequently amended by Acts No. 37 of 1979 and No. 7 of 1980.

Approval of,  
and giving  
effect to, Heads  
of Agreement  
with White  
Industries  
Limited.

**3—**(1) In this section, the “ Heads of Agreement ” means the Heads of Agreement set out in Schedule 1, and the other words and expressions used in this section have the same meanings as they have for the purposes of the Principal Act.

(2) The Heads of Agreement are approved, and, when the approval of the Board of Directors and shareholders of Electra Carbide Industries Pty Limited referred to in clause 12 of those Heads of Agreement has been given, the Treasurer may take or cause to be taken such steps as may be agreed with White Industries Limited for the purpose of giving effect to the Heads of Agreement.

(3) Without prejudice to the generality of the foregoing provisions of this section, the steps referred to in subsection (2) may include—

- (a) the making of payments to repay to a lender the sums lent to the undertaker the repayment of which is guaranteed under section 5 of the Principal Act;
- (b) the acquisition, on behalf of the State, of shares in the undertaker; and
- (c) the sale of shares in the undertaker held on behalf of the State.

(4) The money required to make such payments as are referred to in subsection (3) (a) shall be a charge on the Loan Fund and be payable out of that Fund without further appropriation than this section.

(5) On the carrying into effect of clauses 2 and 3 of the Heads of Agreement, the undertaker is discharged from any liability to the Treasurer or Minister in respect of any loan the repayment of which was guaranteed under section 5 of the Principal Act.

(6) In consideration of the issue to the Treasurer of shares in the undertaker, he may, in whole or in part, release the undertaker from its liability to repay money advanced under clause 3 of the Agreement set out in the Schedule to the Principal Act, or to pay interest that had fallen due on that money; and the Treasurer may, on behalf of the State, acquire any shares issued for the purposes of this subsection in addition to any other shares which he may acquire, under this Act or the Principal Act.

**4**—Section 2 of the Principal Act is amended—Amendment of  
section 2 of  
Principal Act  
(Interpre-  
tation).

(a) by inserting before the definition of “carbide undertaking” the following definition:—

“approval”, in relation to the Heads of Agreement, means the approval for the purposes of clause 12 of those Heads of Agreement;

(b) by inserting after the definition of “carbide undertaking” the following definition:—

“Heads of Agreement” means the Heads of Agreement set out in Schedule 1 to the *Carbide Industry Development Amendment Act* (No. 2) 1980.

**5**—Section 4A of the Principal Act is amended by inserting after subsection (2) the following subsection:—Amendment of  
section 4A of  
Principal Act  
(Power of  
Treasurer to  
lend money to  
enable under-  
taker to repay  
guaranteed  
loan).

(2A) The Treasurer shall not, after the approval of the Heads of Agreement, enter into any agreement with the undertaker or a lender for the purposes of subsection (1) or (2).

**6**—Section 5 of the Principal Act is amended by inserting after subsection (1) the following subsection:—Amendment of  
section 5 of  
Principal Act  
(Guarantee of  
repayment of  
principal  
moneys).

(1A) No guarantee shall be given under subsection (1) after the approval of the Heads of Agreement.

**7**—Section 9 of the Principal Act is amended by inserting after subsection (4) the following subsection:—Amendment of  
section 9 of  
Principal Act  
(Power of  
Treasurer to  
subscribe for  
shares in the  
undertaker).

(5) This section does not apply to shares issued in pursuance of the Heads of Agreement, and nothing in this section prevents the disposal of any shares to give effect to the Heads of Agreement.

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## SCHEDULE 1

## Section 3

## HEADS OF AGREEMENT

PARTIES: THE HONOURABLE NEIL LEONARD CHARLES BATT, Minister administering the Carbide Development Act 1976, as amended, of the State of Tasmania (hereinafter called "the Minister") of the one part and

WHITE INDUSTRIES LIMITED of 201 Pacific Highway, North Sydney in New South Wales (hereinafter called "Whites") of the other part

The parties agree to take such steps as are necessary to achieve the following:—

1. Whites agree to use at all times its best endeavours to promote the success and future profitability of Electrona Carbide Industries Pty Limited (hereinafter called "Electrona").
2. Government will pay out all loans guaranteed by it.
3. Government will subscribe for 10% Redeemable (non-accumulative) Preference shares in Electrona for total amount of its liabilities under 2.
4. Such Preference shares to be redeemable in year 2000 or earlier at option of Electrona.
5. Dividends will be payable upon Redeemable Preference shares when either—
  - (a) Electrona has recouped existing losses, or
  - (b) Electrona declares a dividend on ordinary capitalwhichever event happens first.
6. When dividends become payable on Redeemable Preference shares 30% of funds paid by way of dividends shall be paid on Redeemable Preference shares or such sum shall be applied by way of redemption of Redeemable Preference shares at option of Electrona.
7. Government to sell its ordinary capital to Whites for \$1.00. Upon redemption of the last of the Redeemable Preference shares Whites will use its best endeavours to ensure that Electrona will make a bonus issue to Government of 2,500,000 of 10% Preference shares of \$1.00 each.
8. Whites will not dispose of any Ordinary shares held by it in Electrona without Government approval which is not to be unreasonably withheld.

9. Whites will ensure that all Electrona's unsecured creditors are met in the ordinary course of business or in the event of liquidation.
10. Until redemption of all Redeemable Preference shares the Board of Electrona shall consist of five members appointed as follows:—
  - (i) A Government director nominated by Minister;
  - (ii) A director to be appointed to represent the minority shareholders;
  - (iii) Three directors to be appointed by Whites.
11. The Government agrees that in relation to previously expended monies and monies to be expended at Electrona on development projects that Electrona is entitled to development assistance of \$500,000 in year ended 30/6/1980 and \$500,000 in year ended 30/6/1981. This is conditional upon Electrona providing matching contributions for development purposes within the next five years.
12. This agreement is subject to approval of:—
  - (i) The Parliament for the State of Tasmania;
  - (ii) The Board of Directors and shareholders of Electrona.

DATED this 20th day of April One thousand nine hundred and eighty.

SIGNED by THE HONOURABLE NEIL LEONARD }  
CHARLES BATT in the presence of: } NEIL BATT

P. G. MORGAN

SIGNED for and on behalf of WHITE INDUSTRIES }  
LIMITED by } G. B. WHITE  
its duly constituted Attorney in the presence of: }

Witness

TRAVERS DUNCAN

