



GENERAL JONES PTY. LIMITED LOAN AND GUARANTEE

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No. 22 of 1976
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AN ACT to authorize the making of a loan by the Minister for Industrial Development to General Jones Pty. Limited for the purpose of expanding the frozen vegetable industry in the north-west part of the State, to guarantee the repayment of loans made for that purpose, and to provide for matters incidental to those purposes.

[10 June 1976]

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 *General Jones Pty. Limited Loan and Guarantee Act 1976*. Short title.

Interpretation.

2 In this Act, "company" means General Jones Pty. Limited, a company incorporated in this State.

Power of Minister to make a loan of \$1 000 000 for certain purpose.

3—(1) Subject to this section, the Minister may lend to the company the sum of \$1 000 000 to be used for the purpose of enabling the company to take over and expand the vegetable processing works conducted at Smithton in this State and for any purpose incidental thereto.

(2) The loan authorized by this section shall be made upon and subject to the following terms and conditions and to such other terms and conditions (if any) as the Minister may determine, namely:—

- (a) Before the loan is made the company shall execute to the satisfaction of the Minister a first mortgage to the Minister of the company's real property at Smithton in this State for securing repayment of the loan;
- (b) Before the loan is made the company shall issue to the Minister a debenture charge over all assets and undertakings of the company to rank only after the company's bankers and any other lenders approved by the Minister;
- (c) The loan shall be repaid in 5 equal payments of principal paid annually and of interest paid half-yearly, from the payment of the loan to the company, by the 30th June and the 31st December in each year until the loan and any interest outstanding has been paid, the first of such payments of principal to be made two years after the payment of the loan to the company or on the 30th June 1978, whichever is the later;
- (d) The rate of interest payable in respect of the loan shall, from the time the loan is paid, be calculated day to day on the balance at the rate of 11·7 per cent and shall be payable at that rate except that if in any case interest is paid within 28 days of the day it falls due it shall be calculated at the rate of 10·7 per cent and shall be payable at that rate accordingly; and
- (e) The company shall insure for the benefit of the Minister the real property mortgaged by way of security for the payment of the loan as provided by paragraph (a) of this subsection for a sum to the satisfaction of the Minister with the Tasmanian Government Insurance Office or such other insurance office as the Minister may approve.

(3) The instrument of mortgage referred to in paragraph (a) of subsection (2) shall contain a term that, in the event of default by the company in any payment of principal in accordance with paragraph (c) of subsection (2), the total sum of the loan then outstanding shall, on demand therefor being made by the Minister, become due and payable.

4 The Treasurer may make advances for the purpose of the loan referred to in section 3 out of the money available in the Loan Fund for that purpose.

Loan to be paid out of Loan Fund.

5—(1) Subject to this section, the Minister may guarantee the repayment by the company to the lender or lenders thereof (being a lender or lenders approved by the Minister for the purposes of this section) of moneys proposed to be borrowed by the company that the Minister is satisfied will be applied for the purpose of taking over, expanding, or conducting the processing of vegetables in this State and for any purpose incidental to any of those purposes.

Guarantee of repayment of principal moneys.

(2) This section does not authorize the guarantee of the repayment of principal moneys in excess of \$1 500 000.

6 The power of the Minister under this Act to guarantee the repayment of the principal moneys proposed to be borrowed by the company shall be deemed to include a power to guarantee the payment of the interest payable in respect of those moneys.

Guarantee of payment of interest.

7 Before a guarantee is given by the Minister under this Act the company shall give to the Minister such security (if any) as the Minister may require and shall execute all such instruments as may be necessary for the purpose.

Company to give security to the Minister.

8—(1) If the Minister is called on to make a payment to a lender in consequence of giving a guarantee under this Act, the Minister shall, on the demand of the lender, and without any authority other than this section, make that payment to the lender and such payment shall be made out of the Consolidated Revenue (which, to the necessary extent, is appropriated accordingly).

Payments to lenders under guarantee.

(2) Where, in pursuance of a guarantee given under this Act, the Minister is required under subsection (1) to make a payment to a lender, the company shall, on demand being made on it by the Minister, pay to the Minister any amount so paid by him to the

lender, together with interest thereon at the same rate of interest as the rate payable by the company to the lender in respect of the principal moneys lent to the company by that lender.

(3) Any amount received by the Minister as provided by subsection (2) shall be paid by the Minister into the Consolidated Revenue.