



LAUNCESTON GAS COMPANY LOAN GUARANTEE AND SUBSIDY

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No. 53 of 1976
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ANALYSIS

1. Short title.
2. Interpretation.
3. Guarantee of repayment of loan to company.
4. Guarantee of payment of interest on loan.
5. Security for guarantee may be called for.
6. Payments to lender under guarantee; company to reimburse Treasurer.
7. Subsidy payable to the company on account of interest payable.
8. Subsidy payable to company on account of trading.
9. Subsidies to be paid out of Consolidated Revenue.

AN ACT to authorize the Treasurer to guarantee the repayment of loans made and to be made to the Launceston Gas Company and the payment of interest in respect of those loans and the payment of subsidies to that Company, and to provide for matters incidental thereto.

[14 October 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 *Launceston Gas Company Loan* Short title.
Guarantee and Subsidy Act 1976.

Interpretation.

2 In this Act, unless the contrary intention appears—

“ company ” means the Launceston Gas Company formed as provided by the *Launceston Gas Company's Act 1858*;

“ trading period ” means a period from the 1st July to the 30th June next following.

Guarantee of
repayment of
loan to
company.

3—(1) Subject to this section and section 5, the Treasurer may guarantee the repayment by the company to the lenders thereof (being lenders approved by the Treasurer for the purposes of this section) of moneys borrowed or proposed to be borrowed by the company that the Treasurer is satisfied will be applied for the purpose of purchasing plant and equipment required to enable the company to change over from the production of town gas from coal to such production from butane, and for matters connected with that purpose.

(2) This section does not authorize the guarantee of the repayment of principal moneys in excess of \$1 100 000.

Guarantee of
payment of
interest on
loan.

4 The power of the Treasurer under this Act to guarantee the repayment of the principal moneys referred to in section 3 borrowed or proposed to be borrowed by the company shall be deemed to include the power to guarantee the payment of interest payable in respect of those moneys.

Security for
guarantee may
be called for.

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

Payments to
lender under
guarantee;
company to
reimburse
Treasurer.

6—(1) If the Treasurer is called on to make a payment to a lender in consequence of giving a guarantee under this Act, the Treasurer 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).

(2) Where, in pursuance of a guarantee given under this Act, the Treasurer is required to make a payment to a lender, the company shall, on demand being made on it by the Treasurer, pay to the Treasurer 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 Treasurer as provided by subsection (2) shall be paid by the Treasurer into the Consolidated Revenue.

7—(1) Subject to this section, the Treasurer may, during the period of 6 years from a date to be determined by the Treasurer and notified to the company, pay to the company a subsidy on account of interest paid by the company on account of the loans referred to in section 3. Subsidy payable to the company on account of interest payable.

(2) A subsidy paid under this section shall not exceed an amount that would have been the amount of the interest if it had been calculated at—

(a) the rate of $1\frac{1}{4}\%$ per annum; or

(b) the rate by which the rate of interest actually paid by the company exceeded $10\frac{1}{4}\%$ per annum,

whichever of those rates is the lesser.

(3) The actual amount of a subsidy paid under this section shall be an amount, not exceeding an amount calculated under subsection (2), which the Treasurer in his absolute discretion may determine.

(4) In making a determination for the purpose of subsection (3), the Treasurer shall have regard to the financial outcome of trading of the company during the trading period in respect of which the subsidy, if any, is to be paid and of any previous trading period.

8—(1) Subject to this section, the Treasurer may, during the period of 6 years from a date to be determined by the Treasurer and notified to the company, pay to the company a sum or sums of money by way of subsidy on account of trading. Subsidy payable to the company on account of trading.

(2) A sum or, as the case may be, the total sums paid to the company by way of subsidy under this section shall not exceed \$36 250 in any trading period.

(3) The actual amount of a payment by way of subsidy referred to in this section shall be of an amount, not exceeding the amount referred to in subsection (2), which the Treasurer in his absolute discretion may determine.

(4) In making a determination for the purpose of subsection (3), the Treasurer shall have regard to the financial outcome of trading of the company during the trading period in respect of which the subsidy, if any, is to be paid and of any previous trading period.

(5) Notwithstanding anything in this section, no subsidy or no further subsidy shall be paid under this section if the company is exempted from payment of the Commonwealth levy on the supply of butane.

Subsidies to
be paid out
of
Consolidated
Revenue.

9 Payments by the Treasurer for the purposes of sections 7 and 8 shall be made out of the Consolidated Revenue (which, to the necessary extent, is appropriated accordingly).