

Sugar Marketing Assistance Agreement

No. 44 of 1967

An Act relating to an Agreement between the Commonwealth and the State of Queensland in connexion with a Guarantee by that State of the repayment of a Loan to The Sugar Board of that State by the Reserve Bank of Australia.

[Assented to 25 May 1967]

BE it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1. This Act may be cited as the *Sugar Marketing Assistance Agreement Act 1967*. Short title.

2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.

3. The agreement a copy of which is set out in the Schedule to this Act is approved. Approval of agreement.

4. The payments by the Commonwealth to the State of Queensland provided for in the agreement referred to in the last preceding section may be made to that State, by way of financial assistance, on the terms and conditions contained in that agreement, out of the Consolidated Revenue Fund, which is appropriated accordingly. Payments under agreement.

THE SCHEDULE

Section 3.

AN AGREEMENT made the Twentieth day of April One thousand nine hundred and sixty-seven Between THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Commonwealth") of the one part and THE STATE OF QUEENSLAND (in this agreement called "the State") of the other part.

WHEREAS—

- (a) it has become desirable in the interests of the State of Queensland and of the Commonwealth of Australia generally for special measures to be taken to assist the marketing of sugar derived from the sugar cane harvested in 1966;

THE SCHEDULE—*continued*

- (b) The Sugar Board, the body corporate established pursuant to "The Sugar Acquisition Act of 1915" of the State (in this agreement called "the Board"), has arranged for that purpose and by virtue of the powers conferred on the Board by the Proclamation that was authorised and ratified by "The Sugar Board Act of 1966" of the State to borrow from the Reserve Bank of Australia an amount not exceeding Nineteen million dollars (\$19,000,000) and agreed to repay the amount borrowed, together with interest and other customary bank charges, within a period of one year;
- (c) the State has guaranteed the repayment to the Reserve Bank of Australia on the due date of the amount borrowed by the Board and the payment of the interest and bank charges;
- (d) the Commonwealth and the State propose that if the Board is unable to repay the amount owing to the Reserve Bank on the due date financial assistance will, if the State so requests, be made available by the Commonwealth for the purpose of providing money for the State to meet its guarantee to the Reserve Bank; and
- (e) the Parliament of the Commonwealth is to be asked to approve this agreement and to authorise the grant of financial assistance to the State under section 96 of the Constitution of the Commonwealth of Australia upon and subject to the conditions set out in this agreement.

NOW IT IS HEREBY AGREED as follows:—

Definitions.

1. In this agreement, unless the contrary intention appears—

"the State Treasurer" means the Treasurer of the State and includes such other Minister of the Crown as is for the time being acting for and on behalf of the Treasurer of the State;

"the Treasurer" means the Treasurer of the Commonwealth and includes such other Minister of State of the Commonwealth or other member of the Federal Executive Council as is for the time being acting for and on behalf of the Treasurer.

Approval of Agreement.

2. The Government of the Commonwealth will, as soon as practicable after the date of this agreement, submit to its Parliament legislation approving this agreement and providing under section 96 of the Constitution of the Commonwealth of Australia for a grant of financial assistance to the State on the terms and conditions contained in this agreement.

Commencement of Agreement.

3. Except as hereinbefore provided, this agreement shall have no force or effect and shall not be binding on the parties unless and until the legislation of the Parliament of the Commonwealth referred to in the last preceding clause is passed, whereupon it shall commence and come into full force and effect.

Financial Assistance.

4. Subject to compliance by the State with the provisions of this agreement, the Commonwealth will, upon request from the State in accordance with and subject to the provisions of this agreement, provide financial assistance to the State in such amount or amounts as may be required by the State to make payment under its guarantee to the Reserve Bank of Australia in respect of the amount, being an amount not exceeding Nineteen Million Dollars (\$19,000,000), borrowed by the Board from the Reserve Bank of Australia as aforesaid.

Payments by the Commonwealth.

5.—(1.) The Commonwealth will, when requested to do so by the State and subject to the provisions of this agreement, make payments to the State in pursuance of the last preceding clause, except that the Commonwealth shall not be liable to make any payment until after the thirtieth day of June, 1967.

(2.) The State will furnish to the Treasurer such documents and other evidence in support of its request for a payment to it by the Commonwealth under sub-clause (1.) of this clause as the Treasurer may reasonably request, whether the request by the Treasurer is made before or after the Commonwealth has made a payment pursuant to the request by the State.

Use of payment.

6. The State shall ensure that an amount paid to the State under this agreement is not used or applied except for the purpose of meeting the liability of the State under its guarantee to the Reserve Bank of Australia in respect of the borrowing by the Board as aforesaid.

Interest.

7.—(1.) Interest on a payment by the Commonwealth to the State in accordance with this agreement shall not accrue in respect of any period before the first day of July, 1970.

(2.) On and after the first day of July, 1970, interest shall accrue at the rate provided in this clause in respect of a payment made to the State by the Commonwealth under clause 5 of this agreement calculated on so much of the payment as for the time being has not been repaid by the State.

(3.) Interest that accrues under this clause on and after the first day of July, 1970, shall be payable by the State as provided in the next succeeding clause.

THE SCHEDULE—*continued*

(4.) The rate at which interest accrues under this clause in respect of a payment made to the State by the Commonwealth shall be the rate that is equivalent to the rate of yield to maturity of the medium term loan last raised by the Commonwealth in Australia for public subscription prior to the date on which the payment was made.

(5.) For the purpose of this clause the expression "the rate of yield to maturity" means the rate per annum, as determined by the Treasurer to the nearest cent in accordance with sound actuarial practice, that the yield from the interest payable by the Commonwealth in respect of the relevant loan represents having regard to the issue price and the period of maturity of the loan.

8.—(1.) Subject to the provisions of this clause, the State shall repay to the Commonwealth the amount of each payment made to the State by the Commonwealth under clause 5 of this agreement, together with interest referred to in the last preceding clause, by ten equal annual payments, the first payment to be made on the thirtieth day of June, 1971, and subsequent payments to be made on each succeeding thirtieth day of June.

Repayments
by the State
with interest.

(2.) The amount of an annual payment by the State provided for by the last preceding sub-clause shall not be reduced except by virtue of the succeeding provisions of this clause.

(3.) In addition to making payments in accordance with sub-clause (1.) of this clause, the State may on the thirtieth day of June in any year, after having given the Treasurer notice in writing of at least one month of its intention to do so, pay to the Commonwealth an amount of Five hundred thousand dollars (\$500,000) or a multiple thereof.

(4.) Interest at the rate provided in the next succeeding sub-clause shall accrue on amounts paid by the State in accordance with the last preceding sub-clause, calculated from the date of payment and compounded with annual rests on each thirtieth day of June.

(5.) The rate at which interest accrues under the last preceding sub-clause in respect of an amount paid by the State shall be the rate applicable under sub-clause (4.) of the last preceding clause in respect of the payment or, if more than one payment has been made, the first payment made to the State by the Commonwealth under this agreement.

(6.) When on any thirtieth day of June the payment due by the State under sub-clause (1.) of this clause exceeds the amount by which the unrepaid balance of the total amount repayable under that sub-clause together with interest accrued on that total amount up to and including that date exceeds the total of the amounts paid by the State to the Commonwealth in accordance with sub-clause (3.) of this clause together with interest accrued on those amounts up to and including that date under sub-clauses (4.) and (5.) of this clause, the State shall pay to the Commonwealth the amount of the second-mentioned excess in lieu of the amount of the payment due under sub-clause (1.) of this clause, and no further payments shall be required to be made by the State to the Commonwealth under this clause.

9. The State shall from time to time at the request of the Treasurer furnish to him such information as he may reasonably require for the purposes of or in relation to this agreement.

Supply of
information.

10. Any notice, request or other communication to be given or made under this agreement by the Commonwealth or the Treasurer to the State shall be deemed sufficiently given or made if it is in writing signed by the Treasurer or by any person thereunto authorised in writing by him, and any notice, application request or other communication to be given or made by the State to the Commonwealth or the Treasurer shall be deemed sufficiently given or made if it is in writing signed by the State Treasurer or any person thereunto authorised in writing by him.

Notices.

IN WITNESS WHEREOF this agreement has been executed by the parties the day and year first above written.

SIGNED for and on behalf of THE COMMONWEALTH OF AUSTRALIA
by the Right Honourable HAROLD EDWARD HOLT, The Prime
Minister of the Commonwealth in the presence of—

HAROLD HOLT

P. H. BAILEY

SIGNED for and on behalf of THE STATE OF QUEENSLAND by the
Honourable GEORGE FRANCIS REUBEN NICKLIN, the Premier and
Minister for State Development of the State in the presence of—

FRANK NICKLIN

C. H. CURTIS