

**SMALL BUSINESSES' LOANS GUARANTEE
ACT, 1977**

New South Wales



ANNO VICESIMO SEXTO

ELIZABETHÆ II REGINÆ

Act No. 34, 1977.

An Act to authorise the execution of guarantees for the
repayment of loans made to certain small businesses.
[Assented to, 13th April, 1977.]

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Small Businesses' Loans Guarantee.

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Short
title.

1. This Act may be cited as the "Small Businesses' Loans Guarantee Act, 1977".

Interpre-
tation.

2. In this Act, "small business" means any business enterprise carried on in New South Wales—

- (a) for the purpose of manufacturing or processing goods or for any other prescribed purpose; and
- (b) in which not less than 5 and not more than 50 persons are engaged.

Guarantees.

3. (1) The Minister may execute a guarantee, either alone or jointly with some other person, in favour of a bank or another person or a body of persons, whether corporate or unincorporate, for the repayment of the whole or any part of money expended or to be expended on—

- (a) the acquisition of land, or land and buildings thereon;
- (b) the construction, improvement or alteration of buildings; or

(c)

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- (c) the acquisition or modification of plant, machinery or equipment,

used or to be used in the conduct of a small business.

(2) The Minister shall not execute a guarantee under subsection (1) if—

- (a) the amount of money to be repaid to the bank or other person or body of persons in whose favour the guarantee is executed exceeds 90 per centum of the estimated value of the land or land and buildings, of the estimated cost of the works of construction, improvement or alteration, of the estimated value of the plant, machinery or equipment or of the estimated cost of the works of modification, as the case may be, that estimated value or cost to be ascertained in such manner as the Minister may direct; or
- (b) the amount of the guarantee, together with the amounts of all other guarantees executed under subsection (1) (excluding guarantees no longer in force), exceed such amount as may, from time to time, be fixed by the Treasurer.

(3) The execution by the Minister, either alone or jointly with some other person, of a guarantee under subsection (1) shall, in favour of the creditor, be conclusive evidence that the requirements of this Act with respect to the guarantee have been complied with.

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Provisions
relating to
guarantees.

4. (1) Subject to subsection (2), a guarantee executed under section 3 (1) may be subject to such terms and conditions as the Minister thinks fit.

(2) The following provisions shall apply to and in respect of a guarantee executed under section 3 (1) :—

- (a) The guarantee may include any interest charges and expenses chargeable by the creditor against the principal debtor and the expenses of enforcing or obtaining or endeavouring to enforce or obtain payment of the debt guaranteed and those interest charges and expenses.
- (b) The guarantee may be expressed to include compound interest.
- (c) The creditor shall, if required to do so by the Minister, obtain, take and hold or retain and hold securities for the payment of the principal debt of such nature as the Minister may require.
- (d) The guarantee shall not be enforceable against the Minister unless and until the creditor has exercised his rights and remedies under all securities held by or for him in respect of the debt guaranteed, other than the guarantee.
- (e) The creditor shall not, without the consent in writing of the Minister, assign or encumber the benefit of the guarantee.

Payments
under
guarantees.

5. Any amount payable under a guarantee executed under this Act shall be paid by the Treasurer, without further appropriation than this Act, out of the Consolidated Revenue Fund.

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6. The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act. ^{Regula-}
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