

No. 19621

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**AUSTRALIA  
and  
PAPUA NEW GUINEA**

**Exchange of letters constituting an agreement concerning a loan for the purchase of certain assets of the Australian Overseas Telecommunications Commission in Papua New Guinea. Canberra, 10 November 1976, and Port Moresby, 14 September 1978**

*Authentic text: English.*

*Registered by Australia on 11 March 1981.*

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**AUSTRALIE  
et  
PAPOUASIE-NOUVELLE-GUINÉE**

**Échange de lettres constituant un accord relatif à un prêt destiné à permettre l'achat de certains actifs de la Australian Overseas Telecommunications Commission en Papouasie-Nouvelle-Guinée. Canberra, 10 novembre 1976, et Port Moresby, 14 septembre 1978**

*Texte authentique : anglais.*

*Enregistré par l'Australie le 11 mars 1981.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF AUSTRALIA AND THE  
GOVERNMENT OF PAPUA NEW GUINEA CONCERNING A  
LOAN FOR THE PURCHASE OF CERTAIN ASSETS OF THE  
AUSTRALIAN OVERSEAS TELECOMMUNICATIONS COM-  
MISSION IN PAPUA NEW GUINEA

I

MINISTER FOR FOREIGN AFFAIRS  
CANBERRA

10 Nov[ember] 1976

My dear Minister,

I refer to letters exchanged between the Australian Minister for Foreign Affairs and the Papua New Guinea Minister for Finance, dated 14 January 1974 and May 1974, respectively, agreeing upon the terms and conditions on which the Australian Government extended a loan of \$1 million to the Papua New Guinea Government to assist its purchase of certain assets from the Australian Overseas Telecommunications Commission.

Now that Papua New Guinea is a fully independent State, I believe that our two Governments should record, by way of an exchange of letters constituting a formal international agreement, our confirmation of the terms and conditions previously agreed.

Those terms and conditions are as follows:

*Purpose of loan*

The purpose of this loan is to assist the Papua New Guinea Government in financing the purchase of the assets of the Overseas Telecommunications Commission in Papua New Guinea.

*Amount of loan*

The amount of this loan shall be one million Australian dollars (\$1,000,000).

*Period of loan*

This loan shall have a maturity of ten (10) years and be repaid in full on 30 November 1983.

*Terms of loan*

(a) *Grace period.* During the period of three (3) years ending 30 November 1976 the Papua New Guinea Government shall not be obliged to make any repayments of principal.

(b) *Interest.* This loan shall bear interest at the rate of three (3) per cent per annum as from 1 December 1973. Such interest shall be calculated on the balance outstanding, and payable on 31 May and 30 November of each year during the currency of the loan.

<sup>1</sup> Came into force on 14 September 1978, the date of the letter in reply, in accordance with the provisions of the said letters.

(c) *Repayment.* The amount advanced (\$1,000,000) shall be repaid to the Australian Government in fourteen (14) equal half yearly instalments. The first instalment shall be payable on 31 May 1977 and subsequent instalments shall be payable at six monthly intervals on 30 November and 31 May thereafter until the final instalment has been paid.

*Execution of the loan*

The Papua New Guinea Government shall ensure that the proceeds of this loan shall be used only for the purpose intended.

On behalf of the Australian Government, I should appreciate your confirmation of the foregoing terms and conditions of this loan and propose that this letter together with your confirmatory reply should constitute and evidence an agreement in the matter between our two Governments to enter into force on the date of your reply.

Yours sincerely,

[Signed]

ANDREW PEACOCK

The Honourable Sir Maori Kiki, K.B.E., M.P.  
Minister for Foreign Affairs and Trade  
Parliament House  
Port Moresby, Papua New Guinea

II

MINISTER FOR FOREIGN AFFAIRS AND TRADE

PAPUA NEW GUINEA

Central Government Offices

Waigani

14th Sept[ember] 1978

My dear Minister,

I have the honour to reply to your note of 10th November 1976, addressed to the former Minister for Foreign Affairs and Trade, the Honourable Sir Maori Kiki, K.B.E., which reads as follows:

[See note I]

I have further the honour to confirm the above terms and conditions of this loan on behalf of the Government of Papua New Guinea and to agree to your note and this reply shall constitute and evidence an agreement between our two Governments.

Yours sincerely,

[Signed]

N. EBIA OLEWALE

The Hon. Andrew Peacock M.P.  
Minister for Foreign Affairs  
Parliament House  
Canberra, A.C.T.