Sales Tax (Exemptions and Classifications) Amendment
Bill (No. 3) 1989
(Private Senator's Bill)

Date Introduced: 1 September 1989
House: Senate
Portfolio: Senator John Coulter

Digest of Bill

Purpose
To exempt from sales tax certain paper made from recycled pulp.

Background
Wastepaper recycling has received considerable publicity as a means of reducing logging pressure on native forests. In 1987–88, the Australian paper and paperboard industry recycled approximately 759 000 tonnes of wastepaper. Most recycled paper is used in the manufacture of packaging and cartons. In 1987–88, Australia recycled almost 30% of the 2.6 million tonnes of paper it consumed, and exported approximately 62 000 tonnes of wastepaper valued at $10.6 million. Australia’s principal customers of recycled paper are India, Taiwan and Indonesia.¹

The Bill relates to the same area as an announcement made by the Prime Minister on 20 July 1989, in the ‘Statement on the Environment’, that the Government would introduce legislation to exempt from sales tax certain printing and writing paper, tissue and toilet paper and paper bags if they are made out of wholly recycled paper.²

Under the current sales tax regime, all goods are subject to a general sales tax rate of 20%. However, the general rate is subject to specific provisions relating to particular goods. In addition to a total exemption of some goods, goods covered by Schedules Two to Five of the Sales Tax (Exemptions and Classifications) Act 1935 are liable to pay sales tax at a rate of 10%, 20%, or 30%. Currently, recycled paper is subject to the general rate of 20%.

The impact of the proposals on Government revenue was not outlined in either the Second reading speech to this Bill or in Government’s ‘Statement on the Environment’.

Main Provisions
A new item will be inserted into the First Schedule of the Sales Tax (Exemptions and Classifications) Act 1935 by clause 3 that will exempt from sales tax paper made from not less than 80% recycled pulp.
References

2. Ibid., p. 57.

For further information, if required, contact the Science, Technology & Environment Group.

6 September 1989

Bills Digest Service
Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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