Sales Tax (Exemptions and Classifications) Amendment Bill 1988
(Private Member's Bill)

Date Introduced: 28 April 1988
House: House of Representatives
Presented by: Geoffrey Prosser, M.P.

Digest of Bill

Purpose

To exempt professional fishermen from sales tax on motorcycles and four-wheel drive vehicles used in the Australian fishing industry.

Background

By global standards Australia is not a major fishing nation, producing only a small percentage of the world catch. Despite this, the value of Australia's fish production is high. In 1980–81 it is estimated that Australian fishermen caught 129,135 tonnes of fish, crustaceans and molluscs. The value of Australian marine products exports for this period was $306 million. In 1986–87 it is estimated that the value of Australian marine products exports had risen to $621 million, mainly to Japanese and United States markets.

Australian fishermen are excluded from sales tax exemption on commercial vehicles. This exclusion is based on the wording of the Sales Tax (Exemption and Classification) Act 1935 (the Principal Act). While ordinarily a fisherman is regarded as a primary producer, the sales tax legislation allows exemptions to persons engaged in the 'agricultural' industry rather than to 'primary producers'. Because the legislative definition of 'agricultural' does not include fishing operations, the exemption under which persons engaged in the agricultural industry can obtain commercial vehicles free of sales tax does not apply to fishermen. The Senate Standing Committee on Trade and Commerce has recommended that where fishermen can demonstrate that the use of a vehicle is essential to his/her fishing operations, he/she should be exempt from sales tax on such a vehicle, and that the relevant sales tax legislation be amended to provide for such exemptions.
Main Provisions

Clause 3 will amend the First Schedule of the Principal Act. The major amendments are:

A new sub-item (1A) will be inserted to provide for the exemption from sales tax of motorcycles and four-wheel drive vehicles used exclusively or primarily in the fishing industry.

Proposed sub-item (2) will exempt from sales tax, parts and equipment covered by sub-item (1) of the Principal Act, and proposed sub-item (1A).

References


For further information, if required, contact the Economics and Commerce Group.

29 June 1988

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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