Bounty and Subsidy Legislation Amendment Bill 1987

Date Introduced: 6 May 1987
House: House of Representatives
Presented by: Hon. Barry Jones, M.P., Minister Assisting the Minister for Industry, Technology and Commerce

Digest of Bill

Purpose
To implement Government decisions relating to textile yarns and fertilizers; to implement an undertaking given regarding the scrutiny of certain determinations relating to decisions under the *Bounty (Books) Act* 1986; and to make a number of other, mostly technical, amendments to bounty and subsidy legislation.

Background
The Government's plan for the textiles, clothing and footwear industries was announced on 28 November 1986. The plan involves the gradual phasing out of quota protection, though tariff protection and bounties would remain. When announcing the plan, it was also stated that eligibility for the yarn bounty would be extended to overheads for export from 1 July 1987, the same date as the Industries Development Strategy for those industries will come into force. As the *Bounty (Textile Yarns) Act* 1981 currently stands, fixed overheads associated with exports are not included in the calculation of eligible costs from which the amount of bounty payable is calculated. This Bill will implement the Government's decision.

Changes to the subsidy arrangements for fertilizers were announced in the 1986-87 Budget. The major change was the removal of subsidies in respect of imported fertilizers while the subsidy for locally produced fertilizers was increased. While this was intended to have operated from 20 August 1986, the commencement date for the new scheme, the current wording of the *Fertilizer Subsidy Act* 1986 puts this in some doubt. This Bill will remove that doubt.

The *Bounty (Books) Act* 1986 was examined by the Senate Standing Committee for the Scrutiny of Bills in its twentieth report for 1986, dated 3 December 1986. Under that Act, certain books that would otherwise not be eligible for the bounty would become eligible if they were defined as 'textbooks'. 'Textbook' is partly defined as a book intended for use solely or principally in conjunction with education at a 'recognised educational institution'. The Act allows the Comptroller to declare an institution a 'recognised educational institution'. Similarly, the Comptroller was given power to declare books bound in a manner not listed in the Act to be sufficiently bound so as to fall within the definition of a book and so be eligible for the bounty. The Committee considered both cases to be an inappropriate delegation of power. In both cases the Minister for Industry, Technology and Commerce gave the Committee an
undertaking that the Act would be amended to allow such decisions to be treated as regulations and so be subject to Parliamentary disallowance. This Bill will implement those undertakings.

**Main Provisions**

**Bounty (Bed Sheet) Act 1977**

This Act will be amended to allow payment of the bounty where the manufacture of the product is completed by related companies (clause 7 which will amend section 5 of this Act). Clause 6 will insert a new section 3A which will define related companies. These amendments will be deemed to operate from 5 September 1986 (sub-clause 2(2)).

**Bounty (Books) Act 1986**

Section 4 of this Act will be amended so that the decisions referred to in the Background will be subject to the provisions of the *Acts Interpretation Act* 1901 relating to Parliamentary scrutiny (clause 10).

**Bounty (Textile Yarns) Act 1981**

A new section 3AA, which is to be inserted by clause 15, will contain the formula for calculating the amount relating to exports that is to be included in the increased factory cost when calculating the amount of bounty due.

**Fertilizers Subsidy Act 1986**

Clauses 18 and 19 will amend sections 43 and 47 of this Act to make it clear that the subsidy is payable only in respect of Australian produced fertilizer. This amendment will operate from 20 August 1986 (sub-clause 2(4)).

Clause 22 will amend the Acts as set out in the Schedule to the Bill. The major amendments relate to updating administrative provisions, removing standing appropriations and replacing them with annual appropriations, and increasing penalties under a number of Acts.

**References**


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

**22 July 1987**

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