Date Introduced: 22 August 1984
House: House of Representatives
Presented by: Hon. J.J. Brown, M.P., Minister Assisting the Minister for Industry and Commerce

Short Digest of Bill

Purpose

To continue bounty assistance to Australian production of tractor cabs beyond 9 June 1984, to 31 December 1984 or such other time as a decision on long-term assistance to tractor cabs and tractors is made.

Background

The Bill is associated with a Bill amending the Bounty (Agricultural Tractors) Act 1966 [see Bills Digest for Bounty (Agricultural Tractors) Amendment Bill 1984]. That Act was amended in 1983 to double the rate of bounty payable for a 12-month period from 10 June 1983 pending a report from the Industries Assistance Commission (IAC) and the Government's decision on long-term assistance to agricultural tractor manufacturers. The Bounty (Tractor Cabs) Act 1983 was enacted for payment of bounty on production of tractor cabs during the same 12-month period, and is to be amended by this Bill.

This Bill and the associated Bill extend doubled bounty rates beyond 9 June 1984 to 31 December 1984 or such other date or dates, not later than 30 June 1985, as the Minister may fix, for assistance to production of tractor cabs and tractors respectively.

Tractor cabs were considered by the IAC in its reports to the Government on the form of long-term assistance to be granted to the industries. Evidence presented to the IAC showed that production of tractor cabs in Australia had declined by 56 per cent from 1981 to 1983 and was expected to fall further in 1984. The IAC in its Interim Report presented estimates of locally produced cab usage for tractors in various power categories. A very high proportion of imported tractors of over 90kW power rating were imported with cabs fitted. In the lower power category, 15-90kW, the proportion of local production had
fallen from 64 per cent in 1981 to a 40 per cent in 1983 and 22 per cent in 1984.[2] Some concern was expressed that the trend towards import of tractors with cabs already fitted was extending to the lower power categories.[3]

Evidence presented to the IAC claimed that imported tractors up to 75kW were particularly suitable for use with locally made cabs but emphasised a need for additional short-term assistance and tariff quotas as a longer-term measure. Local manufacturers requested that the temporary assistance of 15 per cent of the factory cost of tractor cabs be increased and extended to 31 December 1984. The IAC did not recommend the continuation of short-term assistance beyond 9 June 1984, and took the view that this discontinuation would be unlikely to result in significant withdrawal of resources from the industry.[4]

The Bill retrospectively redefines "bountiable cab" to include cabs incorporating side panels made of a safety glass different and superior to "heat-treated" glass.

Main Provisions

The change in definition of "bountiable cab" is retrospective to 10 June 1983, the date of commencement of the Bounty (Tractor Cabs) Act 1983.

Entitlement to bounty is extended from 9 June 1984 to the "relevant day" which is defined as 31 December 1984 or, if fixed by the Minister, some other date up to 30 June 1985 (paragraph 3(c)). This provision is similar to that for the "terminating date" in the Bounty (Agricultural Tractors) Amendment Bill 1984.

For further information, if required, contact:

10 September 1984
Economics and Commerce Group
Law & Government Group

References

2. IAC Interim Report, Part 3.
3. IAC Interim Report, p.15.