To extend the period for bounty assistance under the Bounty (Room Air Conditioners) Act 1983 until 30 June 1984.

Background

Refer to Bills Digest for Bounty (Room Air Conditioners) Bill 1983.

The Bounty (Room Air Conditioners) Act 1983 provides for a bounty to be paid at the rate of $60 per air conditioning unit not exceeding 3.528 kilowatts cooling capacity and $90 per unit exceeding 3.528 kilowatts but not exceeding 5.4 kilowatts cooling capacity. The bounty scheme commenced on 27 October 1982 and ended on 30 June 1983. The bounty applies only to locally produced refrigerated room air conditioners, with at least 75 per cent Australian content, of a portable or fixed window type. An air conditioner that uses ducting, incorporates a water-cooled condenser or is a type known as a fascia unit will not be eligible.

On 21 April 1983, the Minister for Industry and Commerce forwarded a reference to the Temporary Assistance Authority (TAA) on whether temporary assistance for the local production of room air conditioners should be continued after 30 June 1983. In its report, "Certain Room Air Conditioning Machines"[1], the TAA recommended that bounty assistance continue during 1983-84 at the same rates and limits that applied in 1982-83. Evidence presented to the TAA indicated that Kelvinator had been adversely affected by import competition in the nine months to March 1983[2]. The TAA stated that the "provision of bounty assistance should enable the Kelvinator product to be more
price competitive with imports provided the bounty is passed on and not used to generate short term profits"[3].

In a News Release, dated 20 October 1983, the Minister for Industry and Commerce announced the Government's decision to accept the TAA's recommendation[4].

Main Provisions

By clause 3, the period of bounty assistance will be extended to 30 June 1984.

Clause 4 will amend sub-section 8(1) of the Principal Act to increase the amount available for payment of bounty from $1,500,000 to $3,000,000. An additional amount of $1,500,000 will, therefore, be provided during the extended bounty period.

For further information, if required, contact:

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8 November 1983

References

2. TAA, ibid, p.13.