Bounty (Rotary Cultivators) Amendment Bill 1980

Date Introduced: 28 February 1980
House: House of Representatives
Presented by: Hon. R.v. Garland, Minister for Business and Consumer Affairs

Short Digest of Bill

Purpose

To amend the Bounty (Rotary Cultivators) Act 1979, (the Principal Act), so as to continue at a reduced rate the bounty on the manufacture in Australia of self-propelled pedestrian operated rotary cultivators, hoes and tillers.

Background

Since 5 February 1979, a bounty has been payable at the rate of $40 per k.w. of the power output of the engine incorporated in the prime mover of the above goods having an Australian content of not less than 60%. The amount of payment available is limited to a total payment of $60,000 in each twelve month period.

These assistance measures essentially implemented the recommendations of the I.A.C. in its interim report, "Certain Engines not exceeding 7.46 kw; Rotary Cultivators; and Tractors having a power of less than 15 kw"., and were implemented pending consideration of longer term assistance.

This Bill will implement the recommendations of the I.A.C in its final report of 4 October 1979, that the bounty continue to be payable for a further period of 12 months at a reduced rate of $20 per kw of engine power.

Mr. Garland in the Second Reading Speech stated that the Government had accepted the recommendation of the Commission that the rate of Bounty be reduced to $20 per kilowatt of engine power because import duties on the major component, i.e. the engine, have been reduced with effect from 24 November 1979 from 45 per cent to 40 per cent. This rate will be further reduced to 35 per cent with effect from 24 November 1980. Additionally, increased tariff protection has been provided to this industry because import duties on pedestrian-operated cultivators have been increased from 22-1/2 per cent to 25 per cent with effect from 16 January 1980.
The decision to extend the bounty only for a period of 12 months conforms with the statement of the I.A.C. in its report that temporary assistance should generally only be provided for relatively short periods, otherwise it could lead to such assistance being regarded as of a permanent nature and result in investment or production decisions which would not have been made in the absence of such assistance.

The budgetary cost of the revised assistance scheme is estimated to be approximately $20,000 in a 12 months period although no limit is imposed on the amount available.

Main Provisions

Clauses 3 and 4 amend sections 4 and 9 of the Principal Act, so as to continue the payment of the bounty on the prescribed goods. The rate of the bounty is $40 per kw for the period from 5 February 1979 to the date on which the Amending Act receives the Royal Assent and at a rate of $20 per kw during the period of 12 months following that date.

Clause 5 provides for the limit on the amount available for payment of bounty during the period from 5 February 1980 until the Amending Act receives the Royal Assent to be such proportion of the annual limit of $60,000 as that period bears to twelve months and removes the limit on the amount available for payment of bounty during the twelve months following the date on which the Amending Act receives the Royal Assent.

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