Parliament of Australia
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Bounty (Bed Sheeting) Amendment Bill 1979

Date Introduced: 29 March 1979
House: House of Representatives
Presented by: Hon. Wal Fife, Minister for Business and Consumer Affairs.

Short Digest of Bill

Purpose

To increase the limit on the amount of available bounty and to widen the eligibility criteria in respect of bountiable sheeting.

Background

Under the Bed Sheeting Bounty Act 1977 a bounty was payable on the production of printed bed sheeting containing cotton and not less than 20% by weight of man-made fibres. The rate of bounty was set at 20 cents per square metre and was payable to registered manufacturers who weave, print and use such fabric in their own establishments in Australia in the manufacture of bed linen for sale in Australia. (See Bills Digest of Principal Act.)

The main purpose of this bounty was to assist Actil Ltd, the only local weaver of polyester/cotton cloth, to compete in the domestic market against polyester/cotton grey cloth used for the printing of bed sheeting which is admitted duty free. The amount available for the bounty was originally set at $500,000.

The IAC in its report on "Further Short Term Assistance Arrangements for Textiles", (no.147) 25 October 1977, recommended that the limit be increased to $600,000 as the change in market demand from cotton to polyester/cotton has continued. As a consequence of this, Actil have had to increase their dependence on the production of polyester/cotton cloth. It is estimated by the IAC that Actil is at a cost disability of some 40% in comparison with the base cloth imported by the major local supplier of printed polyester/cotton bed sheeting.

Only a firm such as Actil which wove, printed and made-up polyester/cotton bed linen on its own premises qualified for bounty; piecegood sales, that is sales of printed cloth to be made up by other firms, did not qualify.
In the IAC Report "Conditions and Eligibility for Bed Sheetin Bounty" (no.179), 7 August 1978, it was shown that unless the eligibility conditions for the bounty were changed Actil would not be able to obtain the benefits intended from the bounty. This is a result of the changing structure of the industry. Actil claims that its sales of bed linen at the top end of the market are near saturation point but opportunities for growth exist in the middle section of the market where a number of sheeting manufacturers have established distribution channels. Actil claim that these converters prefer to buy piecegoods and that without the bounty on piecegoods Actil's sheeting would not be able to compete against duty free imported cloth in the medium price retail segment.

Hence it was recommended by the IAC that bounty be paid in respect of eligible sheeting which is woven and printed in the one establishment but made up into bed linen outside that establishment.

This Bill incorporates both the I.A.C. recommendations.

The I.A.C. intends to reconsider the question of the bounty in its long term report on Textiles.

Provisions

Section 8 of the Bounty (Bed Sheetin) Act 1977 is amended by Clause 6 which increases the limit of available bounty, in any 12 month period from 1 November 1977, from $500,000 to $600,000.

Clause 5 amends Section 5 of the Act to incorporate revised eligibility criteria for payment of the bounty. From 27 September 1978, bounty will be payable to the manufacturer of eligible bed sheeting where either the manufacturer or another person makes the sheeting into bed linen in Australia.

See Notes on Clauses provided by the Minister for other minor provisions.

3 April 1979