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PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BOUNTY ACTS AMENDMENT BILL 1982

EXPLANATORY MEMORANDUM

(Circulated by the Authority of the Minister for Business
and Consumer Affairs, the Honourable John Moore, M.P.).

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Purpose of the Bill

The purpose of this Bill is to amend the Bounty (Drilling Bits) Act 1980 and the Bounty (Non-Adjustable Wrenches) Act 1981 to extend the bounty assistance under those Acts until 31 December 1982 but at half the rates of bounty and half the annual limits on the amount of available bounty as specified in the Principal Acts.

The Principal Acts provided short-term assistance to Australian manufacturers and producers of cemented carbide drilling bits and non-adjustable wrenches pending further inquiry by the Industries Assistance Commission.

Both Acts were terminated on 31 December 1981 by Ministerial Notice published in the Gazette

Following consideration of the recommendations contained in the Industries Assistance Commission report of 30 June 1981 on "Cutlery, Industrial Knives and Handtools", the Government has decided that temporary assistance is to continue to be accorded to the production in Australia of non-adjustable wrenches at the rate of 5.5 cents per bountiable implement until 31 December 1982. The Government further decided that in respect of cemented carbide drilling bits, provided the Australian content of the bits is more than 50 per cent, temporary assistance in the form of a bounty ranging from \$20 for bits exceeding 105 millimetres but less than 127 millimetres in diameter to \$80 for bits of 203 millimetres and above will also be payable until 31 December 1982.

The amount available for payment of bounty during the period 1 January 1982 until 31 December 1982 will not exceed \$75,000 for drilling bits and \$310,000 for non-adjustable wrenches.

The Government considers that the extension of this short term assistance at the reduced rates, as provided for in this Bill, will enable the Australian products to be more competitive with imports and, with appropriate adjustments by Australian industry, should enable the industry to increase its share of the market.

- Clause 1 Citation of the Amending Act to be the Bounty Acts Amendment Act 1982.
- Clause 2 Commencement date to be 1 January 1982.
- Clause 3 Cites the Bounty (Drilling Bits) Act 1980 as the Principal Act in Part II of the Amending Act.
- Clause 4 Remakes section 4 of the Bounty (Drilling Bits) Act (which specifies the bounty periods) to include the period, of 3 months prior to termination on 31 December 1981 and the period of 12 months commencing on 1 January 1982.
- Clause 5 Amends section 8 of the Bounty (Drilling Bits) Act to set out the rates of bounty applicable to drilling bits produced during the bounty period of 12 months commencing on 1 January 1982. The rates of bounty are graded according to the size of the drilling bit and are half the rates previously payable under the Act.
- Sub-clause 5(a) makes a formal amendment to section 8 of the Act as a consequence of the amendments proposed in clause 4 of the Bill.
- Clause 6 Amends section 9 of the Bounty (Drilling Bits) Act to insert a provision in that section to limit the amount available for payment of bounty during the bounty period 1 January 1982 to 1 December 1982 to \$75,000. Paragraph 6(1)(b) inserts the ceiling amount applicable to the 3 months period prior to termination.
- Clause 7 Cites the Bounty (Non-Adjustable Wrenches) Act 1981 as the Principal Act in Part III of the Amending Act.
- Clause 8 Remakes section 4 of the Bounty (Non-Adjustable Wrenches) Act (which specifies the bounty periods) to include the period, of 6 months prior to termination on 31 December 1981 and the period of 12 months commencing on 1 January 1982.
- Clause 9 Amends Section 8 of the Bounty (Non-Adjustable Wrenches) Act to provide that the rate of bounty payable on bountiable implements during the period 1 July 1981 to 31 December 1981 is to be 11 cents. For the bounty period 1 January 1982 to 31 December 1982 the rate is to be 5.5 cents.
- Clause 10 Amends section 9 of the Bounty (Non-Adjustable Wrenches) Act to insert a provision in that section to limit the amount available for payment of bounty during the bounty period from 1 January 1982 to 31 December 1982 to \$310,000. Paragraph 10(1)(b) inserts the ceiling amount applicable to the 6 month period prior to termination.

