

1986

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BOUNTY AND SUBSIDY LEGISLATION AMENDMENT BILL
(NO. 2) 1986

EXPLANATORY MEMORANDUM

(CIRCULATED BY AUTHORITY OF THE MINISTER FOR INDUSTRY,
TECHNOLOGY AND COMMERCE, SENATOR THE HONOURABLE JOHN N. BUTTON)

BOUNTY AND SUBSIDY LEGISLATION AMENDMENT BILL (NO. 2) 1986

OUTLINE

This Bill proposes to amend a series of Bounty and Subsidy Acts, to give effect to Government decisions relating to the 20% reduction in bounty and subsidy expenditure by means of a reduction to bounty and subsidy rates, and amendments to the Bounty (Ships) Act 1980 to provide for a single cash-limited bounty for all eligible vessels, regardless of market destination.

The major changes contained in the Bill are the -

- (i) amendments to the Bounty (Ships) Act 1980
 - to provide a cash-limited Bounty Scheme of \$144 million for all eligible vessels, the construction or modification of which is completed in the period 1 July 1986 to 30 June 1989, regardless of market destination (clause 7),
 - to extend the current contract based reservation system for export vessels to cover domestic vessels (clauses 5 and 7),
 - to provide a rate of bounty (clause 8) in respect of the construction or modification of a bountiable vessel of
 - (a) 20% of the cost of construction or modification, where construction or modification is commenced during the period 1 July 1986 to 31 December 1987,
 - (b) 20% of the cost of the modification or 15% of the cost of the construction, where construction or modification is commenced during the period 1 January 1988 to 30 June 1989 in respect of a non prescribed bountiable vessel, and
 - (c) 20% of the cost of construction or modification, where construction or modification is commenced during the period 1 January 1988 to 30 June 1989, in respect of a prescribed bountiable vessel
 - to extend the Minister's discretion to refuse to register premises, or shipbuilders, where such will not permit the orderly development of the industry, to all persons applying to be registered, or for a renewal of registration (clauses 11 and 12)

- (ii) amendments relating to amounts of bounty and subsidy
- . to give effect to the Government's Budget announcement to reduce bounty and subsidy expenditure by 20%, which is contained in clause 15 and amendments to the various Bounty and Subsidy Acts in Schedule 1.
- (iii) amendments relating to administration
- . to update the administrative provisions of 6 Bounty Acts, relating to
 - requirements for the submission of claims for the payment of bounty,
 - provisions to vary or adjust excessive or inadequate claims,
 - facility to enable advances on account of bounty to be made,
 - modernisation of the various penalty and investigatory provisions, and recovery of overpayment of bounty mechanisms,
- in order to streamline the administration of these acts, and make total bounty and subsidy administration more consistent (clause 16 and Schedule 2).

Financial Impact Statement

In relation to the revised Shipbuilding Bounty, clause 7 of the Bill sets an absolute limit of \$144 million on funds available for reservation purposes for bountiable ships in the period to 30 June 1989. Within this limit, clause 7 restricts outlays to a maximum of \$42 million in the current financial year, and to \$45 million in the succeeding two years. Reserved but unexpended funds as at 30 June 1989 will be available as required up to 30 June 1991.

The Budget cut of 20 per cent in bounty and subsidy rates is expected to save about \$43 million in bounty and subsidy payments in 1986/87 and is estimated to maintain total bounty payments at about the same level in money terms as in the previous two financial years.

NOTES ON CLAUSES
PART I - PRELIMINARY

Short Title

Clause 1 is a formal machinery clause.

Commencement

Clause 2 provides for the commencement of the various provisions of the Act as follows:

- sections 1 and 2, Part II (regarding amendments to the Bounty (Ships) Act 1980) and sections 17 (regarding the overpayment of bounty or subsidy as a result of the passage of Section 15 of this Act, which effects the 20% reduction in bounty and subsidy rates) and 18 (the savings provision relating to administrative actions done prior to the proposed new changes in Section 16) are to come into operation on the day of Royal Assent (sub-clause 1);

- section 15, (which effects the reduction in the levels of bounty and subsidy assistance) is to be deemed to have come into operation on 20 August 1986, the day after the Government's Budget Night announcement (sub-clause 2);

- section 16 (dealing with administrative amendments to update various bounty and subsidy Acts) shall come into operation 28 days after the day on which the Act receives the Royal Assent (the normal lead time when new obligations are imposed on persons) (sub-clause 3).

PART II - AMENDMENTS TO THE
BOUNTY (SHIPS) ACT 1980

Principal Act

Clause 3 is a formal machinery clause which identifies the Bounty (Ships) Act 1980 as the Principal Act for the purposes of this Part of the Bill.

Interpretation

Clause 4 amends paragraph 3(2)(b) of the Principal Act, relating to the date of completion of work for which bounty becomes payable, by deleting the requirement that the Comptroller-General shall have regard to the practices of the ship building industry when determining the date of completion for the construction or modification of a vessel. This amendment addresses a

practical problem that has arisen with regard to export vessels, where the date of exportation, an identifiable and desirable date of completion for administrative purposes, is not necessarily regarded as the "completion" date by the industry.

Specification of Bounty

Clause 5 amends Section 6 of the Principal Act by adding two new sub-sections, which prescribe additional criteria for eligibility for payment of bounty, as follows:

- proposed new sub-section (3BA) provides that bounty is not payable in respect of the construction or modification of a vessel which is completed after 1 July 1986 unless an amount of bounty in respect of that vessel has been reserved, in accordance with the regulations. This amendment extends the current reservation system applicable to vessels for export, to all bountiable vessels, regardless of market destination. For vessels under construction at the date of the Government's announcement of this additional requirement, see proposed transitional sub-clause 14(1);
- proposed new sub-section (3BB) provides that bounty is not payable in respect of the construction or modification of a vessel which is completed after 1 July 1986 unless

 - (a) the construction or modification is undertaken pursuant to a contract between a shipbuilder (who is not the owner of the vessel) and another person, or
 - (b) the vessel was under construction or was being modified on 28 August 1986 (the date of the Government's announcement of the new contract-based eligibility criteria)

This new condition gives effect to the Government's policy to not pay bounty on vessels built purely for stock or on speculation.

Limit of available bounty in respect of vessels constructed or modified for export

Clause 6 makes a technical amendment to Section 6A of the Principal Act by deleting paragraph 6A(1)(c), which permitted the amount of bounty available for the construction or modification of vessels intended by the owners to be exported from Australia for the financial years subsequent to 1 July 1986, to be an amount as prescribed by the Regulations. The amount available for bounty for these vessels, for the period 1 July 1986 to 30 June 1991, is now to be contained in proposed section 6B, detailed in Clause 7.

Limit of available bounty in respect of vessels constructed or modified during certain period

Clause 7 introduces a new section 6B into the Principal Act, which makes provision for a cash-limited bounty of \$144 million for all eligible vessels, the construction or modification of which is completed in the period 1 July 1986 to 30 June 1989, subject to annual limits on the amount available for payment of bounty or advances on account of bounty, and provides a mechanism for the reservation of the amounts available, as follows:

sub-clause (1) •

- (i) in relation to financial year 1986-87 - \$42 million;
- (ii) in relation to financial year 1987-88 - \$45 million;
- (iii) in relation to financial year 1988-89 - \$45 million;
- (iv) in relation to the period 1 July 1989 to 30 June 1991.

the difference between \$144 million and the sum of the amounts of bounty, or of advances, paid out in the preceeding 3 financial years;

sub-clause (2) provides the statutory framework for a contract-based reservation system, for all bountiable vessels, similar to that currently applying for vessels constructed for export (sub-section 6A(3) and Statutory Rules No. 155 of 1985);

- the reservation system is to be prescribed by regulation, and is to apply in respect of all bountiable vessels the construction or modification of which is completed during the period 1 July 1986 to 30 June 1989
- it will be permissible to reserve amounts for the payment of bounty, notwithstanding that at the time the application for reservation is dealt with funds are not available for the payment of bounty, or of advances, (ie, the annual limit on payments may have been reached, or the Parliamentary appropriation is exhausted) or the sum of the amounts reserved already exceeds the total limit applicable for this bounty, ie \$144 million)) - sub-clause 3;
- where in any particular financial year, the Comptroller-General is of the opinion that the amount available for the payment of bounty, or of advances, will be or is insufficient to meet all valid claims in that year, the Comptroller may defer those payments which he or she considers appropriate and pay in such order as he or she considers appropriate (sub-clause 4));
 - .. in the final period, (ie. 1 July 1989 to 30 June 1991) if the Comptroller-General is of the opinion that the balance of funds remaining will be or is insufficient to meet all remaining valid claims, the Comptroller shall, subject to the Regulations determine the order of payment, but once the total bounty ceiling is reached, no further amounts of bounty are payable. There is no facility for the pro-rating of available funds, (sub-clause 5))
- the Regulations may provide that construction or modification of a vessel outside the particular periods referred to in sub-clause (1), shall be deemed to have been completed during those periods. This is designed to provide some flexibility in the administration of the new regime and ensure that delays in

construction or modification (especially those beyond the ship builder's control) need not necessarily jeopardise a person's entitlement for bounty assistance (sub-clause (6));

- where money is not appropriated by the Parliament for the payment of bounty in any or all of the periods set out in sub-clause (1), there is no entitlement to be paid bounty in that period (sub-clause (7))

Clause 8

adds new paragraphs (f) and (g) to sub-section 7(1) of the Principal Act, setting out the new rates of bounty payable on the construction of bountiable vessels for the period 1 July 1986 - 30 June 1989, as follows;

- . proposed paragraph (1)(f) provides that the bounty payable on the construction of a bountiable vessel which is commenced during the period 1 July 1986 - 31 December 1987, is equal to 20% of the cost of construction of that bountiable vessel; and
- . proposed paragraph (1)(g) provides that the amount of bounty payable on the construction of a bountiable vessel, which is commenced during the period 1 January 1988 - 30 June 1989 shall be;
 - In the case of bountiable vessels of a class prescribed by the regulations - an amount equal to 20% of that cost of construction of that vessels
 - .. it is intended to prescribe vessels such as tugs, barges, bulk carriers, rig servicing vessels and fishing vessels for this higher rate.
 - . for modifications commenced during this new period, the current rate of 20% of the cost of the modification will remain.
 - In the case of bountiable vessels other than those prescribed by regulation the rate is to be 15% of the cost of construction of those vessels

Claims for payment of bounty

Clause 9 is an administrative measure, effecting an amendment to section 9 of the Principal Act, relating to the lodgement of claims requirement, by reducing the amount of time permitted to lodge a claim for payment of bounty in paragraph (2)(d) from 12 months from the completion of the construction or modification of the bountiable vessel to 6 months.

Variation of inadequate claims

Clause 10 amends section 9A of the Principal Act in a similar way to Clause 9 above.

Registration of premises

Registration of persons as prescribed shipbuilders

Clauses 11 and 12 amend section 10A of the Principal Act by substituting new sub-sections which extend the Minister's discretion to refuse to register premises, or shipbuilders, unless the Minister is of the opinion that the registration of the premises or person as a prescribed shipbuilder would allow for the orderly development of the Australian Shipbuilding Industry, to all applicants for registration, or renewal of registration, of premises or as prescribed shipbuilders.

Appointment of Authorised Persons

Clause 13 substitutes a new section 13 for the current section 13 in the Principal Act, relating to the power vested in the Comptroller to appoint authorised officers.

proposed new section 13 restricts the class of persons upon whom certain administrative functions and tasks may be conferred to officers of the Australian Customs Service. This restricted appointment power, ie - to officers of Customs, is consistent with modern practice to restrict appointment powers of this kind to persons in the "Department" or Agency involved.

Transitional

Clause 14 is a transitional provision which sets out the conditions which must be satisfied for eligibility for bounty under the new cash-limited, contract-based reservation regime, by those bountiable vessels under construction prior to the date of the Government's announcement of the new system (ie. prior to 28 August 1986);

Sub-Clause '1 provides that where a bountiable vessel was under construction or modification on 28 August 1986, bounty is not payable on that vessel unless an application for the reservation of bounty is made in accordance with the proposed new Bounty (Ships) (Reservation of Bounty) Regulations, within 3 months of the Gazettal of those Regulations.

Sub-clause 2 provides that bounty is not payable in respect of a non-contracted bountiable vessel under construction on 28 August 1986 unless the construction is completed before 30 June 1989.

PART III - AMENDMENT OF OTHER ACTS

Amendments relating to amounts of bounty, etc

Clause 15 amends certain bounty and subsidy rates contained in various Bounty and Subsidy Acts. The Treasurer announced in his Budget Speech of 19 August 1986 the Government's decision to reduce by 20% all bounty and subsidy measures, with the exception of the shipbuilding and fertilizer bounties. In addition, the reduction in bounty payable under the Bounty (Metal Working Machines and Robots) Act 1985, has been effected by means of a Ministerial Gazette notice, pursuant to Section 8 of that Act. The effect of the Government's decision to reduce the rates of bounty or subsidy for the respective individual Acts is described in the clause notes to Schedule 1 (pages 10-14)

Amendments relating to administration

Clause 16 makes certain amendments of an administrative nature to various Bounty & Subsidy Acts, as follows;

provisions in 6 of the older Bounty Acts (ie. Bounty (Bed Sheeting) Act 1977, Bounty (High Alloy Steel Products) Act 1983, Bounty (Paper) Act 1979, Bounty (Printed Fabrics) Act 1981, Bounty (Steel Mill Products) Act 1983 and the Bounty (Textile Yarns) Act 1981, relating to

- requirements for the submission of claims for the payment of bounty,
- provisions to vary or adjust excessive or inadequate claims,

- facility to enable advances on account of bounty to be made,
- various penalty and investigatory provisions, and recovery of overpayment of bounty mechanisms,

have been updated, in order to streamline the administration of these Acts, and make them consistent with similar provisions existing in Bounty legislation since 1984;

sub-paragraph 21(2)(d)(i) of the Bounty (Metal Working Machines & Robots) Act 1985 is amended to clarify that the lodgement of a claim in respect of bountiable equipment AA shall be within 12 months of the manufacture of that equipment;

provisions relating to the power to appoint authorised officers for the purposes of all Bounty and Subsidy Acts are amended to restrict the power of appointment to officers of Customs, as defined in the Customs Act 1901. The restriction of this appointment power is consistent with current practice to limit this type of power to persons in the particular Department or organisation concerned, and acquits an undertaking given to the Senate Standing Committee for the Scrutiny of Bills that such powers in Bounty and Subsidy legislation would be suitably amended.

the above amendments are described in further detail in the Clause notes to Schedule 2 (pages 15-23).

Overpayments of bounty etc because of this Act

Clause 17 provides the mechanism for the Commonwealth to recover overpayments of bounty and subsidy as a result of the reduction in bounties and subsidies contained in clause 15 (described above)

Sub-clause 1 provides that where a person receives bounty or subsidy pursuant to a Bounty or Subsidy Act before the date of Royal Assent of this Act, and, as a result of the reductions in bounty and subsidy contained in this Act that person has received more bounty or subsidy than the person is legally entitled to, that person is liable to repay to the Commonwealth the amount of the excess.

Sub-clause 2 permits the Commonwealth to recover the excess amount described above, as a debt due to the Commonwealth, by action in a court of competent jurisdiction; and

Sub-clause 3 permits the Commonwealth to deduct any of the excess amount described above from any subsequent payments of bounty or subsidy due to the person

Application

Clause 18 is a savings provision, which has the effect of preserving the administrative provisions applicable to claims or applications for bounty or subsidy made before the commencement of the amendments proposed in Clause 16, as if those amendments had not been made.

SCHEDULE 1AMENDMENTS RELATING TO AMOUNTS OF BOUNTY, ETC

The amendments effect the 20% expenditure cut for bounty and subsidy schemes, as and from 20 August 1986, by a reduction in the respective rates of bounty and subsidy. The new reduced rates apply from 20 August 1986, in accordance with the bounty or subsidy eligibility criteria as specified in each Act, as follows:

Bounty (Agricultural Tractors and Equipment) Act 1985

Paragraph 12(1)(b) is amended to prescribe the following rates;

- (i) for the period 1 July 1986 and before 20 August 1986, an amount equal to 35% of the value added to the tractor by the manufacturer is payable; and
- (ii) for the period 20 August 1986 and before 1 July 1987, an amount equal to 28% of the value added to the tractor by the manufacturer is payable.

Paragraph 12(1)(c) is amended by reducing the amount payable after 1 July 1987 from the existing 25% to 20%.

Paragraph 12(2)(b) is amended to prescribe the following rates;

- (i) for the period 1 July 1986 and before 20 August 1986, an amount equal to 35% of the value added to the cab by the manufacturer; and
- (ii) for the period 20 August 1986 and before 1 July 1987, an amount equal to 28% of the value added to the cab by the manufacturer.

Paragraph 12(2)(c) is amended by reducing the amount payable from the existing 25% to 20%.

Sub-section 12(3) is amended by maintaining the bounty payable at 25% of the value added to the equipment by the manufacturer for bountiable equipment sold or otherwise disposed of before 20 August 1986; but for such equipment sold or otherwise disposed of on or after 20 August 1986, the bounty payable shall be at the rate of 20% of the value added to the equipment by the manufacturer.

Bounty (Bed Sheeting) Act 1977

Section 7 is amended by making the bounty payable on bountiable bed sheeting 20 cents per metre for bed sheeting before the 20 August 1986, and 16 cents per metre for bed sheeting on or after 20 August 1986.

Bounty (Berry Fruits) Act 1982

Sub-section 6(1) is amended by making the bounty payable to a processor, where the processor has completed the first or only processing of the fruit at registered premises in the period before 20 August 1986, \$100 per tonne of bountiable fruit provided to the processor; and where such processing is completed in the period on or after 20 August 1986, \$80 per tonne of bountiable fruit provided to the processor.

Bounty (Books) Act 1969

Paragraph 6(1)(c) is amended by making the bounty for books produced between 1 January 1984 and before 20 August 1986, 25% of the total manufacturing cost of the book; and for books produced on or after 20 August 1986, 20% of the total manufacturing cost of the book.

Paragraph 6(2)(c) is amended by making the bounty for books produced between 1 January 1984 and before 20 August 1986 20% of the publishers paper costs in relation to the book; and 16.7% of the publishers paper costs in relation to the book for books produced on or after 20 August 1986.

Bounty (Commercial Motor Vehicles) Act 1978

Paragraphs 14D(1)(a), (b) and (c) are amended by reducing the bounties from 16%, 12% and 8% to 12.8%, 9.6% and 6.4% respectively, except that when the assembly of the vehicle has been completed on or after 1 January 1986, and before 20 August 1986 the bounty remains at 16%.

Bounty (Computers) Act 1984

Section 10 is amended by making the bounty payable for equipment, the manufacture of which was completed before 20 August 1986, an amount of 25% of the value added to the equipment by the manufacturer; and for equipment, the manufacture of which is completed on or after 20 August 1986, an amount of 20% of the value added to the equipment by the manufacturer.

Bounty (High Alloy Steel Products) Act 1983

The Schedules currently contained in the Act namely, "Bountiable Bar Products" (Schedule 1) and "Bountiable Flat Products" (Schedule 2) have been amended by paragraphs 8(3)(a) and 8(3)(b) respectively, such that the various rates set out in those Schedules shall apply to bountiable product produced and sold for use in Australia prior to 20 August 1986.

Paragraphs 8(3)(c) and 8(3)(d) introduce new Schedules 3 and 4, which prescribe the new rates (all of which are reduced by 20%) for bountiable product produced and sold on or after 20 August 1986.

Bounty (Injection-moulding Equipment) Act 1979

Section 14G is repealed and a new section 14G included, to provide that where the condition specified in paragraph 14F(3)(c) is satisfied in relation to the equipment before 20 August 1986, the amount of bounty payable is 20% of the value added to the equipment by the manufacturer; and where such condition is satisfied on or after 20 August 1986 and before 10 October 1986, the bounty payable is 16%; and where such condition is satisfied after 10 October 1986 the bounty payable is 8%.

Bounty (Paper) Act 1979

Section 7 is repealed and a new section 7 included, to provide that for bountiable coated paper which satisfies the condition specified in paragraph 6(3)(b) before 20 August 1986, the rate of bounty is \$90 per tonne at the time of its sale by the manufacturer; and where that condition (paragraph 6(3)(b)) is satisfied on or after 20 August 1986 the rate of bounty is \$72 per tonne at the time of its sale by the manufacturer.

The new section further provides that for bountiable uncoated paper which satisfies the condition specified in paragraph 6(3)(b) before 20 August 1986, the rate of bounty is \$70 per tonne at the time of its sale by the manufacturer; and where that condition is satisfied on or after 20 August 1986, the rate of bounty is \$56 per tonne at the time of sale by the manufacturer.

Bounty (Printed Fabrics) Act 1981

Section 6 is repealed and a new section 6 is included, to provide that the bounty payable to a producer of bountiable printed fabric is, where the condition specified in paragraph 5(4)(c) is satisfied in relation to the fabric before 20 August 1986, an amount equal to 70% of the additional value added to the fabric by that producer; and where the condition is satisfied on or after 20 August 1986, the bounty payable is an amount equal to 56% of the additional value added to the fabric by the producer.

Bounty (Steel Mill Products) Act 1983

Similar to the amended Schedules introduced for the Bounty (High Alloy Steel Products) Act 1983, the 20% reduction is effected by making the current Schedules 1, 2 and 3 apply to bountiable product produced prior to 20 August 1986, and introducing new schedules 4, 5 and 6 to apply the reduced rates for bountiable product produced on or after that day.

Bounty (Textile Yarns) Act 1981

Sub-section 6(1) is amended by making the bounty payable for polyamide and polyester yarn which satisfies paragraph 5(5)(c) before 20 August 1986, an amount equal to 59% of the additional value added to the yarn by that producer; and, where such condition is satisfied in the period on or after 20 August 1986, an amount equal to 47.27% of the additional value added to the yarn by that producer.

Sub-section 6(2) is amended by making the bounty payable for discontinuous fine acrylic yarn, worsted wool yarn, and man-made fibre and wool blend yarn (other than that used for carpets) which satisfies paragraph 5(5)(c) before 20 August 1986, an amount equal to 49% of the additional value added to that yarn by that producer; and where such condition is satisfied on or after 20 August 1986, an amount equal to 39.2% of the additional value added to the yarn by that producer.

Sub-section 6(3) is amended by making the bounty payable for polyester-cotton yarn which satisfies paragraph 5(5)(c) before 20 August 1986, an amount equal to 52% of the additional value added to the yarn by that producer; and where the condition is satisfied on or after 20 August 1986, an amount equal to 41.6% of the additional value added to the yarn by that producer.

Sub-section 6(4) is amended by making the bounty payable on cotton yarn or discontinuous man-made fibre yarn (i.e. apart from yarns previously mentioned in these notes to Sub-sections 6(1), 6(2) and 6(3) but excluding yarns used in carpet production), where such yarns satisfy paragraph 5(5)(c) before 20 August 1986, an amount equal to 43% of the additional value added to the yarn by that producer; and where such condition is satisfied on or after 20 August 1986, an amount equal to 34.4% of the additional value added to the yarn by that producer.

Sub-section 6(5) has been amended by making the bounty payable on discontinuous coarse acrylic yarn, man-made fibre and wool blend yarn used for carpet production, discontinuous man-made fibre yarn used for carpet production or other continuous man-made fibre yarns or spun yarns consisting of textile fibres not specified in the above notes - which satisfy paragraph 5(5)(c) before 20 August 1986, an amount equal to 33% of the additional value added to the yarn by that producer; and where the condition is satisfied on or after 20 August 1986, an amount equal to 26.4% of the additional value added to the yarn by the producer.

Subsidy (Grain Harvesters and Equipment) Act 1985

Paragraph 13(1)(a) is amended by making the bounty payable on a subsidised harvester which meets the condition specified in Sub-section 10(4) before 20 August 1986 (and where the owner of the equipment immediately prior to the last substantial stage in the manufacturing process was responsible for adding at least 40% (or such other prescribed percentage) to the value of the harvester) an amount equal to 12.5% of the sales value of the harvester; and where the condition is met on or after 20 August 1986, an amount equal to 10% of the sales value of the harvester.

Paragraph 13(1)(b) is amended by making the bounty payable (where paragraph 13(1)(a) doesn't apply) on a subsidised harvester where the condition specified in 10(4) is satisfied in relation to the harvester before 20 August 1986, an amount equal to 25% of the value added to the harvester by the owner of the equipment immediately prior to the last substantial stage in the manufacturing process; and where the condition is met on or after 20 August 1986, an amount equal to 20% of the value added to the harvester by such owner of the equipment.

Sub-section 13(2) is amended by making the bounty payable on a subsidised harvester where the condition specified in 10(4) is satisfied in relation to the harvester before 20 August 1986 an amount equal to 25% of the value added to the harvester by the manufacturer; and where the condition is met on or after 20 August 1986, an amount equal to 20% of the value added to the harvester by the manufacturer.

Sub-section 13(3) is amended by making the bounty payable on subsidised harvester equipment where the condition specified in 10(5) is satisfied in relation to the equipment before 20 August 1986, an amount equal to 25% of the value added to the equipment by the manufacturer; and where the condition is met on or after 20 August 1986, an amount equal to 20% of the value added to equipment by the manufacturer.

SCHEDULE 2AMENDMENTS RELATING TO ADMINISTRATION, ETC

The following amendments effect a series of technical and administrative changes to various Bounty and Subsidy Acts, in order to streamline and modernise the administration of these Acts, and correct some minor drafting errors, as follows:

Bounty (Agricultural Tractors and Equipment) Act 1985

Paragraph 15(4)(b) is amended to correct an incorrect reference to "producer", and substitute "manufacturer"

Sub-section 26(2), relating to the appointment of authorised officers, is amended to define officer for the purposes of the appointment power as an "officer of Customs" within the meaning of the Customs Act 1901. Such a definition will still restrict the appointment power in a manner consistent with modern practice (ie - to persons in the particular Department or organisation concerned,) but it will also allow authorised officers to be persons "authorised in writing by the Comptroller to perform the functions of an officer of Customs" (see paragraph (b) of the definition of "Officer of Customs" in sub-section 4(1) of the Customs Act) in those special circumstances where that might be necessary.

Bounty (Bed Sheeting) Act 1977

Sub-section 3(1) is amended to insert new definitions for "accounting period" and "approved form", which are consequential on the new provisions relating to those terms proposed as part of the updating of this Act -

Accounting period

New section 4A is inserted to provide that the accounting period of a manufacturer of bountiable equipment, for the purposes of the Act, is to be the 12 month accounting period of the manufacturer. If the manufacturer has no such accounting period, the accounting period for the purposes of the Act is to be the financial year.

Section 10, relating to applications for bounty, is repealed, and the following 7 new sections are inserted to govern the administrative requirements relating to the submission of claims for the payment of bounty, provisions to vary or adjust excessive or inadequate claims, facility to enable advances on account of bounty to be made, and the recovery of bounty overpaid. These new sections are common to all bounty and subsidy legislation since 1984:

Advances on account of bountyNew section
10

authorises the payment of advances on account of bounty, on such terms and conditions as are approved by the Comptroller in writing (sub-clause 1):

where the amount of bounty received by way of advances exceeds the amount of bounty that subsequently becomes payable on the goods, or where bounty does not become payable in respect of the goods, the amount of the excess, or the entire amount, as the case may be, is repayable to the Commonwealth (sub-clauses (2) to (4)).

Claims for payment of bountyNew section
10A

sets out the procedures to be followed in claiming bounty:

- a claimant is required to (sub-clause 3):
 - . lodge a claim on an approved form providing such information as is, and such estimates as are, required by the form;
 - . sign and witness the form as required, and
 - . lodge the form with a Collector for a State, or with the Comptroller, within 12 months after the day on which the last condition for the payment of bounty in respect of those goods became satisfied;
 - .. a claim may not be made for bounty that is less than an amount specified in the scheme, not being an amount higher than \$200, or, if another amount is prescribed, that other amount (sub-clause 2);
- the Comptroller is then obliged to examine the claim and either (sub-clause 4):
 - . approve in writing the payment of the amount, or

where the amount is different from the amount for which the claim was made, with the difference being less than \$50, and the Comptroller is satisfied the difference is not attributable to the person deliberately overclaiming or underclaiming the amount of bounty, the Comptroller shall approve, in writing, the payment of the amount claimed, or

refuse, in writing to approve such payment;

- the Comptroller is obliged to provide to the claimant a notice setting out the decision where there is a delay in the processing of the claim, or the claim is unsuccessful (sub-clause 5).

Variation of inadequate claims

New Section 10B provides a mechanism for the variation of claims for the payment of bounty where the claimant considers that, by reason of inadvertent error, the original claim is less than the claimant's entitlement (sub-section (1)):

- the procedure for the lodgement of a subsequent claim for the balance of bounty which is considered to be owing is identical to the procedures that apply to original claims for bounty (sub-clause (2));
- again, similar to the procedures that apply to original claims for bounty, the Comptroller is obliged to examine the further claim for bounty and either approve or refuse the further payment of bounty (sub-clause (4));
- the Comptroller is obliged to furnish the claimant with a notice in writing setting out the decision where there is a delay in the processing of the claim or the claim is unsuccessful (sub-section 5);

Variation of excessive claim

New Section 10C imposes an obligation on a recipient of bounty to lodge an acknowledgement of error, within 28 days, where the recipient becomes aware that the original claim for bounty exceeds by more than \$100 the claimant's entitlement (sub-clause (1)):

- the penalty for contravening sub-clause (1) is \$1,000, for a natural person, or \$5000 for a body corporate
- the procedure for the lodgement of an acknowledgement form is similar to that governing original claims (sub-clause 2),
- upon examination of the acknowledgement, where the Comptroller is satisfied there has been an overpayment by more than \$100, he or she shall cause to be served on the claimant a demand for the repayment of the amount of the overpayment (sub-clause 4):

Other adjustments of claims

New Section 10D

provides that the Comptroller shall serve a demand for the repayment of an overpayment of a claim for bounty in excess of \$100, where the Comptroller discovers such an overpayment in a situation other than through an acknowledgement under 10C;

- where the amount of an overpayment referred to in sub-clause 1 is less than \$25,000, and the Comptroller is satisfied that
 - . the overpayment was due to an error that did not involve any failure on the part of the person who lodged the claim to comply with the Act, or the regulations and, repayment of the overpayment would be unreasonable, or cause that persons undue hardship, or,
 - . the cost of endeavouring to recover the overpayment is so high and the amount likely to be recovered as a result of endeavouring to recover the overpayment is so low that taking action to recover the overpayment would not be justified,

the Comptroller may refrain from causing a demand to be served (sub-clause 2);

- . where the Comptroller elects not to proceed for a repayment, particulars of the relevant amount shall be included in the annual report of the Australian Customs Service for the year in which the Comptroller so acted (sub-clause 3).

FormsNew Section 10E

prescribes the conditions for the signing and witnessing of the various forms which are required to be lodged pursuant to the Act. Authorised persons will be permitted to submit claims or lodge returns on behalf of the legal claimant (be that claimant a natural person or a body corporate), which should assist claimants, and expedite the processing of claims by the Australian Customs Service.

Recovery of repaymentsNew Section 10F

allows the Commonwealth to recover amounts owing to it (by an action in a court for a debt due) particularly in situations where:

- a person claims bounty by way of an advance which is not or does not become payable to him, a person has overclaimed for bounty, or the Comptroller-General discovers an overpayment of bounty (sub-clause (1));
- amounts owing to the Commonwealth by a person in any of the situations described in sub-clause (1) may be deducted from any amount that is payable to that person under the Act, and where such a deduction is made, the balance which is paid will be deemed to have been the full amount (sub-clause (2)).

Section 14, relating to the appointment of authorised persons, is repealed, and a new appointment power is inserted to empower the Comptroller to appoint officers of the Australian Customs Service as authorised officers upon whom administrative functions may be conferred for the purposes of the Act.

This in effect restricts the appointment power to persons in the particular Department or organisation concerned, and as such, makes this provision consistent with current practice concerning similar appointment powers.

Bounty (Berry Fruits) Act 1982

Sub-section 16(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Bed Sheetting) Act 1977 on pg. 19 hereto.

Bounty (Commercial Motor Vehicles) Act 1978

Sub-section 15(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Agricultural Tractors and Equipment) Act 1985 on pg. 15 hereto.

Bounty (Computers) Act 1984

Sub-section 23(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Bounty (High Alloy Steel Products) Act 1983

Sub-section 3(1) inserts a new definition for "accounting period" consequent upon the proposed new section 5A relating to accounting periods for the purposes of the Act.

Accounting Period

New Section 5A is inserted, similar to section 4A of the Bounty (Bed Sheeting) Act 1977 on pg. 15 hereto.

Sections 10 and 11, relating to older-style provisions for advances on account of bounty and claims for payment of bounty, are repealed, and new sections 10, 11, 11A, 11B, 11C, 11D, and 11E, relating to

- advances on account of bounty,
- claims for payment of bounty,
- variation of inadequate claim,
- variation of excessive claim,
- other adjustments of claims,
- forms, and
- recovery of repayments,

respectively, are inserted, similar to new sections 10, 10A, 10B, 10C, 10D, 10E and 10F of the Bounty (Bed Sheeting) Act 1977 on pgs. 16-19 hereto.

Sub-section 16(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Bounty (Injection-moulding Equipment) Act 1979

Sub-section 15(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Bounty (Metal-Working Machines and Robots) Act 1985

Sub-paragraph 21(2)(d)(i), relating to the time limit for the lodgement of claims in respect of a certain class of bountiable equipment, is amended to acknowledge the fact that eligibility for bounty for the manufacture of bountiable equipment AA is not subject to a sale or disposal requirement and therefore the time limit for the lodgement of claims for the payment of bounty on such equipment can proceed from the day on which the manufacture of such equipment is completed.

Sub-section 31(2), relating to the appointment of authorised officer power, is amended similar to the amendment proposed for the Bounty (Agricultural Tractors and Equipment) Act 1985 on pg. 15 hereto.

Bounty (Paper) Act 1979

Sub-section 3(1) inserts a new definition for "accounting period" consequent upon the proposed new section 4A relating to accounting periods for the purposes of the Act.

Accounting Period

New Section 4A is inserted similar to the same provision 4A in the Bounty (Bed Sheeting) Act 1977 on pg. 15 hereto.

Sections 9 and 11, relating to older style provisions for advances and claims for payment of bounty, are repealed and new sections 9, 11, 11A, 11B, 11C, 11D, and 11E relating to

- advances on account of bounty,
- claims for payment of bounty,
- variation of inadequate claim,
- variation of excessive claim,
- other adjustments of claims,
- forms, and
- recovery of repayments,

respectively, are inserted, similar to new sections 10, 10A, 10B, 10C, 10D, 10E, 10F of the Bounty (Bed Sheeting) Act 1977 on pgs. 16-19 hereto.

Section 15, relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Bounty (Penicillin) Act 1980

Section 17, relating to the appointment of authorised officers power, is repealed and a new section 17 is inserted, similar to the new section proposed for the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Bounty (Printed Fabrics) Act 1981

Sub-section 2(1) is amended to insert new definitions for "accounting period" and "approved form", consequent upon the proposed new section 3A relating to accounting periods for the purposes of the Act.

Accounting period

New Section 3A is inserted, similar to proposed section 4A in the Bounty (Bed Sheeting) Act 1977 on pg. 15 hereto.

Sections 8 and 10, relating to older-style provisions for advances and claims for payment of bounty, are repealed, and new sections 8, 10, 10A, 10B, 10C, 10D, and 10E, relating to

- advances on account of bounty,
- claims for payment of bounty,
- variation of inadequate claim,
- variation of excessive claim,
- other adjustments of claims
- forms, and
- recovery of repayments,

respectively, are inserted, similar to new sections 10, 10A, 10B, 10C, 10D, 10E and 10F of the Bounty (Bed Sheeting) Act 1977 on pgs. 16-19 hereto.

Sub-section 14(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Bounty (Steel Mill Products) Act 1983

Sub-section 3(1) is amended to insert a definition for "accounting period" consequent upon the proposed new section 6A relating to accounting periods for the purposes of the Act.

Accounting period

New Section 6A is inserted, similar to proposed section 4A in the Bounty (Bed Sheeting) Act 1977 on pg. 15 hereto.

Sections 11 and 12, relating to older-style provisions for advances and claims for payment of bounty, are repealed and new sections 11, 12, 12A, 12B, 12C, 12D and 12E, relating to

- advances on account of bounty
- claims for payment of bounty
- variation of inadequate claim,
- variation of excessive claim,
- other adjustments of claims,
- forms, and
- recovery of repayments,

respectively, are inserted, similar to new sections 10, 10A, 10B, 10C, 10D, 10E and 10F of the Bounty (Bed Sheeting) Act 1977 on pgs. 16-19 hereto.

Sub-section 17(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Bounty (Textile Yarns) Act 1981

Sub-section 2(1) is amended to insert new definitions for "accounting period" and "approved form" consequent upon the proposed new section 3A, relating to accounting periods for the purposes of the Act.

Accounting period

New Section 3A is inserted, similar to proposed section 4A in the Bounty (Bed Sheeting) Act 1977 on pg. 15 hereto.

Sections 8 and 10, relating to older-style provisions for advances and claims for payment of bounty, are repealed, and new sections 8, 10, 10A, 10B, 10C 10D and 10E, relating to

- advances on account of bounty,
- claims for payment of bounty,
- variation of inadequate claim,
- variation of excessive claim,
- other adjustments of claim
- forms and
- recovery of repayments.

respectively, are inserted, similar to new sections 10, 10A, 10B, 10C, 10D, 10E and 10F of the Bounty (Bed Sheeting) Act 1977 on pgs. 16-19 hereto.

Sub-section 14(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Subsidy (Grain Harvesters and Equipment) Act 1985

Section 21, relating to other adjustments of claims, is amended to insert two new sub-sections to bring the provisions into line with the similar proposed amendment for the Bounty (Bed Sheeting) Act 1977 (new section 10D) on pg. 18 hereto.

New Section 21A, relating to forms and the facility to enable an authorised person to lodge forms on behalf of the legal claimant, is inserted similar to proposed new section 10E of the Bounty (Bed Sheeting) Act 1977 on pg. 19 hereto.

Sub-section 26(2), relating to the appointment of authorised officers power, is amended similar to the amendment proposed for the Bounty (Agricultural Tractors and Equipment) Act 1985 on pg. 15 hereto.

