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PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BOUNTY (PRINTED FABRICS) BILL 1981

EXPLANATORY MEMORANDUM

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

Bounty (Printed Fabrics) Bill 1981

Purpose of the Bill

The purpose of this Bill is to provide assistance by way of a bounty scheme to the printing of lightweight woven fabrics that weigh less than 120 grams per square metre and are suitable for making up into garments.

Under current assistance arrangements the local printing industry is assisted by relatively high tariffs and tariff quotas on most imports of woven printed fabrics. As part of its proposed program of assistance for the textiles clothing and footwear industries the Government decided to allow from 1 January 1982 entry at concessional rates of most lightweight woven fabrics less than 120 grams per square metre. The bounty assistance proposed by the Government in this Bill is designed to enable the local printing industry to remain competitive against goods imported under the new arrangements.

The bounty scheme is to commence on 1 January 1982 and cease on 31 December 1988 or such later date as determined by the Minister for Business and Consumer Affairs.

The scheme provides for payment to eligible producers of an amount equal to 70 per cent of the additional value added to the fabric (on a factory cost basis) providing:

- (i) the printing is carried out at registered premises during the bounty period, and
- (ii) the printed fabric is for use in making up garments in registered clothing factories, or such other use as is prescribed by the regulations.

In addition to the provisions peculiar to the bounty on lightweight fabrics the Bill contains provisions standard to Bounty Acts providing control and inspection powers for the protection of the revenue and a right to apply to the Administrative Appeals Tribunal for review of certain administrative decisions under the Act.

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Clause 1 Short title

Clause 2 Defines a number of words and expressions for the purposes of the legislation and in particular defines:

- "bountiable printed fabric" to mean printed fabric that -
 - (a) weighs less than 120 grams per square metre; and
 - (b) is suitable for making up into garments, but does not include printed fabric designed for making up into the lining, or the internal pockets, of garments;
- "bounty period" to mean the period commencing on 1 January 1982 and ending on 31 December 1988 or on such later date as is fixed by the Minister, by notice published in the Gazette before 31 December 1988, as the date after which bounty is not to become payable under the Act;
- "registered clothing factory" to mean -
 - (a) a building or other place -
 - (i) used for the commercial making up of fabric into garments; and
 - (ii) registered as a factory under a law of a State or an internal Territory;
 - (b) a building or other place in an internal Territory -
 - (i) used for the commercial making up of fabric into garments; and
 - (ii) approved by the Comptroller-General for this purpose; or

- (c) a building or other place used by the Commonwealth, a State or the Northern Territory or an authority of the Commonwealth, a State or the Northern Territory for the making up of fabric into garments.

Sub-Clause (2) lists the processes which will be treated for the purposes of the Act as the processes involved in the printing of fabric; and

Sub-Clauses (3) and (4) define the term "business associates" for the purposes of this legislation.

Clause 3

Provides that the additional value added to bountiable printed fabric by a producer of the fabric (for the purpose of the calculation of the bounty payable under proposed section 6 of the Act) is to be an amount determined by the Comptroller-General. Sub-clause (2) sets out the criteria under which such additional value is to be determined.

Clause 4

Prohibits the exercise of any power under the Act in a manner which would result in bounty not being uniform throughout the Commonwealth.

Clause 5

Provides for bounty to be payable to the producer or producers of bountiable printed fabric on the production in Australia of the fabric if -

- (i) all the processes in the printing of the fabric were carried out at registered premises during the bounty period;
- (ii) the printing of the fabric has been completed during the bounty period; and
- (iii) the fabric has been used during the bounty period or sold or otherwise disposed of during the bounty period for use in the making up into garments in a registered clothing factory or for a specified purpose prescribed by the regulations.

Sub-clauses (5) and (6) provide for bounty to be payable on bountiable printed fabric that has been partially completed on 1 January 1982, or any bountiable printed fabric that was completed after 1 October 1981 but still in stock on 1 January 1982. These provisions will ensure that producers of the fabric in Australia will not be disadvantaged when duty free entry is accorded to such fabric from 1 January 1982.

Clause 6 Provides for the amount of bounty payable to be an amount equal to 70% of the additional value (as to which see Clause 3) added to the fabric by the producer.

Clause 7 Provides that bounty is not payable on bountiable printed fabric produced by the Commonwealth, a State (which includes the Northern Territory) or an authority of the Commonwealth or of a State. This is for the reason that the bounty is designed to assist non-government enterprises to compete more effectively against import competition.

Clause 8 Provides for advances on account of bounty to be made to a person on such terms and conditions as are approved by the Minister and further provides that any excess amounts of bounty paid, are to be repaid to the Commonwealth by the person (such excess to be recoverable by the Commonwealth by action in a court of competent jurisdiction) or deducted from any other amount that is payable to the person.

Clause 9 Provides that bounty is not payable unless the bountiable printed fabric is of good and merchantable quality.

Clause 10 Imposes a duty on the Minister to pay bounty if he is satisfied that bounty is payable, and, if he is not so satisfied, he is to refuse to approve payment.

- Clause 11 Contains provisions generally standard to Bounty Acts for registration of premises subject to conditions or requirements to be observed or complied with before and after registration and further provides for the Minister to be able to cancel registration on any of the grounds in sub-clause (6).
- Clause 12 Provides that eligibility for bounty is conditional upon the maintenance of appropriate commercial records by the producer.
- Clause 13 Confers upon the Minister a power to require a person to whom bounty could become payable to give security for compliance with the Act and regulations. Payment of bounty may be withheld until the required security is given.
- Clause 14 Empowers the Minister to appoint authorised officers, upon whom certain administrative functions are to be conferred.
- Clause 15 Empowers an authorized officer to enter premises, inspect or take stock of bountiable printed fabric and inspect the production process, inspect and take copies of accounts, books, documents and other records involving such fabric. Sub-Clause (2) creates an offence for failure to provide reasonable facilities and assistance for the effective exercise of an authorised officers's powers.
- Clause 16 Empowers certain senior officers of Customs or an authorized officer, to require certain persons to attend before them to answer questions and produce documents in relation to bountiable printed fabric and provides for withholding of bounty payments until the requirements of this clause are met. Limits the use to which self-incriminating answers given or documents produced may be put.

- Clause 17 Provides the power for certain senior officers of Customs, or an authorized officer, to examine, on oath or affirmation, persons attending before them.
- Clause 18 Creates offences for -
- (i) refusing or failing to attend, to be sworn or make an affirmation, to answer questions or produce records when so required under the Act; and
 - (ii) obtaining or attempting to obtain bounty that is not payable or the making of false or misleading statements.
- Clause 19 Provides for the furnishing to the Minister, and tabling in Parliament by, the Minister, of returns in relation to the bounty.
- Clause 20 Delegation powers.
- Clause 21 Provides a right to apply to the Administrative Appeals Tribunal for review of specified administrative decisions affecting the rights or entitlements of persons under the Act.
- Clause 22 Standard appropriation provision.
- Clause 23 General regulation making power.

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