

1990

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BOUNTY LEGISLATION AMENDMENT BILL 1990

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Industry,
Technology and Commerce, Senator the Honourable John N. Button)



BOUNTY LEGISLATION AMENDMENT BILL 1990

OUTLINE

This Bill is an omnibus measure proposing amendments to various bounty Acts.

The Bill's major purpose is to implement certain initiatives arising from the Australia/New Zealand Closer Economic Relations Trade Agreement ("the ANZCERTA Agreement"). The 1988 review of that Agreement resulted in an "Agreed Minute on Industry Assistance", signed on 21 June 1988, under which Australia and New Zealand agreed that, from 1 July 1990, neither country would pay production bounties or like measures on goods which are exported to the other country. The Bill therefore proposes to amend four current bounty Acts to provide that from 1 July 1990, bounty is not payable in respect of goods which are for export to New Zealand.

The Bill also proposes minor technical amendments to:

- i) the Bounty (Ships) Act 1987 to ensure that the cost of consumable materials such as welding gases and sanding discs are included as eligible costs for the purposes of obtaining bounty;
- ii) the Bounty (Books) Act 1986 to enable bounty to be paid in respect of production runs subsequent to the first production run;
- iii) the Bounty (Textile Yarns) Act 1981 to bring the various penalty provisions in that Act into line with penalty provisions in other bounties legislation;
- iv) the Bounty and Subsidy Legislation Amendment Act (No. 2) 1988 to correct an omission in the definition of "bounty period" in that Act; and
- v) repeal various superseded bounty Acts in which the bounty periods have expired, the time within which to make a claim has elapsed, and there is no outstanding prosecution or recovery action under any of them.

Financial Impact Statement

The proposed amendments in this Bill have no direct financial implications.

BOUNTY LEGISLATION AMENDMENT BILL 1990NOTES ON CLAUSESShort title etc.

Clause 1 provides for the citation of this Act as the Bounty Legislation Amendment Act 1990.

Commencement

Clause 2 provides for all parts of the Act to commence on the day of Royal Assent (subclause 1), with the exception of:

- . the proposed amendments to the Bounty (Ships) Act 1989, which are taken to have commenced on 1 July 1989, being the date on which that Act commenced (subclause 2); and
- . the proposed amendments to the Bounty and Subsidy Legislation Amendment Act (No. 2) 1988, which are taken to have commenced on 26 December 1988, being the date on which that Act commenced (subclause 3).

Amendments of various Acts

Clause 3 provides that the six Bounty Acts listed in Schedule 1 are amended as set out in that Schedule.

Repeal

Clause 4 provides that the ten Bounty Acts and three Subsidy Acts listed in Schedule 2 are repealed.

Schedule 1

The amendments contained in this Schedule give effect to changes to various bounty Acts as follows:

Bounty and Subsidy Legislation Amendment Act (No. 2) 1988

Two technical drafting amendments are made to the definition of "bounty period" in the (Printed Fabrics) and (Textile Yarns) Bounty Acts. The amendments remedy an omission made when this Act was originally drafted to take into account the existence of multiple references to "31 December 1988" in each of the definitions concerned.

Bounty (Books) Act 1986Subsection 4(1)

This amendment omits the previous definition of "production run" and substitutes a new definition to enable bounty to be paid in respect of production of a particular title subsequent to the first completed production run of that title.

- . The amendment is intended to overcome difficulties experienced by book printers who might produce a long run of a particular title, but who might only be completing the production process (the last stage is binding) over a period of time (ie. the binding might frequently be done in batches, over a period of time). In the past, bounty was paid each time a printer completed the production process by binding a group of books. Subsection 14(3) of the Bounty (Books) Act 1986 precludes book bounty from being paid on all but the first binding and this amendment to the definition of "production run" will overcome this restriction. The requirement in subsection 14(3) that there only be one claim per production run (as now proposed to be defined) remains however.

Paragraphs 5(1)(p) and 10(3)(b); subsection 14(3)

These amendments are technical in nature and are consequential upon the amendment to subsection 4(1) referred to above.

Paragraph 5(1)(u)

This amendment prohibits the payment of bounty for books that are to be directly or indirectly exported to New Zealand after 1 July 1990.

- . The Government has signed the ANZCERTA trade agreement with the Government of New Zealand which, amongst other things, prohibits bounty assistance on goods produced in either country and exported to the other country. This provision gives effect to that treaty commitment.

Bounty (Computers) Act 1984Subsection 9(6)

This amendment prohibits the payment of bounty in respect of bountiable equipment that is to be directly or indirectly exported to New Zealand after 1 July 1990.

Bounty (Metal Working Machines and Robots) Act 1985Subsection 16(1)

This amendment prohibits the payment of bounty in respect of bountiable equipment that is to be directly or indirectly exported to New Zealand after 1 July 1990.

Bounty (Ships) Act 1989Paragraph 5(1)(c)

This amendment omits the previous paragraph 5(1)(c) and substitutes a new paragraph 5(1)(c) to ensure that direct material costs of certain consumables used in ship construction or modification are eligible costs for the purposes of obtaining bounty.

- . At the present time paragraph 5(1)(c) provides that only those direct material costs incurred by the shipbuilder in respect of goods actually incorporated (emphasis added) in the vessel or its modification are eligible for bounty. This has had the unintended consequence of excluding from eligibility the cost of consumables such as welding gases and sanding discs despite their being a necessary cost incurred by the shipbuilder. The amendment will overcome that consequence, but is not intended to extend to the cost of materials which are not consumed in the construction or modification of a vessel and therefore have a use beyond such construction or modification.

Subsection 5(3) and Subparagraph 5(1)(e)(ii)

These amendments are technical in nature and are consequential upon the amendment to Paragraph 5(1)(c) referred to above.

Bounty (Textile Yarns) Act 1981Subsection 7(1)

This amendment prohibits the payment of bounty in respect of bountiable yarn that is to be directly or indirectly exported to New Zealand after 1 July 1990.

Subsections 10B(1), 10B(4), 10BA(6), 10BA(7), 10BB(1), 10C(1), 15(2), 16(1B), 18(1), 18(2), 18(3), 18(9), 18(10), 18(11):
Paragraph 10BB(4)(b)

These amendments are technical in nature and make the penalty levels in the Bounty (Textile Yarns) Act 1981 consistent with the current pecuniary and imprisonment levels in other Commonwealth legislation.

- . There is now no need to prescribe pecuniary penalties for bodies corporate, as a result of subsection 4B(3) of the Crimes Act 1914 which provides that pecuniary

penalties in legislation may be increased by up to 5 times that applicable to a natural person where the offender is a body corporate. There is also no longer a need to set out both imprisonment and pecuniary penalties in legislation because subsection 4B(2) of the Crimes Act 1914 provides a formula for calculating the pecuniary penalty where a term of imprisonment has been specified in the legislation.

Subsections 18(9), (10) and (11) of the Bounty (Textile Yarns) Act 1981 have been omitted because they are no longer required in light of section 4G and subsections 4J(1) and 4J(3) of the Crimes Act 1914, which cover exactly the same ground.

Schedule 2

The thirteen Acts listed in this Schedule are repealed on the ground the bounty assistance or subsidy assistance periods have lapsed, as has the statutory period within which to make a bounty or subsidy claim.