

1981

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BOUNTY (NON-ADJUSTABLE WRENCHES) BILL 1981

EXPLANATORY MEMORANDUM

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

Purpose of the Bill

The purpose of this Bill is to provide assistance, by way of a bounty scheme for 12 months commencing on 1 July 1980, to manufacturers in Australia of non-adjustable wrenches.

The scheme provides for a payment to eligible producers of 11 cents on each bountiable implement providing:

- (i) the production of the implement is carried out by the producer at registered premises and completed during the period to which the Act applies;
- (ii) the implement has been sold by the producer for use in Australia; and
- (iii) the implement exceeds 50% local content.

The Bill reflects acceptance by the Government of the recommendations by the Temporary Assistance Authority (contained in its report of 14 August 1980 entitled "Non-Adjustable Spanners") that urgent bounty assistance of 11 cents per unit be implemented on locally produced goods sold in Australia from 1 July 1980. Payments of bounty are to be limited to a maximum of \$620,000 in any one year.

In addition to the provisions peculiar to the bounty on non-adjustable wrenches, the Bill contains provision 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 decision under the Act.

Clause 1

Short title.

Clause 2

Commencement date to be 1 July 1980

Clause 3

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

- "bountiable implement" to mean -
 - (a) a prescribed wrench; or
 - (b) a steel attachment designed to be connected to another steel attachment or to other steel attachments so that the attachments when connected would be a prescribed wrench;
- "prescribed wrench" to mean a steel wrench designed to turn a nut, but not to include --
 - (a) a wrench designed to be inserted into, or to have any part inserted into, a nut that is to be turned by the wrench;
 - (b) a wrench that has adjustable jaws or is otherwise adjustable, or is self-adjusting, so as to be able to turn nuts of difference sizes or shapes; or
 - (c) a wrench that is power driven or is designed for power operation;

Sub-Clause (2) provides that a wrench or an attachment shall be taken to be a steel wrench or a steel attachment, as the case may be, if, and only if, the wrench or attachment, as the case may be --

- (a) is --
 - (i) made of steel; or
 - (ii) made of steel, except for hand grips of another material;
- (b) was produced by processes that included forging, hardening and tempering; and
- (c) is of a standard (if any) prescribed by the Regulations.

Clause 4

States the period during which bounty is payable and provides for the Minister to extend the bounty scheme, for a period of not more than 12 months, to a date notified by him in the Gazette before 30 June 1981.

Clause 5

Provides for the Comptroller-General to determine the amount of the factory cost and the Australian factory cost. In determining such costs allowance is to be made for factory overhead charges but no allowance is to be made for general administration, selling costs, service charges or taxation or any costs incurred after the completion of the production of the implement.

Clause 6

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

Clause 7

Provides for bounty to be payable to the producer of the bountiable implements on the production in Australia of the implements if -

- (i) the production of the implement is completed by the producer at registered premises during a bounty period;
- (ii) the implement has, during that bounty period or a later bounty period, been sold by the producer for use in Australia; and
- (iii) the Australian factory cost of the implement exceeds 50% of the factory cost of the implement; and

further provides that, where the Minister determines that registration of premises shall take effect on and from the commencement date, if the person who applied for registration of premises at that date was the owner of a bountiable implement produced at the premises before the commencement date, the implement shall be deemed to have been produced on the commencement date.

Clause 8

Rate of bounty to be 11 cents per unit.

Clause 9

Limits the amount available for payment in any bounty period to \$620,000 and provides for payments to be made on a proportionate basis where the amount of valid claims in a period exceeds the amount of bounty available.

- Clause 10 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 for any excess amounts of bounty paid 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 11 Provides that bounty is not payable unless the bountiable implement is of good and merchantable quality.
- Clause 12 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 13 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 (7).
- Clause 14 Provides that eligibility for bounty is conditional upon the maintenance of appropriate commercial records by the producer.
- Clause 15 Confers upon the Minister power to require a producer to give security for compliance with the Act and regulations. Payment of bounty may be withheld until the required security is given.
- Clause 16 Empowers the Minister to appoint authorized officers, upon whom certain administrative functions are to be conferred.
- Clause 17 Empowers an authorized officer to enter premises, inspect or take stock of bountiable implements and inspect the production process, accounts, books, documents and other records involving such implements. Sub-clause (2) creates an offence for failure to provide reasonable facilities and assistance for the effective exercise of an authorized officer's powers.

- Clause 18 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 implements 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 19 Provides the power for certain senior officers of Customs, or an authorized officer, to examine, on oath or affirmation persons attending before them.
- Clause 20 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 21 Provides for the furnishing to the Minister, and tabling in Parliament by, the Minister, of returns in relation to the bounty.
- Clause 22 Delegation powers.
- Clause 23 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 24 Appropriation provision.
- Clause 25 General regulation making power.

