

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

FERTILIZERS (SUBSIDY) AMENDMENT BILL 1985

EXPLANATORY MEMORANDUM

(Circulated by authority of the  
Minister for Primary Industry,  
the Hon John Kerin, MP)



## FERTILIZERS (SUBSIDY) AMENDMENT BILL 1985

### OUTLINE

The purpose of the Bill is to extend until 30 June 1986 the operation of

- (i) the Nitrogenous Fertilizers Subsidy Act 1966; and
- (ii) the Phosphate Fertilizers Subsidy Act 1963.

The Nitrogenous Fertilizers Subsidy Act 1966 provides for the payment of a subsidy on both locally produced and imported nitrogenous fertilizers at the rate of \$20 per tonne of contained nitrogen content in the fertilizer.

The Phosphate Fertilizers Subsidy Act 1963 provides for the payment of a subsidy on both locally produced and imported phosphate fertilizers at the rate of \$12 per tonne of single strength superphosphate or at the rate of \$138 per tonne on the available phosphorus content of other phosphatic fertilizers.

The Bill reflects the Government's response to the interim report of the Industries Assistance Commission which recommended that the subsidies cease on 30 June 1985.

The Government has decided to extend the existing arrangements for a further 12 months so that it may consider the continuation of the subsidies in the context of the Commission's final report due in October 1985. The Commission has been asked to appraise the level of assistance provided rural industries relative to assistance to industry generally and the Government's commitment to maintain the international competitiveness of Australian rural industries.

### Financial Impact

The extension of the subsidy payments for a further year is expected to cost the Government \$55 million in 1985/86.

## NOTES ON CLAUSES

Clause 1     Short Title

Clause 2     Provides for the Act to operate or be deemed to have come into operation as the case may be on 1 July 1985. This will ensure continuity of payments after the current expiry date of 30 June 1985.

Clause 3     Identification of the Nitrogenous Fertilizers Subsidy Act 1966 as the Principal Act in Part II of the Bill.

Clause 4     Has the effect of extending the operation of the Principal Act in Part II of the Bill until 30 June 1986.

Clause 5     Identification of the Phosphate Fertilizers Subsidy Act 1963 as the Principal Act in Part III of the Bill.

Clause 6     Has the effect of extending the operation of the Principal Act in Part III of the Bill until 30 June 1986.