

1988

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

FERTILISERS SUBSIDY AMENDMENT BILL 1988

EXPLANATORY MEMORANDUM

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

Fertilisers Subsidy Amendment Bill 1988

Outline

The principal purpose of this Bill is to terminate the Fertilisers Subsidy Act 1986 as from 30 June 1988, as part of the Government's May Economic Statement measures.

Consumption subsidies on phosphatic and nitrogenous fertilisers will not be paid where these fertilisers are produced and sold for use in Australia as a fertiliser, or used or sold for use in the production of a fertiliser mixture after 30 June 1988 (clause 3). Production and sale on or before 30 June 1988 will still be eligible for subsidy, provided the normal claim mechanism is satisfied within twelve months of the date on which the particular end use condition is satisfied (section 17 of the Principal Act).

The opportunity has also been taken to correct a typographical error appearing in subsection 30(7) of the Principal Act.

Financial Impact Statement

The termination of the subsidy scheme is expected to result in savings of \$37 million in 1988-89 and \$13 million in 1989-90.

Notes on Clauses

Short Title etc.

Clause 1 provides for the citation of this Act as the Fertiliser Subsidy Amendment Act 1988 (subclause(1)) and identifies the Fertilisers Subsidy Act 1986 as the Principal Act being amended by this Bill (subclause(2)).

Commencement

Clause 2 provides for the Act to commence on the day on which it receives the Royal Assent, with the exception of Clause 4. Clause 4 is deemed to have commenced operation as from 20 August 1986 (the commencement date of the Principal Act).

Interpretation

Clause 3 amends the definition of "subsidy period" (during which time subsidy may be paid on subsidised product produced and sold pursuant to the scheme) by changing the end of the subsidy period from 30 June 1989 to 30 June 1988.

. this has the effect of making subsidised nitrogenous substances and subsidised phosphatic substances (e.g. fertilisers) produced and sold or used on or after 1 July 1988 ineligible to receive subsidy.

- however, as the Principal Act has otherwise remained the same, subsidised nitrogenous or phosphatic substances produced and sold or used up to and including 30 June 1988 may still be eligible for subsidy provided a claim for subsidy is lodged within twelve months of the date on which the relevant end-use condition is satisfied.

Offences

Clause 4

amends subsection 30(7) of the Principal Act by removing the word "bounty" with the word "subsidy", thus correcting a typographical error.

- . As subsection 30(7) contains a provision protecting a person from prosecution arising from the same claim for subsidy under two separate sections of the Principal Act, the amendment is deemed to have commenced from the commencement date of the Principal Act i.e. 20 August 1986.