

1980

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NITROGENOUS FERTILIZERS SUBSIDY AMENDMENT BILL 1980

EXPLANATORY MEMORANDUM

(Circulated by the Authority of the Minister for
Business and Consumer Affairs, the Honourable
R.V. Garland, M.P.).

NITROGENOUS FERTILIZERS SUBSIDY AMENDMENT BILL 1980

Purpose of the Bill

To extend the operation of the Nitrogenous Fertilizers Subsidy for a further twelve month period until 31 December 1981.

This subsidy was introduced in 1966 and was aimed at reducing costs to existing users, encouraging use in new applications and has been mainly used by sugar and grain producers.

In 1975 the Industries Assistance Commission recommended that the subsidy be phased out over three years.

The Government accepted this recommendation in principle, but extended the phase out period taking into consideration the views of user industries and the need for budgetary restraint. The level of subsidy, however, was decreased from \$78.74 per tonne to \$20 per tonne in 1979.

Recognising the reliance placed on nitrogenous fertilizer use by an increasing number of producers, particularly in export wheat and sugar production, the Government has decided that continuation of the subsidy for a further year will provide some relief from the escalating pressure of input costs which farmers are experiencing.

The measure effected by this Bill was announced by the Treasurer in his Budget Speech on 19 August 1980.

Clause 1 : Short Title

Formal clause only.

Clause 2 : Commencement

Provides for the Act to commence on the day on which it receives the Royal Assent.

Clause 3: Interpretation

Extends to 31 December 1981 the period to which the Act applies therefore continuing the subsidy for a further year (1981 calendar) at the current rate of \$20 per tonne of nitrogen content.