

1989

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

SUBSIDY LEGISLATION AMENDMENT BILL 1989

EXPLANATORY MEMORANDUM

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

SUBSIDY LEGISLATION AMENDMENT BILL 1989

OUTLINE

This Bill proposes to terminate the Subsidy (Cultivation Machines and Equipment) Act 1986 and the Subsidy (Grain Harvesters and Equipment) Act 1985 as from 12 April 1989, as part of the Government's April Economic Statement.

Clause 4 effectively terminates the Cultivation Machines and Equipment Act whilst Clause 6 effectively terminates the Grain Harvesters and Equipment Act. With regard to the latter assistance scheme, eligibility for assistance has been broadened to include harvesters and harvester equipment held in stock as at 12 April 1989, similar to the Cultivation Machines and Equipment scheme (Clause 7).

Financial Impact Statement

The termination of the agricultural machinery assistance schemes will result in savings of \$19 million during 1989-90 and \$10.4 million during 1990-91.

NOTES ON CLAUSES

PART 1 - PRELIMINARY

Short Title

Clause 1 provides for the Act to be cited as the Subsidy Legislation Amendment Act 1989.

Commencement

Clause 2 provides that the clauses 1 and 2 will commence on the day of Royal Assent (subclause 2(1)), whilst clauses 3-7 inclusive are deemed to have commenced from 13 April 1989, giving effect to the termination of the assistance schemes included in the Treasurer's 12 April 1989 Economic Statement (subclause 2(2)).

PART 2 - AMENDMENTS OF THE SUBSIDY (CULTIVATION MACHINES AND EQUIPMENT) ACT 1986

Principal Act

Clause 3 identifies the Subsidy (Cultivation Machines and Equipment) Act 1986 as the Principal Act being amended by this Part of the Bill.

Interpretation

Clause 4 amends the definition of "terminating day" to provide that the termination day of this subsidy scheme is now 12 April 1989, rather than the current termination date of 31 December 1990, as announced by the Treasurer on 12 April 1989.

- . The production of cultivation machines and equipment in Australia, which is completed on or after 13 April 1989, will no longer be eligible to receive bounty.

PART 3 - AMENDMENTS OF THE SUBSIDY (GRAIN HARVESTERS AND EQUIPMENT) ACT 1985

Principal Act

Clause 5 identifies the Subsidy (Grain Harvesters and Equipment) Act 1985 as the Principal Act being amended by this Part of the Bill.

Interpretation

Clause 6 amends the definition of "terminating day" to provide that the termination day of this subsidy scheme is now 12 April 1989, rather than the current termination date of 31 December 1990, as announced by the Treasurer on 12 April 1989.

- . The production of grain harvesters and equipment in Australia, which is completed on or after 13 April 1989, will no longer be eligible to receive bounty.

Specification of subsidy - manufactured subsidised equipment

Clause 7 amends subsections 10(4) and 10(6) of the Act to permit harvesters and equipment that were:

- (i) prepared for sale by the manufacturer,
- (ii) held in the manufacturer's stock; and
- (iii) listed in the manufacturer's inventory of stock

on or before 12 April 1989 to be eligible to receive bounty.

- . Until these amendments, harvesters and harvester equipment had to be sold or otherwise disposed of by the manufacturer before the manufacturer was eligible to receive bounty. As the amendments to this scheme are proposed to take effect as from the date of the Treasurer's statement, the Government has decided that goods that are in store and capable of being sold on April 12 should be eligible to receive bounty assistance.

- Cultivation machines and equipment in store and capable of being sold are already bountiable under the Subsidy (Cultivation Machines and Equipment) Act 1986, subsections 9(4) and 9(6).