

1991

The Parliament of the Commonwealth of Australia

The Senate

**AUSSAT REPEAL BILL 1991**

**SUPPLEMENTARY EXPLANATORY MEMORANDUM**

New Clauses to be moved on behalf of the Government

The proposed amendment of the AUSSAT Repeal Bill 1991 would insert 2 new clauses in Part 2 of the Bill.

New clause 5A will ensure that AUSSAT is not the Crown, does not represent the Crown, is not an instrumentality or agency of the Crown and is taken never to have so been.

New clause 5B will clarify AUSSAT's status for income tax purposes by providing that AUSSAT is not, and is taken never to have been, a public authority for the purposes of paragraph 23(d) of the Income Tax Assessment Act 1936.

The amendments have been made necessary as a result of doubts about the legal status of AUSSAT raised in relation to the sale of AUSSAT. The amendments are necessary to clarify the legal situation to prevent any uncertainty remaining in the minds of the bidders which would be reflected in the bids that they put forward.

AUSSAT has been regarded since its formation as a taxpayer whose income is taxable. The bidders are concerned that they may not obtain the benefit of taxation provisions dealing with trading stock, depreciation, deductibility of repair costs, capital gains tax and deductibility of accrued expenses. They are also concerned that AUSSAT may be liable under indemnities to other persons who contracted with AUSSAT on the basis that it was not exempt from tax.

(Circulated by authority of the Minister for Transport  
and Communications, the Hon Kim C Beazley MP)

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