

ARTHUR ROBINSON & CO.

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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BOUNTY (ROOM AIR CONDITIONERS) BILL 1983

EXPLANATORY MEMORANDUM

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

BOUNTY (ROOM AIR CONDITIONERS) BILL 1983

OUTLINE

The purpose of this Bill is to provide temporary assistance by way of a bounty scheme on the manufacture and sale in Australia of certain room air conditioning machines.

The scheme provides for the payment of a bounty at a rate of \$60 per air conditioning unit not exceeding 3.528 kilowatt cooling capacity and \$90 per unit exceeding 3.528 kilowatts but not exceeding 5.4 kilowatts cooling capacity.

The Bill reflects acceptance by both this Government and the previous Government of the recommendation by the Temporary Assistance Authority (contained in its report entitled "Certain Room Air Conditioning Machines and Parts" No. 56 of 1 October 1982) that urgent assistance for the local manufacturer of certain room air conditioning machines in Australia against import competition was necessary and that this assistance should be accorded by way of a bounty scheme limited to \$1,500,000.

The bounty scheme will commence on 27 October 1982 and end on 30 June 1983 by which time a further Temporary Assistance Authority report on the question of continuation of temporary assistance after that date will have been received.

The bounty is intended to apply to firms engaged in the manufacture of the bountiable air conditioners on 27 October 1982 and with a continuing committment to such manufacture.

In addition to the provisions peculiar to the bounty on certain room air conditioners, the Bill contains provisions standard to Bounty Acts providing control and inspection powers for the protection of the revenue and a right to apply to the Administrative Appeals Tribunal for review of certain administrative decisions under the Act.

BOUNTY (ROOM AIR CONDITIONERS) BILL 1983

- Clause 1 Short title
- Clause 2 Commencement date to be 27 October 1982
- Clause 3 Defines a number of words and expressions
for the purposes of the legislation and in
particular defines:
- "bountiable air conditioner" to mean:

an air conditioner having a cooling capacity
which does not exceed 5.4 kilowatts that is
a single unit designed to be mounted in a
single opening in a window or wall of a room
and that contains prescribed components. It
does not include an air conditioner that
uses ducting, incorporates a water-cooled
condensor or is a type known as a fascia
unit.
 - "bounty period" to mean the period
commencing on 27 October 1982 and ending on
30 June 1983;
 - "manufacturer" in relation to a bountiable
air conditioner, to mean the person who
carried out -
 - (a) the steps in the manufacture of
the air conditioner involving the
assembly of the prescribed
components of the air conditioner;
and
 - (b) the last step in the manufacture
of the air conditioner,

whether or not he carried out any of
the other steps in the manufacture of
the air conditioner;
- Clause 4 Provides for the Comptroller-General to
determine the amount of the factory cost and
the Australian factory cost. In determining
such costs, allowance is to be made for the
factory overhead charges but not for general
administration, selling costs, service charges
or taxation.

- Clause 5 Prohibits the exercise of any power under the Act in a manner which would result in bounty not being uniform throughout the Commonwealth.
- Clause 6 Provides for bounty to be payable to the manufacturer of a bountiable air conditioner if the Comptroller-General is satisfied that -
- (a) the assembly in a common self-contained unit of the prescribed components of the air conditioner and the last step in the manufacture of the air conditioner was carried out by the manufacturer at registered premises and before the expiration of the bounty period;
 - (b) the Australian factory cost of the air conditioner is not less than 75% of the factory cost of the air conditioner;
 - (c) the air conditioner was sold for use in Australia during the bounty period and is of good and merchantable quality.
- Clause 7 Provides for the amount of bounty payable in respect of a bountiable air conditioner to be \$60 if the cooling capacity does not exceed 3.528 kilowatts or \$90 if the cooling capacity exceeds 3.528 kilowatts.
- Clause 8 Limits the amount available for payment of bounty in respect of bountiable air conditioners to \$1,500,000 and provides for payments to be made on a proportionate basis where the amount of valid claims in a period exceeds the amount of bounty available.
- Clause 9 Provides for advances on account of bounty to be made to a person on such terms and conditions as are approved by the Minister and further provides that any excess amounts of bounty paid are to be repaid to the Commonwealth by the person (such excess to be recoverable by the Commonwealth by action in a court of competent jurisdiction) or deducted from any other amount that is payable to the person.
- Clause 10 Imposes a duty on the Comptroller-General to pay bounty if he is satisfied that the bounty is payable, and, if he is not so satisfied, he is to refuse to approve payment.

- Clause 11 Contains provisions generally standard to Bounty Acts for registration of premises subject to conditions or requirements to be observed or complied with before and after registration. Includes a provision which restricts registration of the premises of manufacturers who were not engaged in the manufacture of bountiable air conditioners on 27 October 1982, unless in the opinion of the Minister, the registration of those premises would promote the orderly development in Australia of the industry manufacturing bountiable air conditioners.
- Sub-clause (10) provides for the Minister to cancel registration on any of the grounds in this sub-clause.
- Clause 12 Provides that eligibility for bounty is conditional upon the maintenance of appropriate commercial records by the person to whom bounty is payable.
- Clause 13 Confers upon the Minister the power to require a person to whom bounty could become payable to give security for compliance with the Act and Regulations. Payment of bounty may be withheld until the required security is given.
- Clause 14 Empowers the Minister to appoint an authorized officer upon whom certain administrative functions are to be conferred.
- Clause 15 Empowers an authorized officer to enter premises, inspect or take stock of any bountiable air conditioners, inspect any process in the manufacture of any bountiable air conditioners, inspect and take copies of accounts, books, documents and other records involving such bountiable air conditioners.
- Sub-clause (2) creates an offence for failure to provide reasonable facilities and assistance for the effective exercise of an authorized officer's powers.
- Clause 16 Empowers a Collector or an authorized officer to require certain persons to attend before him to answer questions and produce documents in relation to bountiable air conditioners and provides for withholding of bounty payments until the requirements of this clause are met.
- Sub-clause (3) creates an offence for not disclosing false or misleading records produced in pursuance of a notice under sub-clause (1).

Sub-clause (5) limits the use to which self-incriminating answers given or documents produced may be put.

Clause 17 Provides power for a Collector or an authorized officer, to examine, on oath or affirmation, persons attending before him.

Clause 18 Creates offences for -

- (i) refusing or failing to attend before a Collector or an authorized officer, take an oath or make an affirmation, to answer questions or produce records when so required under the Act;
- (ii) obtaining or attempting to obtain bounty that is not payable or the making of false or misleading statements;
- (iii) presenting certain records that are known to be false or misleading in a material particular.

Sub-clauses (4) and (5) relate to Court Orders in respect of the refunding of bounty wrongfully obtained.

Clause 19 Provides for the furnishing by the Comptroller-General to the Minister, and tabling in Parliament by the Minister, of returns in relation to the bounty.

Clause 20 Provides powers of delegation.

Clause 21 Provides a right to apply to the Administrative Appeals Tribunal for review of specified administrative decisions affecting the rights or entitlements of persons under the Act.

Clause 22 Requires persons whose interests are effected by an administrative decision of a kind referred to in Clause 21, to be notified of the rights of review of those decisions by the Administrative Appeal Tribunal.

Clause 23 Is a standard appropriation provision.

Clause 24 Provides that the penal provisions in the Act do not operate before the day on which this Act receives the Royal Assent.

Clause 25 Is a standard regulation making power.

