

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

RESTRICTED

L/5282/Add.3

15 November 1982

Special Distribution

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Original : English

SUBSIDIES

Notifications Pursuant to Article XVI:1

AUSTRALIA

In accordance with the Decision of the CONTRACTING PARTIES at their twentieth session, Australia has submitted the following notification of subsidy measures for 1982.

This notification covers new measures and changes introduced since the previous full notification in 1981 (L/5102/Add.8).

AUSTRALIAN SUBSIDIES NOTIFICATION

PURSUANT TO ARTICLE XVI:I

AMENDMENTS TO L/5102/Add. 8

Page 2

I. ADP EQUIPMENT

- . 1 (c) Delete entire sub-section and insert:

<u>Period</u>	<u>\$A'000</u>	<u>Bountiable Production</u> <u>Units</u>
1977/80	1,455.6	3,767
1980/82		(to be advised)

- . 2 (a) Delete entire sub-section and insert:

Bounty enables local manufacturers of ADP equipment to become more competitive against imports.

- . 2 (b) Add to list:

1980/81	377,386	3,326
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II. AGRICULTURAL TRACTORS

- . I (c) Amount of Bounty Paid

- (1) Add to list

1980/81	6,978.6
---------	---------

- (2) Add the following column to right-hand side of sub-section:

Bountiable Production

<u>Number</u>	<u>Value</u> <u>\$A'000</u>
2,705	45,688
2,616	48,758
2,895	62,243
2,715	64,220

- . 1 (d) Change value '\$457' to read '\$366'
- . 2 (a) Change first line to read:

" The bounty accords reasonable protection..... "

. 2 (b) Statistics

- (1) Add to list:

1980/81	13,739	194,215	207	4,020
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- (2) Delete the following column:

Local Production

Number	Value (\$A'000)
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Pages 4,5 and 6

III. APPLE AND PEAR STABILISATION AND UNDERWRITING SCHEMES

Replace existing section with the following:

III. APPLE AND PEAR STABILISATION AND UNDERWRITING SCHEMES

1. Nature and extent of the subsidy

(a) Background and Authority

From 1971 to 1980, the Commonwealth Government operated on Apple and Pear Stabilisation Scheme, under the Apple and Pear Stabilisation Act of 1971, and the complementary Export Duty and Export Duty Collection Acts.

In 1981 the Government introduced an Underwriting Scheme to separately cover apples and pears for the seasons 1981 to 1985. The stabilisation scheme for apples is being phased out over the four years 1981 to 1984 while the schme for pears was terminated at the end of the 1980 season.

The aim of the Apple and Pear Underwriting Scheme is to give the apple and pear industries security against sharp and rapid declines in prices in export markets without masking from the industry any underlying price trends. The scheme will provide financial assistance for only a limited period after a significant export price decline. While there are no prescribed limits on the level of any underwriting payments, by comparison with the stabilisation arrangements, the assistance is not expected to be paid every year or to be as substantial over a period of years.

The change in market support arrangements to a reliance on underwriting is expected to create further adjustment pressures

for the apple industry, both generally and in specific regions. To ensure that adjustment proceeds on an orderly basis, the stabilisation arrangements for apples is being phased out over the four seasons, ending in 1984.

(b) Incidence

The export underwriting arrangements apply to all exports of apples and pears. The Government guarantees, separately for apples and pears, a minimum return of 95% of the weighted average returns for all exports over the preceding 4 seasons. Any underwriting payment will reduce any stabilisation payout by a corresponding amount during the period stabilisation is being phased out.

The stabilisation scheme covers prescribed varieties of fresh apples exported at some degree of risk to the owner, ie. other than apples sold before export. If the average return for a particular variety is less than the support price (specified in the legislation at the beginning of the scheme and adjusted annually in subsequent years in the light of certain cost movements), payment is made to the owner of the fruit from the varietal stabilisation fund, subject to certain limits.

(c) Amount Paid

Export Underwriting  
return

In 1981 the guaranteed minimum/for apples was \$5.60 per box and for pears was \$7.81 per box. The average return for the 3m boxes of apples exported was \$3.99 per box and thus an underwriting payment of \$1.61 per box was made, a total payout of \$4.8m. For pears the average return was \$8.16 per box and thus no underwriting payments were made..

Stabilisation

Varietal returns in 1981 were well below the support prices. However, the maximum payment was reduced to \$1.91 per box because the number of boxes exported at risk was 1.9m, whereas \$2.20 per box was available if only 1.5m boxes had been exported at risk. As mentioned above payments under Stabilisation are reduced by the amount of any underwriting payments. Thus Stabilisation of \$0.30 per box was paid on the 1.9m boxes exported "at risk", a total of \$0.52m.

(d) Rate of Subsidy

Underwriting

The rate of payment is determined by the difference between the guaranteed minimum price and the average export return, when the average return is below the guaranteed minimum.

### Stabilisation

The amount of payment per box varies according to the variety of apple exported as each variety has a different support price, which is determined annually by the Bureau of Agricultural Economics on the basis of movements in growers' cash costs.

## 2. Effect of Subsidy

### (a) Underwriting

Underwriting serves to protect growers against sudden downturns in returns from the market place. It does not shield the grower from the effects of changes in the market, including downward trends in returns from exports.

### (b) Stabilisation

Stabilisation operates as an income support scheme. The original aim of the scheme was to bring export returns from "at risk" markets in Europe to target levels considered sufficient to provide an adequate income to growers. As stabilisation is phased out in the four years up to 1984 the importance of the scheme in supporting growers' incomes is diminishing.

### (c) Statistics of Production, Consumption, Imports and Exports

#### Fresh Apples and Pears Production, Consumption, Exports ('000 tonnes)

Year	Production (a)	Australian Fresh Consumption (e)	Exports (a)
<u>Apples</u>			
1978/79	345	176	44.1
1979/80	299	186	53.1
1980/81 (p)	307	199	39.0 (p)
<u>Pears</u>			
1978/79	135	32	32
1979/80	124	33	33
1980/81	146	35	36 (p)

- (a) Bureau of Agricultural Economics-source
- (e) Estimated by Department of Primary Industry and does not include fruit sent for juicing or canning
- (p) Preliminary - subject to revision

NOTE: Imports of fresh apples and pears into Australia do not occur due to plant quarantine regulations.

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#### IV. BED SHEETING

- . 1 (c) Delete entire sub-section and insert:

<u>Period</u>	<u>\$A'000</u>	<u>Bountiable Production</u> <u>(Mill. Sq.m)</u>
Sept. 1977 -	411.0	2.055
Aug. 1978		
Sept. 1978 -	94.5	0.472
Oct. 1978		
Nov. 1978 -	575.6	2.878
Oct. 1979		
Nov. 1979 -	668.9	3.344
Oct. 1980		
Nov. 1980 -	600.0	3.385
Oct. 1981		

- . 2 (b) Delete entire sub-section and insert:

<u>Year</u>	<u>Imports</u> <sup>1</sup>		<u>Bed Linen</u> <sup>2</sup> <u>(\$A mill.)</u>
	<u>Polyester</u> <u>(mill.sq.m)</u>	<u>Cotton Sheeting</u> <u>(\$Amill.)</u>	
1977/78	6.9	2.9	1.2
1978/79	13.9	7.1	2.3
1979/80	15.5	9.2	5.7
1980/81	23.8	13.6	5.2

1. Derived from statistics supplied by ABS.
2. 'Bed Linen' includes continental quilt covers and ruffles.

Note: Export statistics and total production statistics are not available.

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V. BOOKS

- . 1 (c) Amount of bounty paid
  - (1) Add to list:  
1980/81 15,005
  - (2) Add following column to right-hand side of sub-section

Bountiable Production  
No. of Books

41,674,707  
47,626,885  
50,660,041  
65,452,914

- . 2 (b) Delete entire sub-section and insert:

<u>Year</u>	<u>Imports</u> ( <u>\$A'000</u> )	<u>Exports</u> ( <u>\$A'000</u> )
1978/79	148,345	13,211
1979/80	160,233	16,673
1980/81	163,318	22,504

Pages 9, 10, 11, 12 and 13

VI. DAIRY PRODUCTS

Government Underwriting of Equalised Values of Butter, Cheese, Skim Milk Powder, Casein and Whole Milk Powder

1. Nature and Extent of Subsidy

(a) Background and Authority

The collapse of world markets for the major manufactured dairy products in the mid-1970's created serious problems for the manufacturing sector of the Australian dairy industry and, in order to maintain greater stability for the dairy industry, the Commonwealth Government introduced a system of underwriting returns for such products.

(b) Incidence

In 1975-76 when the scheme was first introduced underwriting applied only to skim milk powder. The Government extended the underwriting arrangements in 1976-77 to also include butter, cheese and casein, and again in 1977-78, to cover whole milk powder. Until the current 1981/82 season, the Government

underwrote the equalisation returns (that is, net of pool costs from domestic and export sales) for the above prescribed products under the statutory marketing arrangements for the dairy industry.

Under new arrangements introduced on 1 July 1981, the Government has agreed for each of the two seasons (1981/82 and 1982/83) to underwrite gross equalised pool returns for the total production of each of the prescribed dairy products at 95 per cent of a three year moving average of gross equalised pool returns. The gross equalised pool returns taken into consideration in determining the underwritten values are the return forecast for the year in which underwriting is to be determined and the return in the previous two years.

The underwriting values determined for the 1981/82 season were as follows:

	<u>Underwriting Values:\$ per tonne</u> 1981/82
Butter	1,655
Skim Milk Powder	835
Casein	2,085
Cheese*	1,490
Whole Milk Powder	1,110

\* Types of cheese covered are: Cheddar, Cheedam, Colby, Gouda, Granular and Stirred Curd.

The statutory marketing arrangements for dairy products to which the underwriting scheme is coupled were introduced in 1977. Legislation was passed by the Australian Parliament in June of that year to provide for a levy/disbursement scheme to replace the voluntary equalisation scheme previously operated by the industry. This scheme imposes levies payable by manufacturers on the production of the prescribed products sold on the domestic market. The purpose of the levies is to protect the domestic price structure for prescribed products and, through their disbursement, to provide each manufacturer with an equalised return from their domestic and export sales of such products.

(c) Amount of Subsidy Paid

Improved market returns in 1980/81 and 1981/82 have resulted in equalised returns from the various product pools for these seasons to be higher than the underwritten values. As a result, no



Government commitment for the underwriting of the various product pools for these years is expected.

2. Effect of Subsidy

(a) Effect of Underwriting

The underwriting measures provide a greater degree of stability and predictability for producers. The new underwriting scheme introduced in 1981/82 is based on a more objective method for determining guaranteed returns to the dairy industry and protects producers against unexpected and sharp falls in market returns without masking underlying long-term market trends.

(b) Statistics

<u>Production, Consumption, Exports and Imports</u>				
	<u>Casein</u>			
	('000 tonnes)			
	1975/76	1978/79	1979/80	1980/81
Production	15.5	17.2	15.1	13.6
Apparent Consumption in Australia	1.8	2.5	1.0	NA
Exports (including ships' stores)	15.4	13.1	14.0	10.5
Imports	NA	NA	0.3	0.4

<u>Production, Consumption, Exports and Imports</u>				
<u>Skim Milk Powder, Buttermilk Powder and Mixtures</u>				
	('000 tonnes)			
	1975/76	1978/79	1979/80	1980/81
Production	159.8	83.2	60.1	60.9
Apparent Consumption in Australia	53.1	46.9	54.1	NA
Exports (including ships' stores)	95.1	18.3	16.7	9.0
Imports	NA	NA	0.5	0.6

Production, consumption, Exports and Imports  
Factory Butter

	('000 tonnes)			
	1975/76	1978/79	1979/80	1980/81
Production	147.6	104.8	84.3	79.2
Apparent Consumption in Australia	93.5	64.9	66.4	63.7
Exports (including ships' stores)	76.2	39.8	24.2	15.7
Imports	-	-	1.3	2.5

Note: Figures in terms of butter equivalent for dry butter fat, ghee and tropical spread.

Production, Consumption, Exports and Imports  
Factory Cheese

	('000 tonnes)			
	1975/76	1978/79	1979/80	1980/81
Production	112.6	141.8	154.2	136.7
Apparent Consumption in Australia	79.2	90.8	100.3	100.1
Exports (including ships' stores)	31.5	51.5	61.1	54.1
Imports	9.7	12.1	11.9	13.3

Processed Milk Products  
Infants' and Invalids' Food

	('000 tonnes)			
	1975/76	1978/79	1979/80	1980/81
Production	25.2	24.3	26.9	29.3
Apparent Consumption in Australia	20.0	15.1	16.0	NA
Exports (including ships' stores)	10.2	9.8	12.6	13.6
Imports	-	-	-	-

Processed Milk Products  
Powdered Milk (Full Cream)

('000 tonnes)

	1975/76	1978/79	1979/80	1980/81
Production	42.0	77.5	79.9	65.2
Apparent Consumption in Australia	19.1	13.1	13.1	NA
Exports (including ships' stores)	24.0	44.2	69.8	44.4
Imports	0.7	-	0.4	1.4

Processed Milk Products  
Condensed, Concentrated and Evaporated Milk  
(Full Cream)

('000 tonnes)

	1975/76		1978/79		1979/80		1980/81	
	<u>S</u>	<u>U</u>	<u>S</u>	<u>U</u>	<u>S</u>	<u>U</u>	<u>S</u>	<u>U</u>
Production	18.0	35.7	15.5	39.1	17.9	40.9	15.1	37.9
Apparent Consumption in Australia	14.6	31.4	10.0	36.3	9.6	32.1	NA	NA
Exports (including ships' stores)	5.3	2.7	5.5	5.2	7.1	6.9	7.0	7.1
Imports	0.1	-	0.1	-	0.4	-	0.4	-

S = Sweetened; U = Unsweetened.

NA = not available

Source: Australian Bureau of Statistics.

Pages 14 and 15

VII. DRIED VINE FRUITS

1. Nature and Extent of Subsidy

(a) Background and Authority

A stabilisation scheme for dried vine fruits existed for most seasons between 1964 and 1980. The Government subsequently

introduced an underwriting arrangement to operate for sultanas only, for the seasons 1982 to 1986 to provide a measure of security for the industry.

(b) Incidence

The Underwriting arrangement is based on the Australian Government guaranteeing minimum returns per tonne from production in the 1982, 1983 and 1984 seasons equal to 90% of the average of net returns at packing houses in the preceding two seasons and the estimated net return for the current season. In the 1985 and 1986 seasons the guaranteed minimum return is to be 95% of the three year average net return. If the net return for a season is less than the guaranteed level, an underwriting payment equal to the difference will be made on the total production in that season.

Underwriting does not insulate producers from significant market trends.

(c) Amount of Subsidy

As the underwriting scheme has only just come into operation, no details can be provided of payments under the scheme. The last payment under the previously existing stabilisation scheme was for the 1976 season.

2. Effect of Subsidy

(a) Effect of Underwriting Scheme

The aim of the sultana underwriting scheme is to give sultana producers a measure of security against sudden large falls in world prices without insulating the industry from underlying price trends. The scheme will provide financial assistance only after a significant export price decline. There is no specific trend to the amount of underwriting payments; however, as the arrangement provides for underwritten levels to reflect world prices the scheme is therefore inherently self-limiting. In addition, the arrangement provides for the guaranteed minimum return to be set at only 90% in the first three seasons which reflects the relatively high export prices prevailing in recent seasons. For the foregoing reasons it is expected that the underwriting arrangement will have little or no effect on the quantity exported.

(b) Statistics of Production, Consumption,  
Imports and Exports of Dried Vine Fruits

<u>Season</u> (1)	<u>Sultanas</u> (tonnes)			
	<u>Production</u>	<u>Consumption</u>	<u>Imports</u> (2)	<u>Exports</u>
1978	58,800	16,600	-	42,200
1979	51,100	20,600	1.3	30,500
1980	85,700	21,300	0.4	57,700
1981	51,600 (3)	NA	0.8	32,300 (3)

	<u>Currants and Raisins</u> (tonnes)		
	<u>Production</u>	<u>Consumption</u>	<u>Exports</u>
1978	9,900	7,500	2,400
1979	10,700	7,100	3,600
1980	12,900	7,500	4,100
1981	8,300 (3)	NA	2,600 (3)

Source : Australian Bureau of Statistics

- (1) Season commencing 1 March
- (2) Includes currants and raisins; year ending 30 June
- (3) Preliminary

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VIII. METAL WORKING MACHINE TOOLS

- . 1 (a) Delete entire sub-section and insert:

The Bounty (Metal Working Machine Tools) Act 1978 came into operation on 25 May 1978 as a result of the Government's acceptance of an Industries Assistance Commission recommendation to replace the Metal Working Machine Tools Bounty Act of 1972. The new Act changed the minimum requirement to obtain full bounty entitlement from 85 to 100 per cent Australian factory cost. The bounty will terminate on 30 June 1984.

- . 1 (b) Delete entire sub-section and insert:

The Act provides for the payment of bounty on the production of certain metal working machine tools manufactured at registered premises and sold for use in Australia and on design work

carried out in Australia in relation to bountiable machine tools.

- . 1 (c) Add to list:

1980/81                      13,583

. 1 (d) Delete entire sub-section and insert: The rate of bounty is calculated as being one-third of the Australian factory cost of the machine tool and one-quarter of the Australian design cost (if any) of the tool.

- . 2 (b) Add to list:

1980/81                      163,341

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#### IX. NITROGENOUS FERTILIZERS

- . 1 (a) Delete entire sub-section and insert:

Subsidy on nitrogenous fertilizers is paid under the Nitrogenous Fertilizers Subsidy Act 1966. It provides for payment of subsidy on fertilizers containing manufactured nitrogenous substances including urea and sulphate of ammonia or of natural sodium nitrate which are sold for use in Australia. The bounty will terminate on 30 June 1985.

- . 1 (c) Add to list:

1980/81                      4,605                      730

- . 1 (d) Add to list:

1982                              20

- . 2 (b) Delete entire sub-section and insert:

Year	Imports		Exports		Consumption 1 '000t
	\$A'mill.	'000 tonnes	\$A'mill.	'000 tonnes	
1978/79	4.2	29	0.3	2.1	485
1979/80	10.0	78	0.2	1.0	365
1980/81	12.7	86	0.2	0.5	392

1. Consumption figures are based on year ended 31 March.

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X. PHOSPHATIC FERTILISERS

- . 1 (a) Delete entire sub-section and insert:

Bounty on phosphatic fertilisers is paid under the authority of the Phosphatic Fertilizers Subsidy Act 1963 which terminates on 30 June 1985.

- . 1 (c) Add to list:

1980/81	46,763	3,790
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- . 2 (b) Delete entire sub-section and insert:

<u>Year</u>	<u>Production</u> <u>'000 tonnes</u>	<u>Consumption</u> <sup>1</sup> <u>'000 tonnes</u>
1978/79	3,646	2,651
1979/80	4,202	2,969
1980/81	3,770	2,947

1. Consumption figures are based on year ended 31 March.

<u>Year</u>	<u>Imports</u>		<u>Exports</u>	
	<u>'000 tonnes</u>	<u>\$A'000</u>	<u>tonnes</u>	<u>\$A'000</u>
1978/79	66	7,900	387	47
1979/80	Neg	30	325	52
1980/81	Neg	3	2,105	275

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XI. SHIP BUILDING

- . 1 (c) Delete entire sub-section and insert:  
Bounty Paid Under

<u>Year</u>	<u>Ship Construction Act</u> <u>\$Amill.</u>	<u>Bounty (Ships) Act</u> <u>\$A. mill.</u>
1978/79	10.8	-
1979/80	13.4	-
1980/81	12.9	4.99

- . 1 (d) Delete "Not relevant" and insert:

"Refer (b) above".

- . 2 (a) Delete entire sub-section and insert:

The bounty enables Australian shipbuilders to be more competitive and to reduce the price to shipowners of vessels built in Australia. Bounty is not payable on vessels built for export.

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## XII SUGAR

- . 1 (c) Add to list:

1980/81                      549

- . 1 (d) Delete entire sub-section and insert:

The export sugar rebate rate reached a peak of \$94.50 for the month of June 1979. The rate subsequently declined to \$46.80 for the month of October 1979. A nil rebate existed from November 1979 through to September 1981. In October a rebate of \$4.60 applied and since then the rebate has fluctuated, reaching a peak of \$50.00 in May 1982.

- . 2 (b) Delete entire sub-section and insert:

### Raw Sugar: Production, Consumption and Exports

<u>Year</u>	('000 tonnes-raw value)		<u>Exports</u>
	<u>Production</u>	<u>Consumption</u>	
1978	2978.3	785.7	2002.1
1979	2960.8	797.9	2002.9
1980	3415.0	783.5	2410.6
1981*	3508.6	793.0	2982.1

\* subject to minor adjustment

Source: ISO Sugar Year Books and ISO Statistical Bulletins

Note: Australia does not import raw sugar.

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## XIII. WHEAT

- . 1 (a) Delete entire sub-section and insert:



### Guaranteed Minimum Price Arrangements

The current wheat marketing and pricing arrangements commenced operation for the five seasons from 1 October 1979. These arrangements operate within the provisions of the Commonwealth Wheat Marketing Act 1979 and complementary State legislation. The arrangements incorporate a Guaranteed Minimum Price. Shortly after delivery of wheat to the Australian Wheat Board or wheat coming under the Board's control, wheatgrowers receive a delivery payment equal to the Guaranteed Minimum Delivery Price (GMP) less certain costs. The GMP is determined annually by the Minister for Primary Industry, based on the advice of the Board and the Bureau of Agricultural Economics at 95% of the average of the (estimated) net pool returns of three seasons, being the season for which the GMP is determined and the previous two seasons. Movements in the GMP between seasons are subject to a limit of 15%. The GMP is guaranteed by the Commonwealth Government with any deficiency between the actual net pool return and the GMP for that season being met by the Government.

### Australian Wheat Board - Wheat Finance Cost Reimbursements

To finance the payment to growers of the guaranteed minimum delivery price, the AWB borrows moneys from the Rural Credits Department of the Reserve Bank of Australia and/or from commercial institutions. Traditionally, Australian statutory marketing boards have had the facility of Reserve Bank monies. The Commonwealth Government meets additional costs, including additional interest, associated with the commercial borrowings over and above those associated with Reserve Bank loans.

These additional costs are reimbursed to restore AWB borrowing costs to what they would have been had the AWB borrowed all its monies from the Reserve Bank. However in mid 1981 the Government announced, as part of a program to curb Government expenditure, that the additional interest component of these payments was to be reduced by the equivalent of one percentage point.

The cost of the interest reimbursement program to the Government for each financial year (July/June) since its inception has been:

1979/80	\$ 7.7 million
1980/81	\$23.2 million
1981/82	\$38.6 million (estimate as at March 1982)

The extent of government subsidy involved in these arrangements is not known because of the difficulty of determining the AWB's borrowing costs in an unregulated borrowing situation. In certain situations the Government payment to the industry would be a subsidy while in others a penalty could exist on the industry. This will depend on whether the Board could borrow in an unregulated situation monies from sources at rates above or below Reserve Bank rates.

. 1 (b) Delete entire sub-section and insert:

Any Government payment required to support the GMP would be determined when a pool was finalised. It would be a fixed amount per tonne, being the difference between the GMP and the net pool return, and paid to the Australian Wheat Board when the pool was wound up.

. 1 (c) Delete entire sub-section and insert:

The level of Government assistance to the wheat industry in any season depends on the relationship between the GMP and net pool returns from the sale of wheat. The level of subsidy is a function of the quantity of wheat in the season's pool and the determined deficiency per tonne. No Government payments were required for the first two pools covered by the arrangements, ie. 1979/80 and 1980/81. Tentative estimates indicate that there will be no requirement for Government payments for the 1981/82 pool. The GMP for wheat was \$114.71 per tonne in 1979/80, \$131.92 per tonne for 1980/81 and is \$141.55 per tonne for the 1981/82 season.

. 2 (a) Delete entire sub-section and insert:

The GMP arrangements provide growers with an assured and predictable level of immediate return on the delivery of their wheat. Any Government assistance to the industry in the form of a payment under the guarantee will help overcome any adverse short term market fluctuations. However, the arrangements ensure that assistance will be phased out over time as growers' returns adjust to long term market changes. The arrangements were designed so that growers receive signals as to long term trends in the market place while not adjusting to short term fluctuations. Thereby production would be adjusted in a rational and efficient manner. The trade effects of the arrangement cannot be quantified.

- . 2 (b) Add following column to list:

1980/81

10.8  
3.4  
9.8

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#### XIV. PAPER

- . 1 (c) Add to list:

1981/82	1,341	17,716
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- . 2 (a) Delete sub-section and insert:

The bounty provides assistance to local manufacturers against duty free imports.

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#### XV. INJECTION MOULDING EQUIPMENT

- . 1 (c) Add to list:

1980/81	1,717
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- . 1 (d) Delete entire sub-section and insert:

The present rate of bounty is 15 per cent of the value added in Australia and is being reduced in yearly steps of 10 per cent to 5 per cent in the final year of operation.

- . 2 (a) Delete entire sub-section and insert:

The reducing bounty is designed to enable the Australian industry to restructure and improve its cost effectiveness against imports.

- . 2 (b) Add to list:

1980/81	6,186
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#### XVI. POLYESTER-COTTON YARN

- . 1 (a) Change 2nd line to read:

".....terminated on 31 December 1981".

- . 1 (b) Change 1st line to read:  
"Bounty was payable....."
  
- . 1 (c) Amount of bounty paid
  - (1) Add to list:  
1980/81            600
  
  - (2) Add following column to right-hand of sub-section:  
Bountiable Production  
tonnes  
279  
515  
483  
689
  
- . 1 (d) Change 1st line to read:  
"Bounty was payable....."  
Change 3rd line to read:  
".....year was \$A600,000."
  
- . 2 (a) Delete entire sub-section and insert:  

The bounty improved the competitiveness of local  
manufacturers without increasing costs to knitters  
and weavers.
  
- . 2 (b) Statistics
  - (1) Delete following column:  
Bountiable production tonnes
  
  - (2) Add to list:  
1980/81            38,585
  
  - (3) Add following footnote:  
Total production and export statistics are not available.

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#### XVII. COMMERCIAL MOTOR VEHICLES

- . 1 (c) Add to list:  
1980/81            6,333
  
- . 2 (a) Delete entire sub-section and insert:

The bounty provides reasonable assistance to local  
component manufacturers.

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#### XVIII. PENICILLIN

- . 1 (c) Delete entire sub-section and insert:

<u>Year</u>	<u>\$A'000</u>	<u>Bountiable production</u> <u>Kg</u>
1980/81	566.7	14,912

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XIX. REFINED TIN

- . 1. (c) Delete entire sub-section and insert:

<u>Year</u>	<u>\$A'000</u>	<u>Bountiable production</u> <u>tonnes</u>
1980/81	65	1,300

- . 2 (b) Statistics

- (1) Add to list:

1980/81	12,690	20,263	1,436
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- (2) Delete 'Nil' entries under 'Imports' and insert:

<u>\$A'000</u>	<u>tonnes</u>
1959	215
2701	204
572	38
953	78

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XX. DRILLING BITS

- . 1 (a) Delete "..... a date to be fixed by proclamation" and insert: ".....31 December 1982".

- . 1 (c) Delete sub-section and insert:

<u>Year</u>	<u>\$A</u>
1979/80	Nil
1980/81	69,055

- . 1 (d) Delete sub-section and insert:

The rate of bounty is determined by the diameter of the bits and varies between \$A20 to \$A80, subject to local content provisions. The maximum bounty payable to all recipients in any 12 month period is \$A75,000.

- 2 (b) Delete sub-section and insert:

<u>Year</u>	<u>Imports</u> <sup>1</sup>	<u>Bountiable Production-Units</u>
1979/80	5,296	Nil
1980/81	10,278	786

- 1. Imports of bountiable drilling bits are not separately recorded. Import statistics include non-bountiable drilling bits  
Export statistics are not available.

XX1. NON-ADJUSTABLE WRENCHES

- 1 (a) Change date on last line to read:  
".....31 December 1982".

- 1 (c) Delete sub-section and insert:

<u>Year</u>	<u>\$A'000</u>
1980/81	367.2

- 1 (d) Delete sub-section and insert:

The bounty is payable on the production of bountiable wrenches at the rate of 5.5 cents per unit and is limited to a maximum payment of \$310,000 in any 12 month period.

- 2 (b) Delete sub-section and insert:

<u>Year</u>	<u>Imports</u> '000Units	<u>\$A'000</u>	<u>Bountiable</u> <u>Production-'000 units</u>
1980/81	12,892	11,843	3,338

Export statistics are not separately recorded.

NEW SCHEMES

XXII PRINTED FABRICS

- 1. Nature and extent of bounty

- (a) Background and Authority

The Bounty (Printed Fabrics) Act 1981 came into effect on 1 January 1982 and is due to terminate on 31 December 1988.

- (b) Incidence

Bounty is payable upon mechanical printing of certain light-weight textile fabrics that are suitable for making up into garments in Australia and are woven from wool, cotton, silk or man-made fibre yarns.

(c) Amount of bounty paid

No payments have yet been made under this Act.

(d) Rate of bounty

Bounty is payable to the printer at the rate of 70 per cent of value added to the fabric by the printer.

2. Effect of bounty

(a) Effect of bounty

The bounty is intended to accord reasonable protection to local fabric printers without increasing costs to garment manufacturers.

(b) Statistics

Relevant statistics are not yet available.

XXIII. TEXTILE YARNS

1. Nature and extent of bounty

(a) Background and authority

The Bounty (Textile Yarns) Act 1981 came into effect on 1 January 1982 and is due to terminate on 31 December 1988. This Act supercedes the Bounty (Polyester-Cotton Yarn) Act 1978 which terminated on 31 December 1981.

(b) Incidence

Bounty is payable upon production of certain yarns, spun from certain textile fibres, and used to produce, in Australia, certain yarns, other textiles, or products made wholly or partially therefrom.

(c) Amount of bounty paid

No payments have yet been made under this Act.

(d) Rate of bounty

Bounty is payable to persons performing eligible processes in production of bountiable yarns, as percentages of value added. Percentages of value added vary from 59 per cent for continuous polyamide and polyester yarns, down to 33 per cent for a range of yarns including discontinuous coarse acrylic yarns and certain yarns used to produce carpets.

2. Effect of bounty

(a) Effect of bounty

The bounty is intended to accord reasonable protection to yarn spinners without increasing costs to weavers and knitters

(b) Statistics

Relevant statistics are not yet available.