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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

TOBACCO CHARGE AMENDMENT BILL 1982

EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer,
the Hon. John Howard, M.P.)

General outline

The amendment proposed by the Bill will set a maximum charge that may be prescribed by regulation for the purposes of the Tobacco Charge Acts (Nos. 1, 2 and 3) which apply respectively to sales of Australian tobacco leaf to a manufacturer, purchases by manufacturers of Australian tobacco leaf and tobacco grown by a manufacturer and appropriated by him for manufacturing purposes. The maximum rate will be 6 cents per kilogram.

Main feature

The Tobacco Charge Amendment Bill 1982 will (by clause 3) amend the Tobacco Charge (No. 1) Act 1955 to set a maximum on the amount of the charge which may be prescribed under that Act in respect of sales of Australian tobacco leaf to a manufacturer.

The Tobacco Charge (No. 1) Amendment Bill 1982 presently before the Senate proposes to -

- . increase with effect from 1 March 1982 the rate of charge payable under that Act in respect of sales of Australian tobacco leaf to a manufacturer to 2.5 cents per kilogram; and
- . enable the rate of charge to be increased or decreased by regulation.

By reason of complementary amendments proposed to the Tobacco Charge Acts (Nos. 2 and 3) 1955 by the Tobacco Charge (Nos. 2 and 3) Amendment Bills 1982, also presently before the Senate, the charge applicable under those Acts in relation to purchases by manufacturers of Australian tobacco leaf and tobacco grown by a manufacturer and appropriated by him for manufacturing purposes will be the same as that in force from time to time under the Tobacco Charge Act (No. 1).

The amendment proposed by this Bill will not alter the proposed increase in the charge applicable under the Tobacco Charge Acts (Nos. 1, 2 and 3) 1955 to 2.5 cents per kilogram, but will place a limit on the rate of charge which may be set by regulation. That limit will be 6 cents per kilogram.

Clause 1 : Short title etc.

By sub-clause (1) of this clause the amending Act is to be cited as the Tobacco Charge Amendment Act 1982. By sub-clause (2) the Tobacco Charge (No. 1) Act 1955 is, for drafting purposes, to be referred to in the amending Act as "the Principal Act".

Clause 2 : Commencement

By this clause the amending Act will come into operation immediately after the commencement of the Tobacco Charge (No. 1) Amendment Act 1982. This clause will ensure that the amendment to the Principal Act proposed by the Tobacco Charge (No. 1) Amendment Bill 1982 which would have had the effect of enabling any increase in the rate of charge payable under the Tobacco Charge Acts (Nos. 1, 2 and 3) 1955 to be prescribed by regulation will be immediately supplanted by the amendment proposed by this Bill which, as explained earlier, will place a limit on the rate of charge that may be prescribed by regulation.

Clause 3 : Regulations

This clause will amend section 6 of the Principal Act. That section as proposed to be amended by the Tobacco Charge (No. 1) Amendment Bill 1982 would, but for this amendment, enable an increase without limit in the rate of charge applicable under the Principal Act to be prescribed by regulation.

The effect of the amendment proposed by clause 3 will be to place a limit on the rate of charge that may be prescribed by regulation for the purposes of the Tobacco Charge Acts (Nos. 1, 2 and 3). The maximum charge that may be prescribed for these purposes will be 6 cents per kilogram of Australian Tobacco leaf.