

Bounty (Books) Amendment Act 1979

No. 69 of 1979

An Act to amend the *Bounty (Books) Act* 1969.

BE IT ENACTED by the Queen, and the Senate and House of Representatives of the Commonwealth of Australia, as follows:

Short title,
&c.

1. (1) This Act may be cited as the *Bounty (Books) Amendment Act* 1979.¹

(2) The *Bounty (Books) Act* 1969² is in this Act referred to as the Principal Act.

Commence-
ment

2. (1) Subject to sub-section (2), this Act shall come into operation on the day on which it receives the Royal Assent.¹

(2) Section 3, other than paragraphs (c), (d) and (f), and section 4 shall come into operation on 1 January 1980.

Interpret-
ation

3. Section 3 of the Principal Act is amended—

(a) by inserting after the definition of “bounty” in sub-section (1) the following definition:

“ ‘childrens picture book’ means a book intended for children in which pictures provide the principal interest, whether the pictures are complete or are or include pictures intended to be coloured or to have any other thing done to them, or are intended to be made or completed by the joining of dots or otherwise; ”;

(b) by omitting from sub-section (1) the definition of “text book” and substituting the following definition:

“ ‘textbook’ means a book intended for use solely or principally in connexion with education provided at or by a recognized educational institution or recognized institutions, but does not include a book that is, in whole or in substantial part, a collection of examination papers, or copies of examination papers, used in past examinations; ”;

(c) by omitting “31 December 1979” from the definition of “the period to which this Act applies” in sub-section (1) and substituting “31 December 1986”;

(d) by inserting before sub-section (2) the following sub-section:

“(1A) A book shall not, for the purposes of this Act, be deemed not to be an Australian book by reason only that film,

including film of the proposed text of the book, photographed outside Australia is used in the production of the book.”;

- (e) by inserting after sub-section (2) the following sub-sections:

“(2A) For the purposes of this Act, a publication shall not be taken to be in book form unless the pages of the publication are fastened together in covers made of paper, cardboard, cloth or other material by—

- (a) sewing;
- (b) perfect binding;
- (c) saddle or side stapling;
- (d) spiral, cone, ring or post binding; or
- (e) other means approved by the Comptroller-General for the purposes of this sub-section, not being the use of flexible adhesive affixed to one edge of the publication.

“(2B) For the purposes of this Act, other than section 11, art work in relation to a book that is not carried out at registered premises shall not be taken to be a production process in relation to the book.”; and

- (f) by adding at the end thereof the following sub-sections:

“(5) For the purposes of this Act, 2 persons shall be taken to be business associates if—

- (a) one has an interest, whether direct or indirect, in the business or property of the other;
- (b) both have an interest, whether direct or indirect, in the same business or property; or
- (c) another person has an interest, whether direct or indirect, in the business or property of each of them.

“(6) For the purposes of paragraph (5) (c), a person shall not be taken to have an interest in a business or property by reason only that he has a beneficial interest in shares or stock in the capital of a company or other body associated with that business or property if the total nominal value of those shares or that stock, as the case may be, does not exceed one-fifth of the total nominal value of the issued share capital or stock, as the case may be, of the company or other body.

“(7) For the purposes of this Act, the price paid or payable by a person for the production of a book, for a production process or production processes in relation to a book, or for paper or binding materials, shall be taken to be the gross price that he is charged for that production, for that production process or those production processes, or for that paper or those materials, as the case may be, less the amount of any rebate or discount allowable in respect of the price, not being a rebate or discount for cash payment or prompt payment.

“(8) For the purposes of this Act, the production of a book shall be taken to have been completed and the book produced when the binding of the book is completed, notwithstanding that a protective cover for the book has not been produced or has been produced but not put on the book.”.

4. Section 3A of the Principal Act is repealed and the following section substituted:

Bounty not payable in respect of certain books

“3A. (1) Bounty is not payable in respect of—

- (a) a book that is a magazine or other periodical, including a magazine or other periodical issued annually;
- (b) a book that is—
 - (i) produced for advertising purposes by or for a person specified in the book; or
 - (ii) devoted, in whole or in substantial part, to advertising, including advertising relating to tourism;
- (c) a book that is a directory, guide or timetable or similar publication relating, in whole or in substantial part, to Australia or a place or places in Australia;
- (d) a book that is designed for use as a calendar, as an exercise book or as a diary, notebook, receipt book or other book for making entries;
- (e) a book the text of which consists of the words that are to be spoken or sung by an actor or other performer when performing, being a book designed for use solely or principally by performers;
- (f) a book the contents of which consist in whole or in substantial part of specifications or bills of quantity relating to a building or other structure or to plant, equipment or works, including such specifications for commercial or industrial purposes;
- (g) a book the pages of which are, or any page of which is, produced by means of photocopying;
- (h) a book the contents of which consist in whole or in substantial part of tender documents or proposals relating to a building;
- (j) a book the contents of which consist in whole or in substantial part of a town planning report;
- (k) a textbook or childrens picture book that is not casebound and the printed pages of which are fewer in number than 16;
- (l) a book (not being a textbook or childrens picture book) that is not casebound and the printed pages of which are fewer in number than 49;
- (m) a book that is intended to be taken to pieces or is otherwise not intended to be used as a book;

- (n) a book that is not one of 1,000 or more copies of a book produced by a manufacturer or manufacturers in the same production run;
- (p) a book—
 - (i) all or a substantial number of the copies of which are intended to be used by one organization or by associated organizations; and
 - (ii) that has been produced by that organization or by one of those associated organizations, as the case may be; or
- (q) a book—
 - (i) the majority of the leaves of which contain shapes intended to be cut out or otherwise removed; or
 - (ii) any leaf of which forms, or is intended to be used to form, a figure or object that is in 3 dimensions or is on a plane different from that of the leaf.

“(2) Where, in relation to a textbook or childrens picture book that is not casebound and the printed pages of which are not fewer in number than 16, the Minister is of the opinion that the printed material that is essential to the book could, without altering the character of the book, be published in a book the printed pages of which are fewer in number than 16, he may, in writing, direct that, for the purposes of this section, the book is to be treated as a book to which paragraph 1 (k) applies.

“(3) Where, in relation to a book (not being a textbook or childrens picture book) that is not casebound and the printed pages of which are not fewer in number than 49, the Minister is of the opinion that the printed material that is essential to the book could, without altering the character of the book, be published in a book the printed pages of which are fewer in number than 49, he may, in writing, direct that for the purposes of this section, the book is to be treated as a book to which paragraph (1) (l) applies.

“(4) A book shall not be taken to be a book to which paragraph (1) (d) applies by reason only that it contains spaces for answering questions contained in the book.

“(5) For the purposes of paragraph (1) (n), any two copies of a book produced by a manufacturer or manufacturers shall not be taken to have been produced by the manufacturer or manufacturers in the same production run if, at the time the production of one of the copies was completed, the manufacturer or manufacturers had not commenced, or had commenced but not completed, the production of the other copy and did not intend to produce, or complete the production of, that other copy, as the case requires, in any circumstances or except in certain circumstances.

“(6) Without limiting the generality of paragraph (1) (p), copies of a book shall, for the purposes of that paragraph, be taken to be intended to be used by an organization if the copies are intended to be used by a

group or class of persons associated with the organization or by the employees, agents, customers or intended customers of the organization.

“(7) For the purposes of paragraph (1) (p), a book shall be taken to have been produced by an organization if the book is produced, or a production process in relation to the book is carried out, by a manufacturer who—

- (a) has a direct or indirect relationship with that organization (not being the relationship created by the agreement to produce that book or carry out that production process); and
- (b) does not carry out a substantial amount of printing, binding or work related to printing or binding for persons other than that organization and persons who have a direct or indirect relationship with that organization.

“(8) In this section—

‘contents’, in relation to a book, means the matter in the book, and includes any text, picture, map or plan in the book;

‘cover’, in relation to a book, includes a protective cover;

‘leaf’, in relation to a book, includes a cover of the book;

‘organization’ includes a person or an institution or a group of persons engaged in a common activity;

‘page’, in relation to a book, does not include a cover of the book or any page which is not an essential part of the book;

‘printed matter’ includes pictorial material produced by means other than printing;

‘printed page’ means a page that contains printed material.”.

Cost of
manu-
facture

5. Section 4 of the Principal Act is amended—

(a) by omitting sub-sections (1) and (2) and substituting the following sub-sections:

“(1) For the purposes of this Act—

(a) the manufacturing cost component of a book, in relation to a person who is the manufacturer or a manufacturer of the book, shall, subject to sub-sections (2), (2A) and (3), be deemed to be—

- (i) where the person is the sole manufacturer of the book and is not the publisher of the book—the price paid or payable to him by the publisher of the book for the production of the book;
- (ii) where the person is one of 2 or more manufacturers of the book and is not the publisher of the book—the price paid or payable to him by the publisher of the book for the production process or production processes carried out by him in relation to the book;

- (iii) where the person is the sole manufacturer of the book and is also the publisher of the book—the cost to him of producing the book; or
 - (iv) where the person is one of 2 or more manufacturers of the book and is also the publisher of the book—the cost to him of carrying out any production process or production processes in relation to the book; and
- (b) the total manufacturing cost of a book shall be deemed to be—
- (i) where a person is the sole manufacturer of the book—the amount that is the manufacturing cost component of the book in relation to that person; or
 - (ii) where 2 or more persons are manufacturers of the book—the sum of the amounts that are the manufacturing cost components of the book in relation to those persons.

“(2) Where the Minister is of the opinion that there are reasonable grounds for believing that the price paid or payable to the manufacturer or a manufacturer of a book for the production of the book or for any production process or production processes carried out in relation to the book, being the price that, under sub-paragraph (1) (a) (i) or (ii), is, subject to this sub-section and sub-section (2A), the manufacturing cost component of the book in relation to that manufacturer, was fixed with a view to increasing the amount of bounty payable in respect of the book, the Minister may, by instrument in writing, determine that, for the purposes of this Act, that manufacturing cost component is such lower amount as would, in his opinion, have been the amount of the manufacturing cost component if that price had not been fixed with a view to increasing the amount of bounty so payable.

“(2A) Where—

- (a) a person who is the manufacturer or a manufacturer of a book is a business associate of the publisher of the book; and
- (b) the Minister is of the opinion that there are reasonable grounds for believing that the price paid or payable to that person for the production of the book or for any production process or production processes carried out in relation to the book, being the price that, under sub-paragraph (1) (a) (i) or (ii), is, subject to this sub-section and sub-section (2), the manufacturing cost component of the book in relation to that person, is greater than the price that, if the publisher had had the book produced or

that production process or those production processes carried out by a manufacturer who was not a business associate of the publisher, would, in the ordinary course of business, have been charged by that other manufacturer for the production of the book or for that production process or those production processes,

the Minister may, by instrument in writing, determine that, for the purposes of this Act, that manufacturing cost component is such lower amount as would, in his opinion, have been the amount of that component if that price paid or payable had been equal to the price that would have been so charged by the other manufacturer if the publisher had had the book so produced or that process or those processes so carried out.”;

- (b) by omitting from sub-section (3) “production cost component” (wherever occurring) and substituting “manufacturing cost component”;
- (c) by omitting sub-section (4) and substituting the following sub-section:

“(4) Where the Minister makes a determination under sub-section (2), (2A) or (3) in relation to the amount that is the manufacturing cost component of a book in relation to a person, he shall give notice of the determination to that person.”; and
- (d) by inserting in sub-section (5) “, other than the cost to him of any such paper or binding materials purchased by him from the publisher of the book” after “production processes” (second occurring).

6. After section 4 of the Principal Act the following section is inserted:

Publishers
paper costs

“4AA. (1) For the purposes of this Act, the publishers paper costs in relation to a book shall, subject to sub-sections (2) and (3), be deemed to be the price or sum of the prices (if any) paid or payable by the publisher of the book for all paper or binding materials supplied by him free of charge to the manufacturer, a manufacturer or manufacturers of the book for use in the production of the book.

“(2) Where the Minister is of the opinion that there are reasonable grounds for believing that the price paid or payable by the publisher of a book for paper or binding materials supplied by him to the manufacturer, a manufacturer or manufacturers of the book, being the price that, or a price included in the prices the sum of which, under sub-section (1), is, subject to this sub-section and sub-section (3), the publishers paper costs in relation to the book, was fixed with a view to increasing the amount of bounty payable in respect of the book, the Minister may, by instrument in writing determine that, for the purposes of this Act, those publishers paper costs are such lower amount as would, in his opinion, have been the amount of those costs if that price had not been fixed with a view to increasing the amount of bounty so payable.

“(3) Where—

- (a) paper or binding materials supplied free of charge by the publisher of a book to the manufacturer, a manufacturer or manufacturers of the book for use in the production of the book were purchased by the publisher from a person who is a business associate of the publisher; and
- (b) the Minister is of the opinion that there are reasonable grounds for believing that the price paid or payable by the publisher for that paper or those materials, being the price that, or a price included in the prices the sum of which, under sub-section (1), is, subject to this section and sub-section (2), the publishers paper costs in relation to the book, is greater than the price that, if the publisher had purchased that paper or those materials from another person who was not a business associate of the publisher, would, in the ordinary course of business, have been charged by that other person for that paper or those materials,

the Minister may, by instrument in writing, determine that, for the purposes of this Act, the publishers paper costs in relation to that book are such lower amount as would, in his opinion be the amount of those costs if the amount of that price paid or payable had been equal to the price that would have been so charged by that other person if the publisher had purchased that paper or those materials from that other person.

“(4) Where the Minister makes a determination under sub-section (2) or (3) in relation to the amount that is the publishers paper costs in relation to a book, he shall give notice of the determination to the publisher of that book.”.

7. Section 6 of the Principal Act is repealed and the following section substituted:

“6. (1) Subject to sub-section (2), the bounty in respect of a book produced after 31 December 1979 is— Rates of bounty

- (a) in the case of a book produced before 1 January 1983—33⅓% of the total manufacturing cost of the book;
- (b) in the case of a book produced on or after 1 January 1983 and before 1 January 1984—30% of the total manufacturing cost of the book; and
- (c) in the case of a book produced on or after 1 January 1984—25% of the total manufacturing cost of the book.

“(2) Where the publisher of a book produced after 31 December 1979 supplied any paper or binding materials free of charge to the manufacturer or a manufacturer of the book for use in the production of the book, bounty in respect of the book ascertained in accordance with sub-section (1) shall be increased by an amount equal to—

- (a) in the case of a book produced before 1 January 1983—25% of the publishers paper costs in relation to the book;

- (b) in the case of a book produced on or after 1 January 1983 and before 1 January 1984—23% of the publishers paper costs in relation to the book; and
- (c) in the case of a book produced on or after 1 January 1984—20% of the publishers paper costs in relation to the book.”.

To whom
bounty
payable

8. Section 7 of the Principal Act is amended by omitting sub-section (2) and substituting the following sub-sections:

“(2) Where the bounty in respect of a book, not being bounty increased by virtue of sub-section 6 (2), is payable to 2 or more persons who contributed to the production of the book, each of those persons is entitled to so much of the bounty as bears to the amount of the bounty the same proportion as the amount that is the manufacturing cost component of the book in relation to the person bears to the total manufacturing cost of the book.

“(3) Where the bounty in respect of a book has been increased by virtue of sub-section 6 (2)—

- (a) the person who contributed to the production of the book and is the publisher of the book is entitled to so much of the bounty as is equal to the amount of the increase (whether or not he is a manufacturer of the book and also entitled to a share of the balance of the bounty under sub-paragraph (b) (ii)); and
- (b) a person who contributed to the production of the book and is a manufacturer of the book is entitled—
 - (i) where he is the sole manufacturer—to the balance of the bounty; and
 - (ii) where there are 2 or more manufacturers of the book—to so much of the balance of the bounty as bears to the amount of the balance of the bounty the same proportion as the amount that is the manufacturing cost component of the book in relation to the person bears to the total manufacturing cost of the book.”.

Bounty not
payable in
respect of
certain
books

9. Section 8 of the Principal Act is amended by adding at the end thereof the following sub-sections:

“(3) Bounty is not payable in respect of a book that is a prohibited import.

“(4) For the purposes of sub-section (3), a book is a prohibited import if, in the event of its being outside Australia—

- (a) its importation into Australia would be prohibited absolutely by a law of the Commonwealth; or
- (b) its importation into Australia would be prohibited by a law of the Commonwealth unless permission for the purposes of that law were obtained and the Minister is satisfied that unconditional permission to import an unlimited number of copies of the book would not be granted for the purposes of that law.

“(5) The regulations may provide that, for the purposes of the consideration by the Minister of the application of sub-sections (3) and (4) in relation to a book, he may obtain a report in relation to the book from any board or other body established under a law of the Commonwealth for the purpose of giving advice in relation to the importation of books into Australia, and provision may be made by the regulations for the review of a report so furnished.”.

10. Section 11 of the Principal Act is amended by inserting after sub-section (4) the following sub-section: Registration of premises

“(4A) The Minister shall not register premises for the purposes of this Act if the only production process carried out or proposed to be carried out on the premises is art work or the only production processes carried out or proposed to be carried out on the premises are art work and another process that does not involve, or other processes none of which involves, the use of a significant amount of equipment.”.

11. After section 11 of the Principal Act the following section is inserted:

“11A. A person is not entitled to bounty unless he keeps, to the satisfaction of the Minister, accounts, books, documents and other records showing, from time to time, particulars of the production of, and the carrying out of production processes in relation to, Australian books and such other information in relation to Australian books as the Minister requires.”. Accounts

12. After section 19 of the Principal Act the following section is inserted:

“19A. (1) Where the Minister is required by this Act to give notice of a determination to a person, that notice shall be in writing and shall be given by being served on that person either personally or by post. Notices of determinations

“(2) For the purposes of the application of section 29 of the *Acts Interpretation Act* 1901 to the service by post of a notice referred to in sub-section (1), a notice posted as a letter addressed to the person to whom the notice is to be given at the last address of that person known to the Minister shall be deemed to be properly addressed.”.

13. Section 20A of the Principal Act is amended—

(a) by omitting paragraph (a) and substituting the following paragraphs: Applications for review

“(a) a direction by the Minister given under sub-section 3A (2);

“(aa) a direction by the Minister given under sub-section 3A (3);”;

(b) by inserting after paragraph (b) the following paragraph:

“(ba) a determination by the Minister made for the purposes of sub-section 4 (2A);”;

- (c) by inserting after paragraph (c) the following paragraphs:
 - “(ca) a determination by the Minister made for the purposes of sub-section 4AA (2);
 - “(cb) a determination by the Minister made for the purposes of sub-section 4AA (3);”;
- (d) by adding “, not being a refusal by virtue of sub-section 8 (3)” at the end of paragraph (e); and
- (e) by adding “, not being a refusal by virtue of sub-section 11 (4A)” at the end of paragraph (f).

Application **14.** (1) The amendments of the Principal Act made by the provisions of this Act coming into operation on 1 January 1980 apply in relation to a book produced on or after that date.

(2) The amendments of the Principal Act made by sections 5, 6, 7 and 8 of this Act apply in relation to a book produced on or after the day on which this section comes into operation.

Transitional provisions—rate and payment of bounty **15.** The Principal Act as amended by the amendments referred to in sub-section 14 (2) has effect in relation to a book produced on or after the day on which this section comes into operation and before 1 January 1980 as if—

- (a) the following section were substituted for section 6 of that Act as so amended:

“6. The bounty in respect of a book is one-third of the amount equal to the sum of the total manufacturing cost of the book and the publishers paper costs (if any) in relation to the book.”; and

- (b) the following sub-sections were substituted for sub-sections (2) and (3) of section 7 of that Act as so amended:

“(2) Where the bounty in respect of a book is payable to 2 or more persons who contributed to the production of the book, each of those persons is entitled to so much of the bounty as bears to the amount of the bounty the same proportion as the production cost component of the book in relation to the person bears to the amount equal to the sum of the total manufacturing cost of the book and the publishers paper costs (if any) in relation to the book.

“(3) For the purposes of sub-section (2), the production cost component of a book in relation to a person shall be deemed to be—

- (a) in the case of a person who is the manufacturer or a manufacturer of the book but is not the publisher of the book—the manufacturing cost component of the book in relation to the person; or
- (b) in the case of a person who is the publisher of the book—the amount equal to the sum of the manufacturing cost

component (if any) of the book in relation to that person and the publishers paper costs (if any) in relation to the book.”.

16. The Principal Act is amended as set out in the Schedule.

Additional
amendments

SCHEDULE

Section 16

Provision	Amendment
Sub-section 4 (3)	Omit “sub-paragraph (iii) or (iv) of paragraph (a) of sub-section (1)”, substitute “sub-paragraph (1) (a) (iii) or (iv)”.
Paragraph 7 (1) (b)	Omit “two”, substitute “2”.
Sub-section 7 (2)	Omit “two”, substitute “2”.
Section 8	Omit “Australia” (wherever occurring), substitute “the Commonwealth”.
Sub-section 10 (2)	Omit “Australia”, substitute “the Commonwealth”.
Sub-section 11 (8)	Omit “Australia”, substitute “the Commonwealth”.
Sub-section 13 (2)	(a) Omit “the last preceding sub-section”, substitute “sub-section (1)”.
	(b) Omit “One hundred dollars”, substitute “\$100”.
Sub-section 14 (3)	Omit “paragraph (c) of sub-section (1) or paragraph (c) of sub-section (2) of section 17”, substitute “paragraph 17 (1) (c) or paragraph 17 (2) (c)”.
Sub-section 17 (1)	Omit “One hundred dollars”, substitute “\$100”.
Sub-section 17 (2)	(a) Omit “One thousand dollars”, substitute “\$1,000”.
	(b) Omit “twelve”, substitute “12”.
Sub-section 17 (3)	Omit “Australia”, substitute “the Commonwealth”.
Sub-section 18 (2)	Omit “fifteen”, substitute “15”.
Paragraph 20A (b)	Omit “sub-section (2) of section 4”, substitute “sub-section 4 (2)”.
Paragraph 20A (c)	Omit “sub-section (3) of section 4”, substitute “sub-section 4 (3)”.
Paragraph 20A (g)	Omit “sub-section (6) of section 11”, substitute “sub-section 11 (6)”.
Paragraph 20A (h)	Omit “sub-section (7) of section 11”, substitute “sub-section 11 (7)”.
Paragraph 21 (c)	Omit “One hundred dollars”, substitute “\$100”.

NOTES

1. Act No. 69, 1979; assented to 15 June 1979.
2. Act No. 83, 1969, as amended. For previous amendments *see* Act No. 58, 1970; Nos. 40 and 216, 1973; No. 5, 1975; and No. 109, 1978.