

1983

THE PARLIAMENT OF THE COMMONWEALTH

OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BOUNTY (STEEL MILL PRODUCTS) BILL 1983

EXPLANATORY MEMORANDUM

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

OUTLINE

This bill provides bounty assistance on the production in Australia of certain quenched and tempered steel plate, certain pipe and tube and certain cold-rolled steel sheet products.

This bill is one of a number of bills designed to give effect to the Government's decision to provide an assistance program for the Australian steel industry for a period of five years commencing on 1 January 1984.

The bounties are to be paid to the producers based on a percentage of the sales value of prescribed hot-rolled steel strip and plate used as inputs in bountiable production.

The bounties operate on a sliding scale basis providing for maximum assistance to be given at low production levels. The rate of bounty will be progressively reduced as industry usage of the prescribed hot-rolled steel strip and plate used in production of bountiable products increases, until at prescribed usage levels no bounty is payable.

The amount of bounty is to be limited in the first year of the scheme to:

- . \$600,000 for quenched and tempered plate,
- . \$22 million for pipe and tube,
- . \$40 million for cold-rolled sheet.

NOTES ON CLAUSES

- Clause 1 Short title.
- Clause 2 Commencement date to be 1 January 1984.
- Clause 3 Defines a number of words and expressions for the purposes of the legislation and in particular defines:
- "bountiable product" to mean -
- (a) bountiable plate;
- (b) bountiable sheet; or
- (c) bountiable tube;
- "prescribed steps", in relation to the production of a bountiable product, to have the meaning given by clause 5;
- "producer", in relation to a bountiable product, to mean the person who carried out all the prescribed steps in the production of the product.
- Sub-clause (3) sets out, for the purposes of the Act, the circumstances under which a product will and will not be taken to have been produced from a prescribed ingot.
- Sub-clause (4) sets out, for the purposes of the Act, the circumstances under which a product will and will not be taken to have been produced from a product that was produced by the continuous casting of metal melted in a furnace.
- Clause 4 Provides that each year from 1984 to 1988, commencing on 1 January, is to be a bounty period for the purposes of the Act.
- Clause 5 Sets out, for the purposes of the Act, the steps required to be carried out in the production of a bountiable product.
- Clause 6 Sets out, for the purposes of the Act, the method of determining the sales value of feed material (prescribed plate or prescribed strip) used in the production of a bountiable product, upon which the amount of bounty payable is calculated under clause 9.
- Sub-clause (1) provides that the sales value is to be the price charged by the producer for feed material used by another person in the production of a bountiable product.

Sub-clause (2) provides that where there is no price charged or the producer of the feed material uses it himself in the production of a bountiable product, the sales value is the lowest market price charged by any Australian producer, or its factory cost if lower.

Clause 7

Prohibits the exercise of any power under the Act in a manner which would result in bounty not being uniform throughout the Commonwealth.

Clause 8

Provides for bounty to be payable to the producer of a bountiable product if -

- (i) all the prescribed steps in the production of the product were carried out by the producer at registered premises during the bounty period;
- (ii) the producer of the bountiable product intends to sell or otherwise dispose of the product, or use it to produce another product to be sold or disposed of, to another person for use in Australia; and
- (iii) the product is of good and merchantable quality.

Sub-clause (4) provides that bounty becomes payable upon the completion of the last prescribed step in the production of the bountiable product.

Sub-clause (5) lists certain steel products upon which bounty is not payable.

Sub-clause (6) provides that bounty is not payable in respect of any bountiable product produced, in whole or in part, from a bountiable product in respect of which bounty has already been paid or becomes payable under this Act, the Bounty (Steel Products) Act 1983, or the Bounty (High Alloy Steel Products) Act 1983.

Sub-clause (7) provides that bounty is not payable on any bountiable product produced by the Commonwealth, a State (which includes the Northern Territory) or an authority of the Commonwealth or a State (including an educational institution established by the Commonwealth or a State). The bounty is designed to assist non-government enterprises to compete more effectively against import competition.

Clause 9 Provides for the amount of bounty payable in respect of a bountiable product to be an amount equal to the relevant percentage of the sales value (as defined in clause 6) of the prescribed plate and strip used in the production of the bountiable product.

The relevant percentage is ascertained in accordance with the Schedules to the Act, having regard to the notional annual industry hot-rolled feed usage tonnage applicable to the bountiable product, for the quarter during which the last prescribed step (set out in clause 5) was completed.

Sub-clause (3) defines for the purposes of the Act, the notional annual industry hot-rolled feed usage tonnage applicable to a bountiable product for a quarter.

Sub-clauses (4), (5) and (6) provide that bounty is not payable if the notional annual industry hot-rolled feed usage tonnage for the relevant quarter is greater than the maximum tonnage set out in those sub-clauses.

Sub-clause (7) provides that the regulations may prescribe a factor by which the numbers specified in columns 1 or 2 of the Schedules are to be multiplied for the purposes of calculating the amount of bounty payable.

Clause 10

Limits the amount available for payment of bounty to:

- (a) \$600,000 in respect of bountiable plate;
- (b) \$40,000,000 in respect of bountiable sheet; and
- (c) \$22,000,000 in respect of bountiable tube.

Sub-clause (2) provides that the regulations may prescribe a factor to further increase or decrease these amounts from time to time. Provision is also made in this clause 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 11

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 12

Provides that the producer of bountiable products may lodge a claim for bounty on an approved form with a Collector or the Comptroller-General within 4 months after the end of the quarter in which the last prescribed step in the production of the bountiable products were completed.

Sub-clause (3) imposes a duty on the Comptroller-General to pay bounty if he is satisfied that the bounty is payable, or, if he is not so satisfied, he is to refuse to approve payment.

Clause 13

Contains provisions that are 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 producers who were not engaged in the production of bountiable products on 11 August 1983, unless in the opinion of the Minister, the registration of those premises would promote the orderly development in Australia of the industry manufacturing bountiable products.

This ensures that those producers engaged in the production of bountiable products at the time of the Government's announcement of the introduction of the bounty scheme are entitled to the bounty assistance proposed by this bill.

Sub-clause (7) provides that premises may be registered in respect of a class of bountiable products.

Sub-clauses (10) and (11) provide for the Minister to cancel registration on any of the grounds stated in those sub-clauses.

Clause 14

Provides that eligibility for bounty is conditional upon the maintenance of appropriate commercial records by the person to whom bounty is payable.

- Clause 15 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 16 Provides that within 28 days after the end of each month, a producer of bountiable products is to lodge a return with a Collector or the Comptroller-General with respect to the bountiable products produced by him, the bountiable products that he proposes to produce, and his usage of prescribed plate and strip.
- Clause 17 Empowers the Minister to appoint authorized officers upon whom certain administrative functions are to be conferred.
- Clause 18 Empowers an authorized officer to enter premises, inspect or take stock of any bountiable products, inspect any process in the production of any bountiable products and inspect and take copies of accounts, books, documents and other records involving such bountiable products.
- 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 19 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 products 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 prepared by another person and 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 20 Empowers a Collector or an authorized officer, to examine on oath or affirmation, persons attending before him.

- Clause 21 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; and
 - (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 22 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 23 Provides powers of delegation.
- Clause 24 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 25 Requires persons whose interests are affected by an administrative decision of a kind referred to in clause 24, to be notified that those decisions may be reviewed by the Administrative Appeals Tribunal.
- Clause 26 Standard appropriation provision.
- Clause 27 Regulation making power.
- Schedule 1 As referred to in paragraph 9(2)(a) in relation to bountiable plate.
- Schedule 2 As referred to in paragraph 9(2)(b) in relation to bountiable sheet.
- Schedule 3 As referred to in paragraph 9(2)(c) in relation to bountiable tube.