

ARTHUR ROBINSON & CO.

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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BOUNTY (STEEL PRODUCTS) BILL 1983

EXPLANATORY MEMORANDUM

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

BOUNTY (STEEL PRODUCTS) BILL 1983

OUTLINE :

The purpose of this Bill is to provide temporary assistance by way of a bounty scheme on the production in Australia of certain high alloy steel products.

The scheme provides for a bounty to be payable at the rate of 5 per cent of the price paid or payable for bountiable products produced and sold for use in Australia, to a maximum of \$3 million.

The scheme is to commence on 1 January 1983 and cease on 31 December 1983 or such earlier date as notified by the Minister by notice published in the Gazette. The Government will review the bounty in the context of its decision on the Industries Assistance Commission report on the Iron and Steel Industry.

The bounty is intended to provide short term assistance to the industry which is experiencing severe import competition.

The Bill reflects acceptance by both this government and the previous government of the recommendations by the Temporary Assistance Authority (contained in its report entitled "Certain High Alloy Steel Products" No 57 of 23 December 1982) that assistance to the production in Australia of certain high alloy steel products should be accorded by way of a bounty scheme.

Bounty will be payable to eligible producers if:

- (i) all the prescribed steps in the production of the product were carried out at registered premises during the bounty period,
- (ii) the product was sold for use in Australia during the bounty period; and
- (iii) the product is of good and merchantable quality.

In addition to the provisions peculiar to the bounty on certain high alloy steel products, 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 (STEEL PRODUCTS) BILL 1983

- Clause 1 Short title.
- Clause 2 Commencement date to be 1 January 1983.
- Clause 3 Defines a number of words and expressions for the purposes of the legislation and in particular defines:
- "bountiable product" to mean -
- (a) a bountiable stainless steel bar;
 - (b) a bountiable stainless steel plate;
 - (c) a bountiable stainless steel sheet;
 - (d) a bountiable steel bar;
 - (e) a bountiable steel billet;
 - (f) a bountiable steel piece; or
 - (g) a bountiable steel slab;
- "bounty period" to mean the period commencing on 1 January 1983 and ending on 31 December 1983 or on such earlier date as the Minister, by notice published in the Gazette before that last-mentioned date, fixes as the date after which bounty is not to become payable under this Act;
- "prescribed steps", in relation to the production of a bountiable product, to have the meaning given by clause 4;
- "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 (2) ensures that where an intermediate product produced from an ingot is used to produce a final bountiable product the latter shall be regarded as being produced from that ingot for the purposes of clause 4.
- Clause 4 Provides details of the minimum prescribed steps required to be carried out in the production of a bountiable product.
- 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 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 product was sold for use in Australia during the bounty period; and
- (iii) the product is of good and merchantable quality.

Sub-clause (4) provides for bounty to be payable on a bountiable product that was in stock on 1 January 1983.

Sub-clause (6) 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 7

Provides for the amount of bounty payable in respect of a bountiable product to be an amount equal to 5% of -

- (a) the price paid or payable for the product; or
- (b) an amount as determined by the Comptroller-General

Includes provisions which sets out the criteria under which such determinations are made.

Sub-clause (4) specifies that the cost of certain processes carried out in addition to the prescribed steps set out in clause 4 may be included in the price paid or payable in determining the amount of bounty.

Sub-clause (6) defines the term "business associates" for the purposes of the Act.

Clause 8

Limits the amount available for payment of bounty to \$3,000,000 and provides for payments to be made on a proportionate basis where the amount of valid claims in a period exceeds the amount of duty 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 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 7 February 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.
- 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 producer 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 product, inspect any process in the production of any bountiable product, 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 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 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 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 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, to take an oath or make an affirmation, to answer questions or produce documents 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 and not disclosing 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 affected by an administrative decision of a kind referred to in clause 21, to be notified of the rights of review of those decisions for the Administrative Appeals Tribunal.
- Clause 23 Is a standard appropriation provision.
- Clause 24 Provides that the penal provisions of the Act do not operate prior to the day on which this Act receives the Royal Assent.
- Clause 25 Is a standard regulation making power.