Date Introduced: 30 November 1983
House: House of Representatives
Presented by: Hon. M.J. Duffy, M.P., Minister for Communications and Acting Minister Assisting the Minister for Industry and Commerce

Short Digest of Bill

Purpose

To establish a Steel Industry Authority which will monitor the progress of the Steel Industry Plan and advise the Government on assistance to the steel industry.

Background

The Industries Assistance Commission, in its report on the iron and steel industry[1], recommended that no additional long term assistance should be provided to the steel industry on the grounds that the industry's difficulties were largely due to the depressed state of economic activity. The Government, however, considered this recommendation would lead to a rundown in the industry's activities.

On 11 August 1983, the Government announced details of the Steel Industry Plan to assist the steel industry to regain international competitiveness and provide job security for the workforce. The Plan, which will commence on 1 January 1984, will operate for five years, subject to review after four years[2].

The Plan involves contributions from parties associated with the steel industry, namely the Commonwealth Government, the industry and the unions. The State Governments of N.S.W. and S.A. have also been asked to contribute to the Plan.

The Commonwealth Government's contribution will be in the form of bounty assistance, an import watch system, a "fast track" anti-dumping mechanism, quotas on imports from developing countries and a Steel Industry Authority to monitor the progress of the Plan and to advise the Government on the need for additional assistance.
The "bounty package" will comprise sliding scale bounties on the following products produced and sold in the domestic market:

- high alloy bar products and stainless steel flat products;
- hot rolled strip for use in the production of certain cold rolled strip and sheet;
- hot rolled strip and plate, other than high alloy, for use in the production of pipes and tubes; and
- hot rolled plate for use in the production of certain quenched and tempered steel.

The bounty payments will have an annual ceiling of $71.6 million which will be adjusted annually in accordance with movements in domestic steel prices[3].

BHP has undertaken to continue operation of the three integrated steel plants (Newcastle, Port Kembla, and Whyalla), job security (provided the Plan is successful), and an investment plan program of up to $800 million over a four year period.

The unions' major contributions will be in the areas of wages, productivity and dispute settlement procedures.

Outline

This Bill is one of a package of three Bills relating to the Government's assistance to the steel industry. The Bill sets out the constitution, functions, terms of reference and powers of the Steel Industry Authority.

The Authority will be an independent body and will deal with such matters as the level of steel industry investment, local production, imports, employment levels, productivity changes, wage settlements, steel prices, standards of product quality and customer service, levels of State Government taxes and charges, assistance provided and to be provided to the steel industry, and any other matters which may be referred to it by the Minister.

Main Provisions

By clause 2, the Steel Industry Plan will come into
operation on 1 January 1984 which is also the commencement date of the Act.

The Industries Assistance Commission Act 1973, with the exception of sub-section 23(3), will not be affected by the new legislation (clause 3). The Minister will be able to act solely on a report by the Authority without first referring the matter to the IAC as required by sub-section 23(3). The Minister is not, however, precluded from referring matters to either the IAC or the Temporary Assistance Authority.

Clause 5 allows for the establishment of a Steel Industry Authority which is to provide advice to the Commonwealth on assistance to the steel industry (clause 6).

Clause 7 provides that the functions of the Authority are to monitor and analyse steel industry matters and, where appropriate, to conduct inquiries, report to the Minister and make recommendations to the Minister on these matters. Sub-clause 7(2) defines "steel industry matters".

Clause 8 provides for a review of assistance measures whenever the Australian steel industry's share of the Australian market in any of the designated product categories falls below 80 per cent or rises above 90 per cent over any three month period. This review is also applicable when there is a rapid increase in the volume of imports of steel products not covered by a designated product category and the volume appears unlikely to fall by a corresponding amount within a reasonable period. In these circumstances, the Authority is to report and make recommendations to the Minister on the need for changes in assistance or any other appropriate action. By sub-clause 8(2), the Minister may, by notice published in the Gazette, designate a category of steel products to be a product category.

In addition to the powers conferred on it by this Act, the Authority may inform itself in such a manner as it thinks fit and has the power to do all things which are necessary or convenient to be done in connection with the performance of its functions (clause 9).

Part III outlines the Constitution and Meetings of the Authority. By clauses 10 and 11, the Authority is to consist of 3 part-time members appointed by the Governor-General for a period not greater than two years. Members are eligible for reappointment. The Governor-General shall appoint a member to be Chairman of the Authority (clause 12). Clause 13 provides for the payment
of remuneration and allowances to the Chairman and other members.

Meetings of the Authority will be convened by the Chairman as he considers necessary for the efficient performance of its functions (clause 20).

Part IV relates to the conduct of inquiries. By clause 21, inquiries by the Authority are to be conducted in public. However, the inquiries may be conducted wholly or partially in private if the Authority is of the opinion that it is necessary or is desirable to do so in the public interest. It will be an offence to fail to appear at an inquiry when summoned (clause 23) or for contempt of the Authority (clause 27).

By clause 31, the Authority is to provide the Minister with an annual report not later than 30 September each year, as well as quarterly reports. The Minister is to present the Authority's annual report to Parliament within 15 sitting days of his receipt of the report.

The Act is to cease to have effect on 31 December 1988, when the Steel Industry Plan ceases operation (clause 35).

For further information, if required, contact:

8 December 1983

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References


3. Refer to digests for the Bounty (Steel Mill Products) Bill 1983 and the Bounty (High Alloy Steel Products) Bill 1983.