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BOUNTY (STEEL MILL PRODUCTS) BILL 1983

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 provide bounty assistance to the production of certain quenched and tempered steel plate, certain pipe and tube, and certain cold-rolled steel sheet products.

Background

This Bill forms part of the bounty package to be provided under the Steel Industry Plan. For further details, refer to the digest for the Steel Industry Authority Bill 1983.

Main Provisions

For a technical explanation of the provisions of the Bill, refer to the Explanatory Memorandum.

The bounty scheme will commence on 1 January 1984 and will operate for a period of five years (clause 4). Further assistance will depend on the outcome of a review in the fourth year of the Plan. "Bountiable product" is defined to mean bountiable plate, bountiable sheet or bountiable tube (clause 3). Clause 5 sets out the steps required to be carried out in the production of a bountiable product. By clause 6, the sales value of prescribed plate or prescribed strip (feed material) used in the production of a bountiable product is defined as the price charged by the producer of the feed material. In those circumstances where no price is charged or the producer of the feed material uses it himself in the production of a bountiable product, the sales value will be the lowest market price charged by any Australian producer, or its factory cost, if lower.
Under clause 9, the bounty payable in respect of a bountiable product is an amount equal to the relevant percentage of the sales value 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 Bill, 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 was completed.

Bounty assistance will be provided on a sliding scale. The maximum bounty rate of 20 per cent will be paid where the notional annual industry hot-rolled feed usage tonnage applicable to bountiable plate for the quarter is 5,000 tonnes or less and ceases when it is over 8,800 tonnes. The relevant figures for bountiable sheet and bountiable tube are a maximum bounty of 17 per cent at 700,000 tonnes or less with no bounty when production is greater than 900,000 tonnes, and a maximum bounty of 17 per cent at 350,000 tonnes or less with no bounty when production is greater than 500,000 tonnes, respectively.

Clause 10 provides for the amounts available annually for payment of bounty as:

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

These amounts may be adjusted by regulation.

By clause 12 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 was completed.

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.

By clause 22, the Comptroller-General is to furnish a return to the Minister, as soon as practicable, after the
end of each financial year in which bounty is paid. The Minister is required to table a copy of the return within 15 sitting days of receipt of the return.

For further information, if required, contact:

14 December 1983
Economics and Commerce Group
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