BOUNTY (REFINED TIN) BILL 1980

Date Introduced: 6 March 1980
House: House of Representatives
Presented by: Hon. R.V. Garland, Minister for Business and Consumer Affairs

Purpose

To grant assistance by way of a bounty to Australian smelters of refined tin using Australian tin concentrate.

Background

The Industries Assistance Commission report "Tin Ores and Concentrates", No. 223, 13 August 1979 recommended that export control (other than as required by Australia's obligations under the International Tin Agreement) no longer apply; that in the event of removal of export control, smelting and refining of tin be assisted by a bounty of $50.00 per tonne on refined tin produced, for a period of three years; and that tin ores and concentrates and unwrought tin, tin waste and scrap be made free of duty.

The IAC considered that if export controls on tin ores and concentrates were to continue, the rewards from tin mining would be reduced below what they would otherwise be and could reduce the quantity of tin mined.

Tin smelting was expected to benefit from export control. The Commission considered that the removal of control could disadvantage existing smelters but its removal could mean that smelters more suited to the changed production conditions may commence operations.

To remove the export control would therefore reduce assistance to tin smelting and lead to an expansion of tin mining. As the industry is currently undertaking major investment in new plant and equipment with the knowledge that any new plant would be fully utilised because of the existence of export controls, removal of this security may put the investment at risk. For these reasons the Commission recommended the bounty. However because the Government is concerned about the effect of immediate removal of the export controls on the supply of tin concentrate, export controls are being phased out and the
bounty phased in over three years.

The tin smelting industry receives relatively low assistance, and the removal of the export control and introduction of the bounty provides equivalent assistance to tin smelting as enjoyed by other mineral smelting activities.

Main Provisions

The bounty scheme is to commence from 1 January 1980, the date the Act is deemed to have come into operation, (clause 2) and end on 31 December 1982 (clause 3 defines "period to which this Act applies").

Clause 6 provides that bounty is payable on the production in Australia of "bountiable refined tin" (defined in clause 3) to the smelter of the tin. The production must be carried out at registered premises (clause 12) and the bountiable refined tin must have been produced from "Australian tin concentrate" (defined in clause 3. See also the definition of "prescribed tin concentrate" in clause 4).

The bounty will be phased in. In 1980 and 1981 the bounty will be paid in respect of refined tin produced from Australian tin concentrate that is in excess of 75% in 1980 and 50% in 1981 of the miner's deliveries to the smelters in the base period 1978-79. If miners who were supplying concentrate for supply to the smelter during the base period do not supply in excess of 75% of that level in 1980 and 50% in 1981 no bounty will be payable. In 1982 bounty will be payable in respect of refined tin produced from all Australian concentrate delivered to the smelters in that year (clause 6).

Clause 8 specifies the rate of bounty at $50 per tonne of the weight of the refined tin.