

Legislative Council—No 135

As introduced and read a first time, 22 June 2016

South Australia

Steel Industry Protection Bill 2016

A BILL FOR

An Act to provide for the use of Australian steel in designated public works constructed by or on behalf of a public authority.

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The Parliament of South Australia enacts as follows:

Part 1—Preliminary

1—Short title

This Act may be cited as the *Steel Industry Protection Act 2016*.

5 2—Commencement

This Act will come into operation 3 months after the day on which it is assented to by the Governor.

3—Interpretation

In this Act—

10 *Australian steel* means steel manufactured in a blast furnace or an electric arc furnace that is located in Australia;

construct includes—

- 15 (a) repair, improve or make other physical changes to any building, structure or land; and
- (b) acquire and install fixtures, plant or equipment as part of, or in conjunction with, the construction of works;

designated public works means any works that—

- 20 (a) involve the use of more than 2 tonnes of steel; and
- (b) are to be constructed by or on behalf of a public authority; and
- (c) are to be paid for, in part or in full, by a public authority;

designated public works contract means a contract under which a person agrees to construct designated public works with, or on behalf of, a public authority;

excluded steel means—

- (a) a steel product not made in Australia that would cost an unreasonable amount if it were required to be made from Australian steel exported to the country of manufacture of the product; or
- 5 (b) a product made in Australia that is required to be made from steel of a particular kind that is not manufactured in Australia that could not be manufactured in Australia for a reasonable cost; or
- (c) steel not manufactured in Australia if the unit price for that steel (if it were manufactured in Australia) would be higher than the global steel price by—
 - 10 (i) 20 per cent; or
 - (ii) such higher percentage as prescribed by the regulations;

global steel price means—

- (a) the price for steel specified by MEPS International Ltd; or
- 15 (b) another price for steel specified by a global steel price indicator prescribed by the regulations;

public authority means—

- (a) a Minister, or an agency or instrumentality of the Crown; or
- (b) a council or council subsidiary within the meaning of the *Local Government Act 1999*; or
- 20 (c) a person or body prescribed by the regulations for the purposes of this definition;

reasonable cost means a cost price of steel that does not exceed 20 per cent of the base cost of the steel if manufactured in Australia;

works means any building, structure or infrastructure, or improvements or other
25 physical changes to any building, structure, infrastructure or land.

Part 2—Use of steel for designated public works

4—Public authority to use Australian steel for designated public works

A public authority must not construct designated public works unless steel (other than excluded steel) used in the construction of the works is Australian steel.

5—Requirements for designated public works contract

- (1) A public authority must not enter into a designated public works contract unless the contract contains the following:
 - 35 (a) a provision that requires steel (other than excluded steel) to be used in the construction of the works under the contract to be Australian steel (the *steel requirement provision*);
 - (b) a provision that imposes a prescribed penalty on a party to the contract who fails to comply with the steel requirement provision;

(c) a provision requiring a party to the contract who undertakes to construct designated public works on behalf of a public authority to provide a cumulative steel usage report to the public authority before the public authority makes a progress payment or final payment under the contract;

5 (d) a provision that enables the public authority to arrange for an independent audit of any cumulative steel usage report provided to the authority by a party to the contract.

(2) In this section—

cumulative steel usage report—see section 6;

10 *prescribed amount* means an amount of not less than \$1 000 prescribed by the regulations for the purposes of this section;

15 *prescribed penalty* means a monetary penalty calculated, for the purposes of this section, as an amount equal to the total quantity of steel used under the designated public works contract that fails to comply with the steel requirement provision multiplied by the prescribed amount.

6—Cumulative steel usage report

(1) A party to a designated public works contract who undertakes to construct designated public works with, or on behalf of, a public authority must, before a public authority makes a progress payment or final payment to a party under the contract, provide a report (a *cumulative steel usage report*) to the public authority.

(2) A cumulative steel usage report must include the following information:

- 20 (a) the quantity of any steel used under the contract;
- (b) the country of origin of any steel used under the contract;
- (c) evidence of the matters referred to in paragraphs (a) and (b);
- 25 (d) other information prescribed by the regulations.

7—Reporting obligations of public authorities

(1) A public authority must, within 6 months after 30 June in each year, prepare and submit to the Minister a report on any designated public works undertaken by, or on behalf of, the authority during the preceding financial year.

30 (2) A report under this section must include the following information:

- (a) the percentage of Australian steel used in the construction of designated public works undertaken by or on behalf of the public authority;
- (b) the percentage of steel that is not Australian steel used in the construction of designated public works undertaken by or on behalf of the public authority;
- 35 (c) the estimated additional cost of steel incurred by the public authority as a result of complying with this Act.

(3) The Minister must, within 12 sitting days after receiving a report under this section, have copies of the report laid before both Houses of Parliament.

Part 3—Miscellaneous

8—Review of operation of Act

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- (1) The Minister must, as soon as practicable after the fifth anniversary of the commencement of this Act, conduct a review of the operation and effectiveness of this Act.
 - (2) The Minister must prepare a report based on the review and must, within 12 sitting days after the report is prepared, cause copies of the report to be laid before each House of Parliament.

9—Regulations

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- The Governor may make such regulations as are contemplated by, or necessary or expedient for the purposes of this Act.