

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Supplementary Budget Estimates Hearing 2013-14
21 November 2013

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: Steel Transformation Plan Act 2011

REFERENCE: Written Question - Senator Carr

QUESTION No.: SI-116

1. Has the department assessed how the removal of the Steel Transformation Plan will impact the beneficiaries of this program? If so, what are the results of that assessment?
2. To the Department's knowledge, have beneficiaries already factored remaining available funding under this program into their financials? If so, what is the impact of dismantling this program?

ANSWER

1. After the repeal of the *Steel Transformation Plan Act 2011* (STP Act) and associated legislative instrument, eligible corporations, Arrium Limited (Arrium) and BlueScope Steel Limited (BlueScope), will not receive any further STP payments. Eligible corporations will no longer be subject to the conditions under Part 2 of the STP Act, and conditions under Part 3 of the STP Act and the Steel Transformation Plan will not apply after the repeal.
2. Both eligible corporations, BlueScope and Arrium, have included STP funding into their financials as reflected in their 2013 financial results.

The Department has assessed that there would be minimal impact on the beneficiaries of the STP as steel manufacturers will no longer face a cost burden associated with the production of greenhouse gas emissions once the carbon tax is repealed. The repeal of the STP Act is at Schedule 4 of the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013.