

1996-97

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

VOTES AND PROCEEDINGS

No. 89

THURSDAY, 29 MAY 1997

1 The House met, at 9.30 a.m., pursuant to adjournment. The Speaker (the Honourable Bob Halverson) took the Chair, and read Prayers.

2 INTERNATIONAL MONETARY AGREEMENTS AMENDMENT BILL 1997

Mrs Moylan (Minister for Family Services), for Mr Miles (Parliamentary Secretary (Cabinet) to the Prime Minister), pursuant to notice, presented a Bill for an Act to amend the *International Monetary Agreements Act 1947*.

Bill read a first time.

Mrs Moylan moved—That the Bill be now read a second time.

Paper

Mrs Moylan presented an explanatory memorandum to the Bill.

Debate adjourned (Mr Crean), and the resumption of the debate made an order of the day for the next sitting.

3 TAXATION LAWS AMENDMENT (INFRASTRUCTURE BORROWINGS) BILL 1997

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Debate adjourned (Dr Theophanous), and the resumption of the debate made an order of the day for a later hour this day.

4 MESSAGE FROM THE SENATE

Message No. 235, dated 29 May 1997, from the Senate was reported acquainting the House that Senator Bolkus had been discharged from attendance on the Joint Standing Committee on Foreign Affairs, Defence and Trade and Senator Reynolds had been appointed a member of the committee.

5 MESSAGE FROM THE SENATE—NATURAL HERITAGE TRUST OF AUSTRALIA BILL 1996

The following message from the Senate was reported:

Message No. 234

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to establish the Natural Heritage Trust of Australia Reserve, and for related purposes**, and acquaints the House that the Senate has agreed to the bill as amended by the House at the request of the Senate, with the amendments indicated by the annexed schedule.

The Senate requests the concurrence of the House in the amendments made by the Senate.

MARGARET REID

President

The Senate

29 May 1997

Ordered—That the amendments be considered forthwith.

SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE

- (1) Preamble, page 1 (line 6), omit “decline in Australia’s natural environment”, substitute “current decline, and to prevent further decline, in the quality of Australia’s natural environment”.
- (2) Preamble, page 2 (after line 2), after “resources.”, insert:

There is a need for the Commonwealth to provide national leadership and work in partnership with all levels of government and the whole community, recognising, among other things, that many environmental issues and problems are not limited by State and Territory borders.
- (3) Preamble, page 2 (line 4), omit “and sustainable development”, substitute “, sustainable agriculture and natural resources management consistent with the principles of ecologically sustainable development”.
- (4) Preamble, page 2 (lines 5 to 7), omit the paragraph.
- (5) Preamble, page 2 (after line 9), after “matters.”, insert:

The Commonwealth Government should work cooperatively with State governments to achieve effective outcomes in matters relating to environmental protection, natural resources management and sustainable agriculture. Those cooperative working relationships should involve entering into inter-governmental agreements which reflect the support of the States for the purposes of the Natural Heritage Trust of Australia Reserve and promote the development of complementary policies and programs.
- (6) Preamble, page 2 (lines 10 to 12), omit the paragraph, substitute:

Australia’s rural community should have a key role in the ecologically sustainable management of Australia’s natural resources.

- (7) Preamble, page 2 (lines 13 and 14), omit “Australia’s natural environment is central to Australia’s well-being and to Australia’s future economic prosperity.”, substitute “Australia’s natural environment is central to Australia’s and Australians’ health and non-material well-being and to Australia’s present and future economic prosperity.”.
- (8) Clause 3, page 3 (line 10), after “to”, insert “conserve,”.
- (9) Clause 3, page 3 (after line 13), at the end of the outline, add:

- The Natural Heritage Trust Advisory Committee is established.

- (10) Clause 9, page 6 (line 25), after “Telstra”, insert “**and interest earned from the Trust**”.
- (11) Clause 9, page 7 (lines 7 to 10), omit the note, substitute:
- (2) Money in the Reserve that represents interest earned by the Trust may be debited for any purpose of the Reserve.
- (12) Clause 12, page 8 (line 1), after “indirect”, insert “causes and”.
- (13) Clause 12, page 8 (line 2), omit “on Australia’s economy and”.
- (14) Clause 12, page 8 (line 3), at the end of paragraph (a), add “and to estimate the effects of land and water degradation on Australia’s economy”.
- (15) Clause 14, page 8 (lines 17 and 18), omit paragraph (c), substitute:
- (c) to ameliorate threats to Australia’s marine biodiversity;
- (16) Clause 19, page 10 (lines 25 to 28), omit subclause (3), substitute:
- (3) An agreement under subsection (2) may be entered into:
- (a) by either of the following Ministers on behalf of the Commonwealth:
- (i) the Minister;
- (ii) the Minister for Primary Industries and Energy; or
- (b) jointly by both of the following Ministers on behalf of the Commonwealth:
- (i) the Minister;
- (ii) the Minister for Primary Industries and Energy.
- (17) Clause 19, page 10 (after line 28), after subclause (3), insert:
- (3A) An agreement under subsection (2) may establish a framework under which the Commonwealth and the State are to work cooperatively to achieve both common and complementary outcomes in relation to:
- (a) environmental protection; and
- (b) natural resources management; and
- (c) sustainable agriculture.

- (3B) Subsection (3A) does not limit subsection (2).
- (18) Clause 20, page 11 (lines 12 to 15), omit subclause (3), substitute:
- (3) An agreement under subsection (2) may be entered into:
- (a) by either of the following Ministers on behalf of the Commonwealth:
 - (i) the Minister;
 - (ii) the Minister for Primary Industries and Energy; or
 - (b) jointly by both of the following Ministers on behalf of the Commonwealth:
 - (i) the Minister;
 - (ii) the Minister for Primary Industries and Energy.
- (19) Page 15 (after line 9), after Part 4, insert:

Part 4A—Natural Heritage Trust Advisory Committee

29A Establishment of Committee

- (1) There is to be a Natural Heritage Trust Advisory Committee, which is to consist of the following members:
- (a) a Chairman;
 - (b) not more than 9, but not fewer than 5, other members.
- (2) Among the persons appointed as Committee members, there are to be at least 5 persons who appear to the Natural Heritage Ministerial Board to have knowledge of, or experience in, one or more of the following fields:
- (a) biodiversity conservation;
 - (b) land and/or water management;
 - (c) native vegetation sciences;
 - (d) river and/or wetland ecology;
 - (e) coastal and/or marine systems.

29B Functions of Committee

The functions of the Committee are as follows:

- (a) to advise the Natural Heritage Ministerial Board about the integration of the objectives of environmental protection, natural resources management and sustainable agriculture;
- (b) to advise the Natural Heritage Ministerial Board about the effectiveness of agreements entered into under subsection 19(2) in achieving integrated outcomes for the operations of the Reserve;
- (c) when requested by the Natural Heritage Ministerial Board to do so—to advise the Natural Heritage Ministerial Board about other matters.

29C Appointment of Committee members

- (1) The Committee members are to be appointed by the Natural Heritage Ministerial Board by written instrument.
- (2) A Committee member is to be appointed for the period specified in the instrument of appointment. The period must not exceed 3 years.
- (3) A Committee member holds office on a part-time basis.
- (4) The performance of the functions of the Committee is not affected only because of there being a vacancy or vacancies in the membership of the Committee.

29D Procedures

The Natural Heritage Ministerial Board may give the Committee written directions as to:

- (a) the way in which the Committee is to carry out its functions; and
- (b) procedures to be followed in relation to meetings.

29E Disclosure of interests

- (1) A Committee member who has a material personal interest in a matter being considered by the Committee must, as soon as possible after the relevant facts have come to his or her knowledge, disclose the nature of the interest at a meeting of the Committee.
- (2) A disclosure must be recorded in the minutes of the meeting and the Committee member must not, unless the Natural Heritage Ministerial Board otherwise determines:
 - (a) be present during any deliberation by the Committee about that matter; or
 - (b) take part in any decision of the Committee relating to that matter.

29F Remuneration and allowances

- (1) A Committee member is to be paid such remuneration as is determined by the Remuneration Tribunal.
- (2) If no determination of that remuneration is in operation, a Committee member is to be paid such remuneration as is prescribed.
- (3) A Committee member is to be paid such allowances as are prescribed.
- (4) This section has effect subject to the *Remuneration Tribunal Act 1973*.

29G Leave of absence

The Natural Heritage Ministerial Board or the Chairman may grant leave to a Committee member to be absent from a meeting or meetings of the Committee.

29H Resignation

A Committee member may resign by writing signed by the Committee member and sent to the Natural Heritage Ministerial Board.

29J Termination of appointment

- (1) The Natural Heritage Ministerial Board may terminate the appointment of a Committee member if the Natural Heritage Ministerial Board is of the opinion that the performance of the Committee member has been unsatisfactory for a significant period of time.
- (2) The Natural Heritage Ministerial Board may terminate the appointment of all of the Committee members if the Natural Heritage Ministerial Board is of the opinion that the performance of the Committee has been unsatisfactory for a significant period of time.
- (3) The Natural Heritage Ministerial Board may terminate the appointment of a Committee member because of misbehaviour or physical or mental incapacity.
- (4) If:
 - (a) a Committee member becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with creditors or makes an assignment of remuneration for their benefit; or
 - (b) a Committee member is absent, except on leave of absence, from 3 consecutive meetings of the Committee; or
 - (c) a Committee member fails, without reasonable excuse, to comply with section 29E;

the Natural Heritage Ministerial Board may terminate the appointment of the Committee member.

29K Other terms and conditions

A Committee member holds office on such terms and conditions (if any) in respect of matters not provided for by this Act as are determined by the Natural Heritage Ministerial Board.

- (20) Clause 30, page 16 (line 4), omit “Natural Heritage Board”, substitute “Natural Heritage Ministerial Board”.

Note: The heading to clause 30 (page 16, line 3) is replaced by the heading “**Natural Heritage Ministerial Board**”.

- (21) Clause 30, page 16 (line 7), omit “Natural Heritage Board”, substitute “Natural Heritage Ministerial Board”.
- (22) Clause 30, page 16 (after line 11), at the end of subclause (2), add:
 - ; (c) to monitor the effectiveness of the administration of this Act in achieving:

- (i) the primary objective of the National Vegetation Initiative; and
 - (ii) the primary objective of the Murray-Darling 2001 Project; and
 - (iii) the primary objectives of the National Land and Water Resources Audit; and
 - (iv) the primary objective of the National Reserve System; and
 - (v) the primary objectives of the Coasts and Clean Seas Initiative; and
 - (vi) environmental protection; and
 - (vii) sustainable agriculture; and
 - (viii) natural resources management.
- (23) Clause 31, page 16 (line 23), omit “Natural Heritage Board”, substitute “Natural Heritage Ministerial Board”.
- (24) Clause 31, page 16 (line 27), omit “Natural Heritage Board”, substitute “Natural Heritage Ministerial Board”.
- (25) Clause 31, page 17 (lines 1 and 2), omit “Natural Heritage Board”, substitute “Natural Heritage Ministerial Board”.
- (26) Clause 31, page 17 (line 4), omit “Natural Heritage Board”, substitute “Natural Heritage Ministerial Board”.
- (27) Clause 33, page 18 (line 10), at the end of subclause (1), add:
 ; and (d) a report on the effectiveness of the administration of this Act during the financial year ended on that date in achieving the outcomes sought in agreements entered into under subsection 19(2).
- (28) Clause 37, page 21 (after line 2), at the end of the clause, add:
 (2) If:
 (a) an advertisement solicits gifts or bequests for the purposes of the Reserve; and
 (b) the advertisement is authorised by the Commonwealth;
 the advertisement must include a statement to the effect that the proceeds of the gift or bequest will be applied to a government program.
- Note: The heading to clause 37 (page 20, line 25) is altered by omitting “**Commonwealth not to accept conditional**” and substituting “**Acceptance of**”.
- (29) Clause 44, page 23 (after line 26), after the definition of *Australia*, insert:
Committee means the Natural Heritage Trust Advisory Committee established by section 29A.
Committee member means a member of the Committee.

- (30) Clause 44, page 24 (lines 8 and 9), omit the definition of *Natural Heritage Board*, substitute:

Natural Heritage Ministerial Board means the Natural Heritage Ministerial Board established by section 30.

- (31) Clause 44, page 25 (line 4), after “includes”, insert “reduction of use.”
On the motion of Mr Anderson (Minister representing the Minister for Resources and Energy), the amendments were agreed to, after debate.

6 QUESTIONS

Questions without notice being asked—

Member ordered to withdraw

At 2.41 p.m. the Member for Brisbane (Mr Bevis) was ordered, under standing order 304A, to withdraw from the House for one hour for continuing to interject after a general warning had been given by the Chair, and he accordingly withdrew from the Chamber.

Questions without notice continued.

7 PAPERS

Mr Jull (Minister for Administrative Services) presented the following papers:

Travelling allowance payments to Ministers and Opposition office holders in the House of Representatives—

Claim details—1 January 1992 to 3 March 1997.

Tabling statement by Mr Jull, 29 May 1997.

8 PAPERS

The Speaker presented the following papers:

Travelling allowances paid to Members and former Members of the House of Representatives during the 37th and 38th Parliaments to 30 April 1997—

Details held by the Department of the House of Representatives.

Tabling statement by the Speaker.

9 PAPERS

Mr Reith (Leader of the House) presented the following papers:

Petitions not in accord with standing and sessional orders of the House—

Request for recognition of active service of members of the Royal Australian Navy who served in Malaya between 1955 and 1960 (Mr Reith, 6 petitioners).

Request for government funding for the Bone Marrow Donor Institute Cord Blood Bank (Mr Reith, 983 petitioners).

Protest against the decision to exclude the sport of lawn bowls from the 2000 Paralympics in Sydney (Mr Neville, 184 petitioners).

Request for the Government to review cuts to ABC funding (Mr M. A. J. Vaile, 125 petitioners).

Request for the Government to maintain the ABC's funding, role and charter (Mr Lee, 3007 petitioners).

Request that the Government reject the recommendations of the Industry Commission in relation to the automotive industry, particularly the proposed lowering of tariffs on imported vehicles (Mr Beazley, 14,415 petitioners).

Support for pre-surgical transgenders/transsexuals to obtain the prescription medication Androcur (Mr Bevis, 239 petitioners).

10 DISCUSSION OF MATTER OF PUBLIC IMPORTANCE—STEEL INDUSTRY

The House was informed that Mr Crean had proposed that a definite matter of public importance be submitted to the House for discussion, namely, “The need for the Prime Minister to go to Newcastle to see at first hand the impact on the community of BHP’s decision to close the Newcastle steelworks and explain why he has not developed a new national Steel Plan for the industry”.

The proposed discussion having received the necessary support—

Mr Crean addressed the House.

Discussion ensued.

Discussion concluded.

11 MESSAGES FROM THE SENATE

Messages from the Senate, dated 29 May 1997, were reported:

- (a) acquainting the House of a resolution agreed to by the Senate relating to the automotive industry—Message No. 236; and
- (b) returning the following Bills without amendment:

Message—

No. 237—International Tax Agreements Amendment (No. 1) 1997.

No. 238—Dairy Produce Levy (No. 1) Amendment 1997 (*without requests*).

No. 239—Australian Animal Health Council (Live-stock Industries) Funding Amendment 1997.

No. 240—Excise Tariff Amendment (No. 2) 1997.

No. 241—Petroleum Excise (Prices) Amendment 1997.

No. 242—International Transfer of Prisoners 1997.

12 POSTPONEMENT OF ORDERS OF THE DAY

Ordered—That orders of the day Nos. 2 to 4, government business, be postponed until a later hour this day.

13 SMALL SUPERANNUATION ACCOUNTS AMENDMENT BILL 1997

Mr Scott (Minister for Veterans’ Affairs), for Mr Miles (Parliamentary Secretary (Cabinet) to the Prime Minister), pursuant to notice, presented a Bill for an Act to amend the *Small Superannuation Accounts Act 1995*, and for related purposes.

Bill read a first time.

Mr Scott moved—That the Bill be now read a second time.

Paper

Mr Scott presented an explanatory memorandum to the Bill.

Debate adjourned (Dr Theophanous), and the resumption of the debate made an order of the day for the next sitting.

14 WINE EXPORT CHARGE BILL 1997—REPORT FROM MAIN COMMITTEE

The Deputy Speaker reported that the Wine Export Charge Bill 1997 had been fully considered by the Main Committee and agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Mr Scott (Minister for Veterans' Affairs), by leave, the Bill was read a third time.

15 WINE EXPORT CHARGE (CONSEQUENTIAL AMENDMENTS) BILL 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Wine Export Charge (Consequential Amendments) Bill 1997 had been fully considered by the Main Committee, a Governor-General's message recommending an appropriation had been reported, and the Bill had been agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Mr Scott (Minister for Veterans' Affairs), by leave, the Bill was read a third time.

16 TAXATION LAWS AMENDMENT BILL (NO. 2) 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Taxation Laws Amendment Bill (No. 2) 1997 had been fully considered by the Main Committee and agreed to with amendments (*see item No. 4, Minutes of Proceedings of the Main Committee*), and presented a certified copy of the Bill together with a schedule of amendments.

Amendments made by the Main Committee agreed to.

Bill, as amended, agreed to.

Mr Scott (Minister for Veterans' Affairs), by leave, moved—That the Bill be now read a third time.

Debate ensued.

Question—put and passed—Bill read a third time.

17 SOCIAL SECURITY LEGISLATION AMENDMENT (ACTIVITY TEST PENALTY PERIODS) BILL 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Social Security Legislation Amendment (Activity Test Penalty Periods) Bill 1997 had been fully considered by the Main Committee and agreed to with amendments (*see item No. 5,*

Minutes of Proceedings of the Main Committee), and presented a certified copy of the Bill together with a schedule of amendments.

Amendments made by the Main Committee agreed to.

Bill, as amended, agreed to.

On the motion of Mr Scott (Minister for Veterans' Affairs), by leave, the Bill was read a third time.

18 TAXATION LAWS AMENDMENT (INFRASTRUCTURE BORROWINGS) BILL 1997

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Question—put and passed—Bill read a second time.

Consideration in detail

Bill, by leave, taken as a whole.

Mr Crean, by leave, moved the following amendments together:

Schedule 1—

Page 4, item 8 (after line 22), add:

except where the advice under subsection (1) resulted in the issue of a certificate in the circumstances mentioned in paragraph 93PA(2)(b).

Page 5, item 9 (lines 7 to 9), omit all words after “unless”, substitute:

:

- (a) the DAA gave written advice to the applicant for the certificate in accordance with subsection 93P(1) of this Act before the borrowings cut-off time; or
- (b) the DAA:
 - (i) gave written advice to the applicant for the certificate in accordance with subsection 93P(1) of this Act after the borrowings cut-off time; and
 - (ii) issued the certificate on or before 13 May 1997 as a result of the giving of the undertakings referred to in subsection 93P(1); and
 - (iii) is reasonably satisfied that the project financing structure does not breach the principle of “essential symmetry”.
- (3) For the purposes of subparagraph (2)(b)(iii), “essential symmetry” means the principle that every non-assessable gain or interest receipt claimed by an Australian resident taxpayer referable to an infrastructure borrowing to which the application relates should be matched by a non-deductible loss or non-deductible interest expense by another Australian resident taxpayer.

- (4) The DAA shall:
- (a) make a determination as to whether it is reasonably satisfied as to the essential symmetry of a project financing structure within fourteen days of being requested to do so by a certificate holder to which paragraph (2)(b) applies; and
 - (b) provide written notification of the determination to the certificate holder within seven days thereafter.

Debate continued.

Question—That the amendments be agreed to—put.

The House divided (the Deputy Speaker, Mr Nehl, in the Chair)—

AYES, 43

Mr Albanese	Mr L. D. T. Ferguson	Dr Lawrence	Mr O'Keefe
Mr P. J. Baldwin	Mr M. J. Ferguson	Mr Lee	Mr Price
Mr Beddall	Mr E. L. Grace*	Mr McClelland	Mr Quick
Mr Bevis	Mr Griffin	Ms Macklin	Mr Sawford*
Mr Brown	Mr Hatton	Mr McLeay	Mr Sercombe*
Mr Crean	Mr Holding	Mr McMullan	Mr S. F. Smith
Mrs Crosio	Mr Hollis	Mr Martin	Mr Tanner
Mr Dargavel	Mr Jenkins	Mr Melham	Dr Theophanous
Ms Ellis	Mr Jones	Mr A. A. Morris	Mr K. J. Thomson
Mr G. J. Evans	Mr Kerr	Mr Mossfield	Mr Wilton
Mr M. J. Evans	Mr Latham	Mr O'Connor	

NOES, 77

Mr Abbott	Mr Forrest	Mr McArthur*	Mr Slipper
Mr J. N. Andrew	Mrs Gallus	Mr McDougall	Mr A. C. Smith
Mr K. J. Andrews	Ms Gambaro	Mr McGauran	Mr W. L. Smith
Mr Anthony	Mrs Gash	Mr Marek	Mr Somlyay
Mrs Bailey	Mr Georgiou	Mr Miles	Dr Southcott
Mr R. C. Baldwin	Mrs E. J. Grace	Mrs Moylan	Mrs Stone
Mr Barresi	Ms Hanson	Mr Mutch	Mrs Sullivan
Mr Bartlett	Mr Hardgrave	Mr Nairn	Mr Taylor
Mrs Bishop	Mr Hicks*	Dr Nelson	Mr A. P. Thomson
Mr Broadbent	Mr Hockey	Mr Neville	Mr Truss
Mr Brough	Ms Jeanes	Mr Nugent	Mr Tuckey
Mr Cadman	Mrs Johnston	Mr Pyne	Mr M. A. J. Vaile*
Mr R. A. Cameron	Mr Jull	Mr Randall	Mrs D. S. Vale
Mr Charles	Mr Katter	Mr Reid	Mr Wakelin
Mr Cobb	Mrs D. M. Kelly	Mr Reith	Mrs West
Mr Costello	Miss J. M. Kelly	Mr Ronaldson	Dr Wooldridge
Mrs Elson	Dr Kemp	Mr Ruddock	Mr Zammit
Mr Entsch	Mr Lieberman	Mr Scott	
Mr R. D. C. Evans	Mr Lindsay	Mr Sharp	
Mr Filing	Mr Lloyd	Mr Sinclair	

* Tellers

And so it was negatived.

Adjournment negatived

It being past 5.30 p.m.—The question was proposed—That the House do now adjourn.

Mr Miles (Parliamentary Secretary (Cabinet) to the Prime Minister) requiring the question to be put forthwith without debate—

Question—put and negatived.

Bill agreed to.

Consideration in detail concluded.

On the motion of Mr Scott (Minister for Veterans' Affairs), by leave, the Bill was read a third time.

19 ADJOURNMENT

Mr Scott (Minister for Veterans' Affairs) moved—That the House do now adjourn.

Debate ensued.

The House continuing to sit until 6 p.m.—The Speaker adjourned the House until Monday next at 12.30 p.m.

PAPERS

The following papers were deemed to have been presented on 29 May 1997:

Life Insurance Act—Regulations—Statutory Rules 1997 No. 119.

Navigation Act—Marine Orders 1997 No. 3.

Primary Industries Levies and Charges Collection Act, Horticultural Levy Act and Horticultural Export Charge Act—Regulations—Statutory Rules 1997 No. 120.

Retirement Savings Accounts Act—Regulations—Statutory Rules 1997 No. 116.

Superannuation (Resolution of Complaints) Act—Regulations—Statutory Rules 1997 No. 118.

Superannuation Guarantee (Administration) Act—Determination 1997 No. SGD 2.

Superannuation Industry (Supervision) Act—Regulations—Statutory Rules 1997 No. 117.

Taxation Administration Act—
Determination 1997 No. TD11.

Rulings 1997 Nos. TR8, TR9, TR10.

ATTENDANCE

All Members attended (at some time during the sitting) except Mr E. H. Cameron, Mr Dondas, Mr Fischer and Ms Worth.

**L. M. BARLIN**

Clerk of the House of Representatives

1996-97

HOUSE OF REPRESENTATIVES
SUPPLEMENT TO VOTES AND PROCEEDINGS

No. 89

MAIN COMMITTEE

MINUTES OF PROCEEDINGS

THURSDAY, 29 MAY 1997

1 The Main Committee met at 10 a.m.

2 WINE EXPORT CHARGE BILL 1997

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Question—put and passed—Bill read a second time.

Leave granted for the question on the report to be put forthwith.

Question—That the Bill be reported to the House without amendment—put and passed.

3 WINE EXPORT CHARGE (CONSEQUENTIAL AMENDMENTS) BILL 1997

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Question—put and passed—Bill read a second time.

Message from the Governor-General

Message No. 142, dated 19 March 1997, from His Excellency the Governor-General was announced recommending an appropriation for the purposes of the Bill.

Leave granted for the question on the report to be put forthwith.

Question—That the Bill be reported to the House without amendment—put and passed.

4 TAXATION LAWS AMENDMENT BILL (NO. 2) 1997

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Question—put and passed—Bill read a second time.

Consideration in detail

Bill, by leave, taken as a whole.

Mr Scott (Minister for Veterans' Affairs), by leave, moved the following amendments together:

Schedule 2, item 3, page 12 (line 10) to page 13 (line 2), omit the item, substitute:

3 After subsection 128A(1AA)

Insert:

(1AB) For the purposes of this Division:

interest includes an amount, other than an amount referred to in subsection 26C(1):

- (a) that is in the nature of interest; or
- (b) to the extent that it could reasonably be regarded as having been converted into a form that is in substitution for interest; or
- (c) to the extent that it could reasonably be regarded as having been received in exchange for interest in connection with a washing arrangement.

washing arrangement means an arrangement under which the title to a security is transferred to a resident shortly before an interest payment is made where the sole or dominant purpose of the arrangement is to reduce the amount of withholding tax payable by a person.

- (1AC) An example of an amount in the nature of interest is an amount representing a discount on a security.
- (1AD) An example of an amount in substitution for interest is a lump sum payment made instead of payments of interest.
- (1AE) For the purposes of this Division, if a lender assigns a loan, or the right to interest under a loan, any payment from the borrower to the assignee that represents an amount that would have been interest if the assignment had not taken place is taken to be a payment of interest.
- (1AF) For the purposes of this Division, if a person acquires a security, or the right to interest under a security, any payment from the issuer of the security to that person that represents an amount that would have been interest if the acquisition had not taken place is taken to be a payment of interest.

Schedule 5—

Item 12—

Page 31—

(lines 17 and 18), omit “that is not a resident (the *subsidiary*)”, substitute “(the *subsidiary*) that is not a resident of Australia”.

(after line 23), after paragraph (c), insert:

- (ca) when the debenture is issued, the subsidiary is treated as a resident of that country for the purposes of the tax law (see subsection (9)) of the country; and

Page 32 (after line 10), after the definition of *global bond*, insert:

tax law, in relation to a country other than Australia, means:

- (a) if the country has federal foreign tax—the law of the country that imposes the federal foreign tax; or
- (b) in any other case—the law of the country that imposes foreign tax.

Paper

Mr Scott presented a supplementary explanatory memorandum to the Bill.

Amendments agreed to.

Bill, as amended, agreed to.

Consideration in detail concluded.

Ordered—That the Bill be reported to the House with amendments.

5 SOCIAL SECURITY LEGISLATION AMENDMENT (ACTIVITY TEST PENALTY PERIODS) BILL 1997

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Question—put and passed—Bill read a second time.

Consideration in detail

Bill, by leave, taken as a whole.

Mr Ruddock (Minister for Immigration and Multicultural Affairs), by leave, moved the following amendments together:

Schedule 1—

Item 19, page 9 (line 17), omit “13”, substitute “8”.

Item 24, page 10 (lines 3 to 6), omit the item, substitute:

24 Subsection 630BA(1)

Repeal the subsection, substitute:

(1) Subject to section 630BB, if:

- (a) at a time when the person was not qualified for a newstart allowance, an event occurred that would have resulted in an activity test non-payment period applying to the person under:
 - (i) section 624 because the person would have been taken to have failed the activity test under subsection 601A(2); or

- (ii) section 628 or 629;
had the person made a claim for a newstart allowance; and
 - (b) before the end of that period (assuming that the period had commenced on the day on which the event occurred), the person made a claim for a newstart allowance;
- the activity test non-payment period is taken to have commenced on the day after the day on which the event occurred.

Note: The heading to section 630BA is altered by omitting “**deferral**” and substituting “**non-payment**”.

Item 26, page 10 (lines 9 and 10), omit the item, substitute:

26 Subsection 630BA(3)

Repeal the subsection, substitute:

(3) Subject to section 630BB, if:

- (a) at a time when the person was not qualified for a newstart allowance, an event occurred that would have resulted in an activity test non-payment period applying to the person under:
 - (i) section 624 because the person would have been taken to have failed the activity test under subsection 601A(2); or
 - (ii) section 628 or 629;
had the person made a claim for a newstart allowance; and
- (b) the person made a claim for a newstart allowance after the end of that period (assuming that the period had commenced on the day on which the event occurred);

then:

- (c) the activity test non-payment period is taken to have commenced and to have ended before the claim was made; and
- (d) the Secretary is not obliged to give the person a written notice under subsection 630B(1) in respect of the activity test non-payment period.

Item 32—

Page 13—

(lines 12 to 16), omit paragraph (a), substitute:

- (a) at a time when the person was not qualified for a newstart allowance, an event occurred that would have resulted in an activity test breach rate reduction period applying to the person under:
 - (i) section 624 because the person would have been taken to have failed the activity test under subsection 601A(2); or

(ii) section 628 or 629;
had the person made a claim for a newstart allowance; and
(lines 23 to 27), omit paragraph (a), substitute:

(a) at a time when the person was not qualified for a newstart allowance, an event occurred that would have resulted in an activity test breach rate reduction period applying to the person under:

(i) section 624 because the person would have been taken to have failed the activity test under subsection 601A(2); or

(ii) section 628 or 629;

had the person made a claim for a newstart allowance; and

Page 16 (line 1), omit “0.36”, substitute “0.24”.

Item 36, page 18 (line 12), omit “restrictions on payments relating to the waiting period are”, substitute “restriction on payment relating to the waiting period is”.

Item 53, page 25 (line 27), omit “13”, substitute “8”.

Item 58, page 26 (lines 12 to 15), omit the item, substitute:

58 Subsection 111(1)

Repeal the subsection, substitute:

(1) Subject to section 112:

(a) at a time when the person was not qualified for a youth training allowance, an event occurred that would have resulted in an activity test non-payment period applying to the person under:

(i) section 103 because the person would have been taken to have failed the activity test under subsection 75A(2); or

(ii) section 106 or 107;

had the person made a claim for a youth training allowance;
and

(b) before the end of that period (assuming that the period had commenced on the day on which the event occurred), the person made a claim for a youth training allowance;

the activity test non-payment period is taken to have commenced on the day after the day on which the event occurred.

Note: The heading to section 111 is altered by omitting “**deferment**” and substituting “**non-payment**”.

Item 60, page 26 (lines 18 and 19), omit the item, substitute:

60 Subsection 111(3)

Repeal the subsection, substitute:

(3) Subject to section 112, if:

- (a) at a time when the person was not qualified for a youth training allowance, an event occurred that would have resulted in an activity test non-payment period applying to the person under:
 - (i) section 103 because the person would have been taken to have failed the activity test under subsection 75A(2); or
 - (ii) section 106 or 107;
 had the person made a claim for a youth training allowance; and
- (b) the person made a claim for a youth training allowance after the end of that period (assuming that the period had commenced on the day on which the event occurred);

then:

- (c) the activity test non-payment period is taken to have commenced and to have ended before the claim was made; and
- (d) the Secretary is not obliged to give the person a written notice under subsection 110(1) in respect of the activity test non-payment period.

Item 66—

Page 29—

(lines 20 to 24), omit the paragraph, substitute:

- (a) at a time when the person was not qualified for a youth training allowance, an event occurred that would have resulted in an activity test breach rate reduction period applying to the person under:
 - (i) section 103 because the person would have been taken to have failed the activity test under subsection 75A(2); or
 - (ii) section 106 or 107;
 had the person made a claim for a youth training allowance; and

(line 31) to page 30 (line 2), omit the paragraph, substitute:

- (a) at a time when the person was not qualified for a youth training allowance, an event occurred that would have resulted in an activity test breach rate reduction period applying to the person under:
 - (i) section 103 because the person would have been taken to have failed the activity test under subsection 75A(2); or

- (ii) section 106 or 107;
had the person made a claim for a youth training allowance;
and

Page 32 (line 1), omit “0.36”, substitute “0.24”.

Item 70, page 34 (line 12), omit “restrictions on payments relating to the waiting period are”, substitute “restriction on payment relating to the waiting period is”.

Schedule 2, item 9, page 42 (line 13), omit “4D(1)(c)”, insert “4D(1)(b)”.

Paper

Mr Ruddock presented a supplementary explanatory memorandum to the Bill.

Amendments agreed to.

Bill, as amended, agreed to.

Consideration in detail concluded.

Ordered—That the Bill be reported to the House with amendments.

**6 PRIMARY INDUSTRIES AND ENERGY LEGISLATION AMENDMENT BILL
(NO. 2) 1997**

The order of the day having been read for the resumption of the debate on the question—That the Bill be now read a second time—

Debate resumed.

Debate adjourned (Mr M. A. J. Vaile), and the resumption of the debate made an order of the day for the next sitting.

7 ADJOURNMENT

On the motion of Mr. M. A. J. Vaile, the Main Committee adjourned at 1.02 p.m.

The Deputy Speaker fixed Tuesday, 3 June 1997, at 4.30 p.m. for the next meeting of the Main Committee.

I. C. HARRIS
Clerk of the Main Committee