

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

VOTES AND PROCEEDINGS

No. 62

MONDAY, 25 NOVEMBER 1985

- 1 The House met, at 2 p.m., pursuant to adjournment. Mr Speaker (the Honourable Dr H. A. Jenkins) took the Chair, and read Prayers.
- 2 **QUESTIONS:** Questions without notice being asked—
Paper: Mr J. J. Brown (Minister for Sport, Recreation and Tourism) presented the following paper:
Australian Institute of Sport—Letter from James W. Dempster, Director, Sargent & Burton Pty Ltd, to John Brown, MP, Minister for Sport, Recreation and Tourism, dated 27 May 1985.
Questions without notice continued.
- 3 **PAPERS:** The following papers were presented:
Australian Institute of Marine Science Act—Council of the Australian Institute of Marine Science—Report and financial statements, together with the Auditor-General's Report, for 1984-85.
Chicken Meat Research Act—Australian Chicken Meat Research Committee—Report for 1984-85.
Department of Science—Report for 1984-85.
Department of Trade—Report for 1984-85.
Social Security Act—Department of Social Security—Report of the Secretary for 1984-85.
United Nations—Committee on the Elimination of Racial Discrimination—5th periodic report of the Government of Australia under Article 9 of the International Convention on the Elimination of All Forms of Racial Discrimination.
- 4 **POULTRY RESEARCH ADVISORY COMMITTEE—REPORT—MOTION TO TAKE NOTE OF PAPER:** Mr Kerin (Minister for Primary Industry) presented the following paper:
Poultry Research Advisory Committee—Report for period 1 July 1983 to 30 June 1985.
Mr Young (Leader of the House) moved—That the House take note of the paper. Debate adjourned (Mr N. A. Brown—Deputy Leader of the Opposition), and the resumption of the debate made an order of the day for the next sitting.
- 5 **NATIONAL SOIL CONSERVATION PROGRAM—PROGRESS REPORT—MOTION TO TAKE NOTE OF PAPER:** Mr Kerin (Minister for Primary Industry) presented the following paper:
National Soil Conservation Program—Department of Primary Industry—Progress report 1983-85.
Mr Young (Leader of the House) moved—That the House take note of the paper. Debate adjourned (Mr N. A. Brown—Deputy Leader of the Opposition), and the resumption of the debate made an order of the day for the next sitting.

6 PETITIONS: The Clerk announced that the following Members had each lodged petitions for presentation, viz.:

Mr Beale, Mr E. C. Cameron, Mr Halverson, Mr Hawker, Mr McArthur and Mr McGauran—from certain citizens praying that the national flag not be changed except by a referendum.

Mr Fife and Mr Ruddock—from certain citizens in similar terms.

Mr Andrew, Dr Blewett, Mr Campbell, Mr Porter and Mr Wilson—from certain residents of South Australia praying that the proposed Australian Bill of Rights Bill 1985 be rejected.

Mr E. C. Cameron, Mr Halverson and Mr McArthur—from certain citizens praying that the Government uphold the Articles of the UN Convention on Women and request the Victorian Government to repeal the *Planning (Brothels) Act 1984*.

Mr Andrew and Mr Fife—from certain citizens praying that the price of petrol be reduced by 3 cents per litre and that certain other action be taken in relation to petrol pricing.

Mr Hawker—from certain citizens in similar terms to the last preceding petition.

Mr Duncan and Mr Staples—from certain citizens praying that compulsory identity cards not be introduced.

Mr Gear and Mr Staples—from certain citizens praying that all federal funding to children's services be restored.

Mr Kent and Mr Staples—from certain citizens praying that the Government support the stand taken by the New Zealand Government on nuclear vessels and that the policy of developing zones of peace and nuclear free zones in the Indian and Pacific Oceans be implemented.

Mr Andrew—from certain citizens praying that the Flags Amendment Bill receive a speedy passage.

Mr Andrew—from certain residents of South Australia praying that the principle that pensioner patients pay no more than their pension for nursing home care be restored and that certain other action be taken in relation to nursing home benefits.

Mr Beale—from certain citizens praying that any proposal to increase the burden of capital gains and wealth taxes be rejected.

Mr Blunt—from certain residents of the Division of Richmond praying that means be sought for the protection of the people's interests to prevent Ayers Rock being handed over to an Aboriginal Land Council.

Mr Blunt—from certain residents of the Division of Richmond praying that the capital gains tax proposal be abandoned.

Mr E. C. Cameron—from certain citizens praying that the rights of private enterprise be protected and any inequitable additional taxes be rejected.

Mr I. M. D. Cameron—from certain citizens praying that sufficient funds be allocated to the Australia Council to ensure ongoing funding of State arts councils.

Mr Conquest—from certain citizens praying that the importation and sale of hard core pornography and grossly obscene publications be prevented and that certain other action be taken in relation to censorship.

Mr Hawker—from certain citizens praying that the assets test on pensions be repealed.

Mr Hawker—from certain citizens praying that the last line of each verse of the Australian national anthem be altered to read "In joyful strains then we all sing 'God bless Australia fair'".

Mr Kent—from certain citizens praying that the decision to close the Enterprise Migrant Hostel, Vic., be reversed.

Mr McGauran—from certain electors of the Division of Gippsland praying that sufficient funds be made available to ensure that a nursing home be constructed in Sale, Vic.

Mr Milton—from certain citizens praying that any proposal to legislate for the establishment of plant variety rights in Australia be rejected.

Mr Rocher—from certain electors praying that the existing national flag remain sacrosanct.

Mr Ruddock—from certain citizens praying that there be no taxation on illness and no special taxation on those who seek to insure themselves against the cost of private health care.

Mr Sharp—from certain residents of the Division of Gilmore praying that the total ban on entertainment expenses be abandoned and tax deductibility be allowed for legitimate and necessary expenses.

Mr Staples—from certain citizens praying that there be no increase in State aid to private schools and that the primary obligation to government schools be reaffirmed.

Mr Staples—from certain citizens praying that the decision not to nominate the Queensland rainforest for world heritage listing be reconsidered.

Mr Tickner—from certain citizens praying that 1989 be proposed as the International Year for Repairing the Earth and certain other action be taken in support of world peace.

Mr West—from certain electors of the Division of Cunningham praying that Living Music Radio be allocated a new FM frequency and that it reduce its power output.

Petitions received.

7 MESSAGES FROM THE GOVERNOR-GENERAL—ASSENT TO BILLS: Messages from His Excellency the Governor-General were announced informing the House that His Excellency, in the name of Her Majesty, had assented to the following Bills:

22 November 1985—Message—

No. 95—

Interstate Road Transport 1985.

Interstate Road Transport Charge 1985.

No. 96—Petroleum (Submerged Lands) (Cash Bidding) Amendment 1985.

No. 97—

Bounty (Metal Working Machines and Robots) 1985.

Bounty (Agricultural Tractors and Equipment) 1985.

8 DISCUSSION OF MATTER OF PUBLIC IMPORTANCE—ACTU-GOVERNMENT SUPERANNUATION DEAL: The House was informed that Mr Howard (Leader of the Opposition) had proposed that a definite matter of public importance be submitted to the House for discussion, namely, "The serious implications for economic control and power in our community posed by the ACTU-Government deal on superannuation".

The proposed discussion having received the necessary support—

Mr Howard addressed the House.

Discussion ensued.

Discussion concluded.

9 AUSTRALIA BILL 1986 [1985]: 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 third reading to be moved forthwith.

Mr Bowen (Attorney-General) moved—That the Bill be now read a third time.

Debate ensued.

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

- 10 **AUSTRALIA (REQUEST AND CONSENT) BILL 1985:** 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.
 Leave granted for third reading to be moved forthwith.
 On the motion of Mr Bowen (Attorney-General), the Bill was read a third time.
- 11 **ENVIRONMENT, CONSERVATION AND HERITAGE—PAPERS AND MINISTERIAL STATEMENT:** Mr Cohen (Minister for Arts, Heritage and Environment) presented the following papers:
 Objectives, achievements and priorities in environment, conservation and heritage—Report by Department of Arts, Heritage and Environment.
 State of the environment in Australia 1985—Report by Department of Arts, Heritage and Environment—
 and, by leave, made a ministerial statement in connection with the papers.
 Mr Connolly, by leave, also made a statement in connection with the papers.
- 12 **PETROLEUM REVENUE BILL 1985:** 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.
 The House resolved itself into a committee of the whole.

In the committee

Bill, by leave, taken as a whole.

On the motion of Mr Jones (Minister representing the Minister for Resources and Energy), by leave, the following amendments were made together, after debate:

Clause 3—

Page 2, line 30, after “rent” (wherever occurring) insert “royalty”.

Page 3, line 2, after “rent” insert “royalty”.

Page 3, line 3, after “rent” insert “royalty”.

Clause 5—

Page 3, line 21, after “rent” insert “royalty”.

Page 3, line 24, at the end of paragraph (a) add “and”.

Page 3, lines 25 and 26, omit paragraph (b).

Page 3, line 29, after “rent” insert “royalty”.

Clause 6—

Page 3, line 35, after “rent” insert “royalty”.

Page 3, line 38, at the end of paragraph (1) (a) add “and”.

Page 3, lines 39 and 40, omit paragraph (1) (b).

Page 3, line 43, after “rent” insert “royalty”.

Page 4, line 19, after “rent” insert “royalty”.

SCHEDULE 1—

Page 5, heading, after “RENT” insert “ROYALTY”.

Page 5, clause 1, after “rent” insert “royalty”.

Pages 5 and 6, omit paragraph 1 (e), substitute the following paragraph:

“(e) for provisional royalty payments during each financial year to which the agreement applies, other than a financial year that ended before the agreement was entered into;”.

Page 6, sub-paragraph 1 (f) (i), omit “during which the agreement is in force”, substitute “to which the agreement applies”.

Page 6, sub-paragraph 1 (f) (iii), omit “sub-paragraph (e) (i) or (iii), as the case requires,” substitute “paragraph (e)”.

Page 6, sub-paragraph 1 (f) (iv), omit “sub-paragraph (e) (i) or (iii), as the case requires,” substitute “paragraph (e)”.

Page 6, paragraph 1 (h), omit "proceeds of the sale shall be taken to be", substitute "producer shall be taken to have sold the petroleum for an amount equal to".

Page 7, omit paragraph 1 (m).

Page 7, sub-paragraph 1 (n) (ii), omit "24", substitute "36".

Page 7, clause 2, after "rent" insert "royalty".

Page 7, after clause 2 insert the following new clause:

"2A. A resource rent royalty agreement may provide for a penalty by way of additional royalty under the agreement."

Page 8, sub-clause 3 (1), omit the definition of "eligible exceptional expenditure", substitute the following definition:

"'eligible exceptional expenditure', in relation to market petroleum produced from a production unit which is disposed of in a financial year, means—

- (a) expenditure incurred in that financial year in respect of the exploration for, or the determination of the existence, location, extent, quality or occurrence of, petroleum the source of which forms, or would form, part of that production unit (including expenditure in respect of geological and geophysical surveys and exploration, development and appraisal drilling); or
- (b) where that financial year is the first financial year to which the relevant resource rent royalty agreement that relates to that production unit applies—expenditure incurred in the immediately preceding financial year—
 - (i) in respect of exploration, development and appraisal drilling programs relating to the exploration for, or the determination of the existence, location, extent, quality or occurrence of, petroleum the source of which forms, or would form, part of that production unit; or
 - (ii) in relation to the equipment of production wells drilled in accordance with those programs;"

Page 8, sub-clause 3 (1), paragraph (c) of the definition of "eligible normal expenditure", omit "by way of taxes", substitute "relating to depreciation charges and taxes on income".

Page 8, sub-clause 3 (1), after the definition of "eligible normal expenditure" insert the following definition:

"'financial year', in relation to a resource rent royalty agreement, means—

- (a) in the case of an agreement that relates to a production unit that includes at least one source of petroleum from which petroleum for commercial use was produced before 25 June 1985—a period agreed upon by the State Minister and the relevant producer; or
- (b) in any other case—a period of 12 months commencing on 1 July;"

Page 8, sub-clause 3 (1), definition of "gross receipts", omit paragraph (b), substitute the following paragraph:

- "(b) the value of the market petroleum which was not, and is not to be, sold, other than—
- (i) market petroleum flared or vented with the approval of the State Minister;
 - (ii) market petroleum used by the relevant producer for the purposes of active operations of the production unit; and
 - (iii) market petroleum which is otherwise lost, not being market petroleum to which the provision required by paragraph 1 (g) applies;"

Page 8, sub-clause 3 (1), definition of “net receipts”, omit “was petroleum”, substitute “is”.

Page 8, sub-clause 3 (1), omit the definition of “State Minister”, substitute the following definition:

“‘State Minister’, in relation to a resource rent royalty agreement, means the Minister of the Crown of the State who is responsible, or principally responsible, for the administration of matters relating to petroleum in the State;”.

Page 8, sub-clause 3 (2), after “rent” insert “royalty”.

SCHEDULE 2—

Page 9, paragraph 1 (a), after “rent” (first occurring) insert “royalty”.

Page 9, sub-paragraph 1 (b) (i), omit “production source”, substitute “source of petroleum”.

Page 10, paragraph 1 (e), omit “pays, or gives”, substitute “becomes liable to pay, or to give”.

Page 10, paragraph 1 (e), omit “of the Schedule”, substitute “in Schedule 1”.

Page 10, paragraph 1 (e), omit “the payment or giving”, substitute “being given notice in writing by the State that the State has become so liable, being notice accompanied by verification in writing of the amount of the liability of the State”.

Page 10, paragraph 1 (f), before “that the Commonwealth” insert “subject to paragraph (fa),”.

Page 10, after paragraph 1 (f) insert the following paragraph:

“(fa) where, in a financial year, administrative expenses are incurred by the State in the assessment and collection of royalty under the rent agreement, the Commonwealth shall pay to the State a proportion of those expenses, being a proportion equal to the proportion required by paragraph (b) in respect of the sharing agreement;”.

Page 10, omit paragraph 1 (h), substitute the following paragraph:

“(h) that, where the rent agreement or a lease relating to the production unit to which the rent agreement applies confers a discretion on a Minister of the Crown of the State or another person, other than an arbitrator, being a discretion that could affect the amount of royalty, then, subject to any judgment, order or decree of a court, that Minister or other person shall not exercise that discretion except in accordance with procedures approved by the Minister;”.

Page 10, paragraph 1 (j), omit “makes”, substitute “becomes liable to make”.

Page 10, paragraph 1 (j), omit “notified by the State of that payment”, substitute “given notice in writing by the State that the State has become so liable, being notice accompanied by verification in writing of the amount of the liability of the State”.

Page 10, omit paragraph 1 (m), substitute the following paragraph:

“(m) that, subject to the provision required by paragraph (k), the agreement shall continue in force unless and until the rent agreement ceases to be in force.”.

Bill, as amended, agreed to.

Bill to be reported with amendments.

The House resumed; Mrs Child reported accordingly.

On the motion of Mr Jones, by leave, the House adopted the report, and, by leave, the Bill was read a third time.

- 13 **EXCISE TARIFF AMENDMENT BILL (NO. 2) 1985:** 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.

Leave granted for third reading to be moved forthwith.

On the motion of Mr Jones (Minister representing the Minister for Resources and Energy), the Bill was read a third time.

- 14 **ENVIRONMENT AND CONSERVATION—STANDING COMMITTEE:** The House was informed that the Opposition Whip had nominated Mr Webster to be a member of the Standing Committee on Environment and Conservation in place of Mr Connolly.

- 15 **TRANSPORT SAFETY—STANDING COMMITTEE—REPORT—STATEMENTS BY MEMBERS:** Mrs Darling (Chairman) presented the following report from the Standing Committee on Transport Safety:

Motorcycle and bicycle helmet safety inquiry—Final report—Bicycle helmet safety, dated 19 November 1985, together with a copy of the minutes of proceedings.

Ordered—That the report be printed.

Mrs Darling, Mr Goodluck and Mr Gorman, by leave, made statements in connection with the report.

- 16 **PUBLIC ACCOUNTS COMMITTEE—REPORT:** Mrs Kelly presented the following report from the Joint Committee of Public Accounts:

238th Report—Review of the Auditor-General's efficiency audit report: Administration of public hospitals by the Capital Territory Health Commission.

- 17 **ADJOURNMENT:** Mr Kerin (Minister for Primary Industry) moved—That the House do now adjourn.

Debate ensued.

Question—put and passed.

And then the House, at 11 p.m., adjourned until tomorrow at 2 p.m.

PAPERS: The following papers were deemed to have been presented on 25 November 1985:

Public Service Act—Determinations—1985—Nos. 84, 90, 92.

Quarantine Act—Determination fixing fees pursuant to section 86E, dated 13 November 1985.

MEMBERS PRESENT: All Members were present (at some time during the sitting) except Mr Aldred*, Mr Coleman, Mr Humphreys*, Mr McVeigh, Mr Punch and Mr Shack.

*On leave

A. R. BROWNING
Clerk of the House of Representatives