

1996-97

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

VOTES AND PROCEEDINGS

No. 75

WEDNESDAY, 5 MARCH 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 PARLIAMENTARY ADMINISTRATION—STATEMENT BY SPEAKER

The Speaker made a statement concerning the administrative arrangements for the Parliament.

Mr McLeay, Mr McGauran (Minister for Science and Technology), Mr Martin, Mr Nugent, Mr McMullan and Mr Reith (Leader of the House) also addressed the matter.

3 BOUNTY LEGISLATION AMENDMENT BILL 1996

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—*And on the amendment moved thereto by Mr Crean, viz.*—That all words after “That” be omitted with a view to substituting the following words: “whilst not declining to give the Bill a second reading, the House:

- (1) rejects outright the Government’s failure to develop and implement a policy for Australian manufacturing industry, and is of the view that because of the inevitable impact this bill will have on employment the bill would be more appropriately referred to as the Bounty Legislation (Export of Australian Jobs) Amendment Bill; and
- (2) calls on the Government to keep the ships bounty in place until the OECD Shipbuilding Agreement comes into force, recognising that arrangements entered into by Australian shipbuilders prior to the OECD Shipbuilding Agreement coming into force should be subject to the same transitional benefits as allowed for overseas shipbuilders under the agreement”—

Debate resumed.

Question—That the words proposed to be omitted stand part of the question—put.

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

AYES, 82

Mr Abbott	Mrs Draper	Mr Lloyd	Mr Sharp
Mr Anderson	Mrs Elson	Mr McArthur*	Mr Sinclair
Mr J. N. Andrew	Mr Entsch	Mr McDougall	Mr Slipper
Mr K. J. Andrews	Mr R. D. C. Evans	Mr McLachlan	Mr A. C. Smith
Mr Anthony	Mr Fahey	Mr Marek	Mr W. L. Smith
Mrs Bailey	Mrs Gallus	Mr Miles	Mr Somlyay
Mr R. C. Baldwin	Ms Gambaro	Mr Moore	Dr Southcott
Mr Barresi	Mrs Gash	Mrs Moylan	Mrs Stone
Mr Bartlett	Mr Georgiou	Mr Mutch	Mr Taylor
Mr Billson	Mrs E. J. Grace	Mr Nairn	Mr A. P. Thomson
Mrs Bishop	Mr Hardgrave	Mr Nehl	Mr Truss
Mr Bradford	Mr Hawker	Dr Nelson	Mr Tuckey
Mr Broadbent	Mr Hicks*	Mr Neville	Mr M. A. J. Vaile
Mr Cadman	Mr Hockey	Mr Nugent	Ms D. S. Vale
Mr E. H. Cameron	Ms Jeanes	Mr Prosser	Mr Wakelin
Mr R. A. Cameron	Mrs Johnston	Mr Pyne	Mrs West
Mr Causley	Mr Jull	Mr Randall	Mr Williams
Mr Charles	Mrs D. M. Kelly	Mr Reith	Dr Wooldridge
Mr Cobb	Miss J. M. Kelly	Mr Ronaldson	Mr Zammit
Mr Dondas	Dr Kemp	Mr Ruddock	
Mr Downer	Mr Lindsay	Mr Scott	

NOES, 44

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

* Tellers

And so it was resolved in the affirmative.

Question—That the Bill be now read a second time—put and passed—Bill read a second time.

Consideration in detail

Schedule 1—

Item 1—

Mr Moore (Minister for Industry, Science and Tourism) moved the following amendment:

Page 3 (lines 4 to 17), omit the item, substitute:

1 Subsection 4(1) (definition of *bounty period*)

Omit “31 December 1997”, substitute “30 June 1997”.

Paper: Mr Moore presented a supplementary explanatory memorandum to the Bill.

Item 1 omitted, after debate.

Question proposed—That the item proposed to be inserted be so inserted.

Debate continued.

It being 2 p.m., the debate was interrupted in accordance with standing order 101A, and the resumption of the debate made an order of the day for a later hour this day.

4 MINISTERIAL ARRANGEMENTS

Mr Howard (Prime Minister) informed the House that, during the absence abroad of Mr Fischer (Minister for Trade), Mr Downer (Minister for Foreign Affairs) would answer questions on his behalf.

5 QUESTIONS

Questions without notice being asked—

Member ordered to withdraw: At 2.52 p.m. the Member for Bruce (Mr Griffin) 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.

6 AUDITOR-GENERAL'S REPORT—PUBLICATION OF PAPER

The Speaker presented the following paper:

Audit Act—Auditor-General—Audit report No. 27 of 1996-97—Performance audit—Army presence in the North: Department of Defence.

Mr Reith (Leader of the House), by leave, moved—That:

- (1) this House authorises the publication of the Auditor-General's audit report No. 27 of 1996-97; and
- (2) the report be printed.

Question—put and passed.

7 PAPER

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

Petition not in accord with standing and sessional orders of the House—Opposition to closure of Medicare offices, particularly regional offices in Queensland (Mr Neville, 50 petitioners).

8 DISCUSSION OF MATTER OF PUBLIC IMPORTANCE—NUCLEAR WASTE REPROCESSING PLANT

The House was informed that Mr M. J. Evans had proposed that a definite matter of public importance be submitted to the House for discussion, namely, "The consequences for the people of the electorate of Hughes arising from the

Government's proposal to build a nuclear waste reprocessing plant at Lucas Heights".

The proposed discussion having received the necessary support—

Mr M. J. Evans addressed the House.

Discussion ensued.

Ordered—That Mr McGauran (Minister for Science and Technology) be granted an extension of time.

Discussion continued.

Mr Hollis rising to address the House—

Mr McGauran moved—That the business of the day be called on.

Question—put and passed.

9 MESSAGES FROM THE SENATE

Messages from the Senate, dated 5 March 1997, were reported returning the following Bills without amendment:

Message—

No. 156—Bankruptcy Amendment 1996.

No. 157—Bankruptcy (Estate Charges) 1996 (*without requests*).

No. 158—Bankruptcy (Registration Charges) 1996 (*without requests*).

10 POSTPONEMENT OF ORDERS OF THE DAY

Ordered—That orders of the day Nos. 2 and 3, government business, be postponed until a later hour this day.

11 DAIRY PRODUCE LEVY (NO. 1) AMENDMENT BILL 1997

Mr Anderson (Minister for Primary Industries and Energy) presented a Bill for an Act to amend the *Dairy Produce Levy (No. 1) Act 1986*.

Bill read a first time.

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

Paper: Mr Anderson 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.

12 AUSTRALIAN ANIMAL HEALTH COUNCIL (LIVE-STOCK INDUSTRIES) FUNDING AMENDMENT BILL 1997

Mr Anderson (Minister for Primary Industries and Energy), pursuant to notice, presented a Bill for an Act to amend the *Australian Animal Health Council (Live-stock Industries) Funding Act 1996*.

Bill read a first time.

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

Paper: Mr Anderson 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.

13 EXCISE TARIFF AMENDMENT BILL (NO. 1) 1997

Mr Prosser (Minister for Small Business and Consumer Affairs) presented a Bill for an Act to amend the *Excise Tariff Act 1921*, and for related purposes.

Bill read a first time.

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

Paper: Mr Prosser 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 EDUCATION SERVICES FOR OVERSEAS STUDENTS (REGISTRATION CHARGES) BILL 1996—SENATE'S REQUEST

The order of the day having been read for the consideration of the amendment requested by the Senate, viz.:

SCHEDULE OF THE REQUEST BY THE SENATE FOR AN AMENDMENT

Clause 5, page 3 (lines 6 to 8), omit subclause (4), substitute:

- (4) When working out the enrolments for a course for a year:
 - (a) for a course of at least 26 weeks duration—each student who is enrolled in the course at any time during the year counts as one enrolment; and
 - (b) for a course of less than 26 weeks duration—each student who is enrolled in the course at any time during the year counts as 0.5 of an enrolment—

On the motion of Mr Abbott (Parliamentary Secretary to the Minister for Employment, Education, Training and Youth Affairs) the requested amendment was made, after debate.

15 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:

4 March 1997—Message—

No. 108—Social Security Legislation Amendment (Newly Arrived Resident's Waiting Periods and Other Measures) 1997.

No. 109—Student and Youth Assistance Amendment (Waiting Period) 1997.

16 TAXATION LAWS AMENDMENT BILL (NO. 4) 1996—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Main Committee had considered the Taxation Laws Amendment Bill (No. 4) 1996 up to and including the

second reading of the Bill and the Committee had returned the Bill to the House for further consideration, and presented a certified copy of the Bill.

Consideration in detail

Schedule 1—

Item 1 debated.

Question—That the item be agreed to—put.

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

AYES, 82

Mr Abbott	Mrs Draper	Mr Lloyd	Mr Scott
Mr Anderson	Mrs Elson	Mr McArthur*	Mr Sharp
Mr J. N. Andrew	Mr Entsch	Mr McDougall	Mr Slipper
Mr K. J. Andrews	Mr R. D. C. Evans	Mr McLachlan	Mr A. C. Smith
Mr Anthony	Mr Fahey	Mr Marek	Mr Somlyay
Mrs Bailey	Mr Forrest	Mr Miles	Dr Southcott
Mr R. C. Baldwin	Mrs Gallus	Mr Moore	Mrs Stone
Mr Barresi	Ms Gambaro	Mrs Moylan	Mrs Sullivan
Mr Bartlett	Mrs Gash	Mr Mutch	Mr Taylor
Mr Billson	Mr Georgiou	Mr Nairn	Mr A. P. Thomson
Mrs Bishop	Mrs E. J. Grace	Mr Nehl	Mr Truss
Mr Bradford	Mr Hardgrave	Dr Nelson	Mr Tuckey
Mr Broadbent	Mr Hawker	Mr Neville	Mr M. A. J. Vaile
Mr Cadman	Mr Hicks*	Mr Nugent	Ms D. S. Vale
Mr E. H. Cameron	Mr Hockey	Mr Prosser	Mr Wakelin
Mr R. A. Cameron	Ms Jeanes	Mr Pyne	Mrs West
Mr Causley	Mrs Johnston	Mr Randall	Mr Williams
Mr Charles	Mr Jull	Mr Reid	Dr Wooldridge
Mr Cobb	Mrs D. M. Kelly	Mr Rocher	Mr Zammit
Mr Dondas	Dr Kemp	Mr Ronaldson	
Mr Downer	Mr Lindsay	Mr Ruddock	

NOES, 44

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

* Tellers

And so it was resolved in the affirmative.

Remainder of Schedule 1 and Schedule 2, by leave, taken together, and agreed to.

Schedule 3—

Items 1 to 7, by leave, taken together, and agreed to, after debate.

Item 8 debated and agreed to, after debate.

Remainder of Schedule 3, by leave, taken together, and agreed to.

Schedules 4 and 5, by leave, taken together—

On the motion of Mr Miles (Parliamentary Secretary (Cabinet) to the Prime Minister), by leave, the following amendments were made together, after debate:

Schedule 4, item 2, page 19 (lines 16 to 20), omit the definition of *base time*, substitute:

base time, in relation to a public entity, means:

- (a) the last moment of a day within the period beginning on 1 July 1985 and ending on 30 June 1986 that is chosen by the entity and is a day the choice of which will result in a determination that gives a reasonable approximation of the natural persons who held underlying interests in the assets of the entity at the last moment of 19 September 1985; or
- (b) if no day within that period is so chosen—the last moment of 19 September 1985.

Schedule 4, item 2, page 20 (after line 20), after the definition of *hold*, insert:

in a position to affect rights has the meaning given by section 160ZZRRB.

Schedule 4, item 2, page 21 (line 33), omit “trusts.”, substitute “trusts; or”.

Schedule 4, item 2, page 21 (after line 33), at the end of the definition of *public company*, add:

- (c) a 100% subsidiary of a company to which paragraph (b) applies.

Schedule 4, item 2, page 22 (after line 16), after the definition of *special company*, insert:

subsidiary: the expression *100% subsidiary* has the meaning given by section 160ZZRRA.

Schedule 4, item 2, page 22 (line 28), after “that is”, insert “, or is a 100% subsidiary of,”.

Schedule 4, item 2, page 22 (line 32), omit “other”, substitute “listed”.

Schedule 4, item 2, page 23 (line 3), omit “subsection 160ZZSE(2)”, substitute “subsections 160ZZSE(2) and (3)”.

Schedule 4, item 2, page 23 (after line 23), after section 160ZZRR, insert:

160ZZRRA What is a 100% subsidiary

- (1) A company (the *subsidiary company*) is a *100% subsidiary* of another company (the *holding company*) if all the shares in the subsidiary company are beneficially owned by:
 - (a) the holding company; or
 - (b) one or more 100% subsidiaries of the holding company; or

- (c) the holding company and one or more 100% subsidiaries of the holding company.
- (2) However, the subsidiary company is *not* a **100% subsidiary** of the holding company if a person is in a position to affect rights, in relation to the subsidiary company, of:
 - (a) the holding company; or
 - (b) a 100% subsidiary of the holding company.
- (3) The subsidiary company is also *not* a **100% subsidiary** of the holding company if at some future time a person will be in a position to affect rights as described in subsection (2).
- (4) A company (other than the subsidiary company) is a **100% subsidiary** of the holding company if, and only if:
 - (a) it is a 100% subsidiary of the holding company; or
 - (b) it is a 100% subsidiary of a 100% subsidiary of the holding company;

because of any other application or applications of this section.

160ZZRRB Position to affect rights in relation to a company

- (1) A person is *in a position to affect rights* of a company in relation to another company if the person has the right, power or option:
 - (a) to acquire those rights from one or other of those companies; or
 - (b) to do something that would prevent one or other of those companies from exercising its rights for its own benefit, or from receiving any benefit arising from having those rights.
- (2) It does not matter whether the person has the right, power or option because of the constituent document of one or other of those companies, any agreement or otherwise.

Schedule 4, item 7, page 26 (lines 6 to 17), omit subsection (3), substitute:

- (3) If there were, at the base time, underlying interests in the asset the holders of which cannot be identified by the entity from an examination of its records, those interests are taken, for the purposes of the determination, to have been held at the base time by natural persons who did not hold underlying interests in the asset at the test time.

Schedule 4, item 7, page 30 (after line 6), at the end of section 160ZZSE, add:

- (3) However, an issue, redemption or transfer of, or another dealing in, shares in the company or units in the trust is not a trading in the shares or units to which this Division applies if the issue, redemption, transfer or other dealing does not change the proportions in which natural persons hold underlying interests in assets of the company or trust.

Schedule 4, item 7, page 32 (line 4), before “determine”, insert “*head company*” or a publicly traded unit trust (the *head trust*) may”.

Schedule 4, item 7, page 39 (lines 6 to 9), omit paragraph (c), substitute:

- (c) where a superannuation fund was interposed as mentioned in paragraph (a)—at the test time the fund was a complying superannuation fund or was a foreign superannuation fund; and
- (d) where an approved deposit fund was interposed as mentioned in paragraph (a)—at the test time the fund was a complying approved deposit fund.

Schedule 5, item 1, page 42 (line 21), after “by”, insert “section”.

Schedule 5, item 1, page 45 (lines 20 to 26), omit the provisions relating to *trust*.

Schedule 5, item 1, page 45 (before line 27), at the end of section 160ZZPK, add:

Application of Division to trusts

- (2) This Division applies to a trust as if the trust were a taxpayer. However, a trust is not a legal person and any thing to be done by the trust has to be done by the trustee of the trust. Accordingly, any provision of this Division that refers to a taxpayer or entity having been, or not having been, required to do any thing or having done, or not having done, any thing is taken, if the taxpayer or entity is a trust, to refer to the trustee of the trust having been, or not having been, required to do that thing or having done, or not having done, that thing, as the case may be.

Schedule 5, item 1, page 45 (line 34), after “asset”, insert “that is being used solely”.

Schedule 5, item 1, page 46 (line 26), omit “subsection (5)”, substitute “subsections (5) and (5A)”.

Schedule 5, item 1, page 47 (after line 7), after subsection (5), insert:

Exception for replacement asset temporarily used to derive rent

- (5A) A replacement asset is not precluded by paragraph (4)(c) from being an active asset merely because its predominant use is to derive rent if its use for that purpose is only temporary.

Schedule 5, item 1, page 50 (line 24), omit “time of”, substitute “time immediately before”.

Schedule 5, item 1, page 54 (line 2), after “assets”, insert “(other than a liability that related to an asset that is not an asset for the purposes of this Part because of paragraph (a), (b), (c) or (d) of the definition of *asset* in subsection 160ZZPL(1))”.

Schedule 5, item 1, page 60 (line 28), omit “*net non-goodwill*”, substitute “*total net*”.

Schedule 5, item 1, page 61 (line 13), omit “*net non-goodwill*”, substitute “*total net*”.

Schedule 5, item 1, page 65 (line 14), omit “*asset disposed of*”, substitute “*change of status occurs*”.

Schedule 5, item 1, page 66 (after line 21), at the end of section 160ZZPZ, add:

(2) If:

- (a) a replacement asset that formed part of the estate of a dead person has passed to a beneficiary in that estate; and
- (b) section 160ZZPX had never applied to the dead person, or to the dead person’s legal personal representative, in relation to that asset;

anything done or omitted to be done by the dead person or the dead person’s legal personal representative in relation to the asset is taken for the purposes of this Division to have been done or omitted to be done by the beneficiary.

Schedules, as amended, agreed to.

Remainder of Bill, by leave, taken as whole, and agreed to.

Bill, as amended, agreed to.

Consideration in detail concluded.

On the motion of Mr Miles, by leave, the Bill was read a third time.

17 BOUNTY LEGISLATION AMENDMENT BILL 1996

The order of the day having been read for the further consideration in detail of the Bill—

Schedule 1—

Item 1—

Debate resumed on the question—That the item proposed to be inserted by Mr Moore (Minister for Industry, Science and Tourism) be so inserted, viz.:

1 Subsection 4(1) (definition of *bounty period*)

Omit “31 December 1997”, substitute “30 June 1997”.

Question—put.

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

AYES, 75

Mr Abbott	Mr Dondas	Mr Jull	Mr Ruddock
Mr Anderson	Mr Downer	Mrs D. M. Kelly	Mr Scott
Mr J. N. Andrew	Mrs Draper	Dr Kemp	Mr Sharp
Mr K. J. Andrews	Mrs Elson	Mr Lindsay	Mr Slipper
Mr Anthony	Mr Entsch	Mr Lloyd	Mr A. C. Smith
Mrs Bailey	Mr R. D. C. Evans	Mr McDougall	Mr Somlyay
Mr R. C. Baldwin	Mr Forrest	Mr McLachlan	Dr Southcott
Mr Barresi	Mrs Gallus	Mr Marek	Mrs Stone
Mr Bartlett	Ms Gambaro	Mr Moore	Mrs Sullivan
Mr Billson	Mrs Gash	Mr Mutch	Mr Taylor
Mrs Bishop	Mr Georgiou	Mr Nairn	Mr A. P. Thomson
Mr Bradford	Mrs E. J. Grace	Mr Nehl	Mr Truss
Mr Broadbent	Ms Hanson	Dr Nelson	Mr Tuckey
Mr Cadman*	Mr Hardgrave	Mr Neville	Mr M. A. J. Vaile
Mr E. H. Cameron	Mr Hawker	Mr Nugent	Ms D. S. Vale
Mr R. A. Cameron	Mr Hicks*	Mr Prosser	Mrs West
Mr Causley	Mr Hockey	Mr Pyne	Mr Williams
Mr Charles	Ms Jeanes	Mr Randall	Mr Zammit
Mr Cobb	Mrs Johnston	Mr Ronaldson	

NOES, 46

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

* Tellers

And so it was resolved in the affirmative.

Items 2 and 3, by leave, taken together—

On the motion of Mr Moore, by leave, the following amendments were made together, after debate:

Item 2, page 3 (line 24), omit “21 May 1997”, substitute “1 October 1997”.

Item 3, page 3 (line 32), omit “21 May 1997”, substitute “1 October 1997”.

Items, as amended, agreed to.

Items 4 and 5, by leave, taken together, and debated.

Question—That the items be agreed to—put.

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

AYES, 79

Mr Abbott	Mrs Draper	Mr Lloyd	Mr Sharp
Mr J. N. Andrew	Mrs Elson	Mr McArthur*	Mr Sinclair
Mr K. J. Andrews	Mr Entsch	Mr McDougall	Mr Slipper
Mr Anthony	Mr R. D. C. Evans	Mr McLachlan	Mr A. C. Smith
Mrs Bailey	Mr Forrest	Mr Marek	Mr W. L. Smith
Mr R. C. Baldwin	Mrs Gallus	Mr Miles	Mr Somlyay
Mr Barresi	Ms Gambaro	Mr Moore	Dr Southcott
Mr Bartlett	Mrs Gash	Mr Mutch	Mrs Stone
Mr Billson	Mr Georgiou	Mr Nairn	Mrs Sullivan
Mrs Bishop	Mrs E. J. Grace	Mr Nehl	Mr Taylor
Mr Bradford	Mr Hardgrave	Dr Nelson	Mr A. P. Thomson
Mr Broadbent	Mr Hawker	Mr Neville	Mr Truss
Mr Cadman	Mr Hicks*	Mr Nugent	Mr Tuckey
Mr E. H. Cameron	Mr Hockey	Mr Prosser	Mr M. A. J. Vaile
Mr R. A. Cameron	Ms Jeanes	Mr Pyne	Ms D. S. Vale
Mr Causley	Mrs Johnston	Mr Randall	Mrs West
Mr Charles	Mr Jull	Mr Reid	Mr Williams
Mr Cobb	Mrs D. M. Kelly	Mr Ronaldson	Dr Wooldridge
Mr Dondas	Dr Kemp	Mr Ruddock	Mr Zammit
Mr Downer	Mr Lindsay	Mr Scott	

NOES, 42

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 Fitzgibbon	Mr McClelland	Mr Sawford*
Mr Bevis	Mr Griffin	Mr McLeay	Mr Sercombe*
Mr Brereton	Mr Hatton	Mr McMullan	Mr S. F. Smith
Mr Brown	Mr Holding	Mr Martin	Mr Tanner
Mr Crean	Mr Hollis	Mr Melham	Mr K. J. Thomson
Mrs Crosio	Mr Jenkins	Mr A. A. Morris	Mr Willis
Mr Dargavel	Mr Jones	Mr P. F. Morris	Mr Wilton
Ms Ellis	Mr Kerr	Mr Mossfield	
Mr M. J. Evans	Mr Latham	Mr O'Connor	

* Tellers

And so it was resolved in the affirmative.

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

18 MESSAGE FROM THE SENATE—PRIVATE HEALTH INSURANCE INCENTIVES BILL 1997

The following message from the Senate was reported:

Message No. 152

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to provide incentives for private health insurance, and for related purposes**, and requests the House to amend the bill as indicated by the annexed schedule.

MARGARET REID

President

The Senate

4 March 1997

Ordered—That the amendments requested by the Senate be considered forthwith.

SCHEDULE OF THE REQUESTS BY THE SENATE FOR AMENDMENTS

(1) Clause 3-3, page 6 (lines 19 to 28), omit subclause (4), substitute:

(4) The *maximum amount* is:

- (a) if at all times during the financial year the person covered by the policy is not a dependent child and is not the partner of another person—\$35,000 adjusted, as appropriate, by the index number; or
- (b) if at any time during the financial year the person covered by the policy is not a dependent child and is the partner of another person—\$70,000 adjusted, as appropriate, by the index number; or
- (c) if at any time during the financial year the person covered by the policy is a dependent child—\$70,000 adjusted, as appropriate, by the index number.

Note: For *dependent child*, *parent* and *partner*, see the Dictionary.
For *index number*, see section 3-6.

(5) For the purposes of subsection (4), adjustment of the maximum amount is determined by multiplying the sum specified by the index number (rounding down to the nearest whole dollar).

Note: For *index number*, see section 3-6.

(2) Clause 3-4, page 7 (lines 21 to 31), omit subclause (4), substitute:

(4) The *maximum amount* is:

- (a) if the persons covered by the policy do not include 2 or more dependent children at any time during the financial year concerned—\$70,000 adjusted, as appropriate, by the index number; or
- (b) if, at any time during the financial year, 2 or more dependent children are covered by the policy—the amount worked out as follows:

$$\begin{array}{l}
 \$70,000 \text{ adjusted,} \\
 \text{as appropriate, by} \\
 \text{the index number}
 \end{array}
 + \left(\begin{array}{l}
 \$3,000 \text{ adjusted, as} \\
 \text{appropriate, by the index} \\
 \text{number} \times (\text{Number of dependent children} - 1)
 \end{array} \right)$$

Note: For *dependent child*, *parent* and *partner*, see the Dictionary.
For *index number*, see section 3-6.

- (5) For the purposes of subsection (4), adjustment of the maximum amount is determined by multiplying the sum specified by the index number (rounding down to the nearest whole dollar).

Note: For *index number*, see section 3-6.

- (3) Page 8 (after line 12), at the end of Division 3, add:

3-6 Meaning of *index number*

In section 3-3 or 3-4:

- (1) *Index number*, in relation to a maximum amount, means the number, calculated to 3 decimal places, worked out under the following formula:

$$\frac{\text{average weekly earnings for the immediately preceding calendar year}}{\text{average weekly earnings for calendar year 1996}}$$

- (2) For the purposes of subsection (1), *average weekly earnings* for a year of income is the number of dollars in the sum of:
- (a) the average weekly earnings for all employees for the reference period in the December quarter immediately before the year of income, as published by the Australian Statistician; and
 - (b) the average weekly earnings for all employees for the reference period in each of the 3 quarters immediately before that December quarter, as published by the Australian Statistician.
- (3) Subject to subsection (4), if at any time, whether before or after the commencement of this Part, the Australian Statistician has published or publishes an average total weekly earnings number in respect of a year in substitution for an average total weekly earnings number previously published by the Australian Statistician in respect of that year, the publication of the later number shall be disregarded for the purposes of sections 3-3 and 3-4.
- (4) If at any time, whether before or after the commencement of this Part, the Australian Statistician has changed or changes the reference base for the average total weekly earnings, then, for the purposes of the application of sections 3-3 and 3-4 after the change took place or takes place, regard shall be had only to numbers published in terms of the new reference base.

On the motion of Dr Wooldridge (Minister for Health and Family Services), the requested amendments were not made, after debate.

19 MESSAGE FROM THE SENATE

A message from the Senate was reported returning the following Bill without amendment:

4 March 1997—Message No. 153—Health Legislation Amendment (Private Health Insurance Incentives) 1996.

20 MESSAGE FROM THE SENATE—MEDICARE LEVY AMENDMENT BILL (NO. 2) 1996

The following message from the Senate was reported:

Message No. 154

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to amend the Medicare Levy Act 1986, and for related purposes**, and requests the House to amend the bill as indicated by the annexed schedule.

MARGARET REID

President

The Senate

4 March 1997

Ordered—That the amendments requested by the Senate be considered forthwith.

SCHEDULE OF THE REQUESTS BY THE SENATE FOR AMENDMENTS

- (1) Schedule 2, item 4, page 6 (line 15), omit “\$50,000”, substitute “\$50,000 adjusted, as appropriate, by the index number”.
- (2) Schedule 2, item 4, page 6 (after line 23), after subclause (2), add:
 - (3) For the purposes of subsection (2), adjustment of the maximum amount is determined by multiplying the sum specified by the index number (rounding down to the nearest whole dollar).
Note: For *index number*, see section 8H.
- (3) Schedule 2, item 4, page 7 (line 16), omit “\$100,000”, substitute “\$100,000 adjusted, as appropriate, by the index number”.
- (4) Schedule 2, item 4, page 7 (after line 25), at the end of section 8C, add:
 - (4) For the purposes of subsection (3), adjustment of the maximum amount is determined by multiplying the sum specified by the index number (rounding down to the nearest whole dollar).
Note: For *index number*, see section 8H.
- (5) Schedule 2, item 4, page 8 (line 16) to page 9 (line 8), omit “\$100,000” (wherever occurring), substitute “\$100,000 adjusted, as appropriate, by the index number”.
- (6) Schedule 2, item 4, page 9 (after line 8), after subsection (4), insert:
 - (4A) For the purposes of subsections (3) and (4), adjustment of the maximum amount is determined by multiplying the sum specified by the index number (rounding down to the nearest whole dollar).
Note: For *index number*, see section 8H.

- (7) Schedule 2, item 4, page 9 (line 27), omit “\$50,000”, substitute “\$50,000 adjusted, as appropriate, by the index number”.
- (8) Schedule 2, item 4, page 10 (after line 4), at the end of section 8E, add:
 (3) For the purposes of subsection (2), adjustment of the maximum amount is determined by multiplying the sum specified by the index number (rounding down to the nearest whole dollar).
 Note: For *index number*, see section 8H.
- (9) Schedule 2, item 4, page 10 (line 16), omit “\$100,000”, substitute “\$100,000 adjusted, as appropriate, by the index number”.
- (10) Schedule 2, item 4, page 10 (after line 27), at the end of section 8F, add:
 (3) For the purposes of subsection (2), adjustment of the maximum amount is determined by multiplying the sum specified by the index number (rounding down to the nearest whole dollar).
 Note: For *index number*, see section 8H.
- (11) Schedule 2, item 4, page 11 (line 12) to page 12 (line 7), omit “\$100,000” (wherever occurring), substitute “\$100,000 adjusted, as appropriate, by the index number”.
- (12) Schedule 2, item 4, page 12 (after line 7), after subsection (3), insert:
 (3A) For the purposes of subsections (2) and (3), adjustment of the maximum amount is determined by multiplying the sum specified by the index number (rounding down to the nearest whole dollar).
 Note: For *index number*, see section 8H.
- (13) Schedule 2, item 4, page 12 (after line 14), at the end of the item, add:

8H Meaning of *index number*

In section 8B, 8C, 8D, 8E, 8F or 8G:

- (1) *Index number*, in relation to a maximum amount, means the number, calculated to 3 decimal places, worked out under the following formula:
- $$\frac{\text{average weekly earnings for the immediately preceding calendar year}}{\text{average weekly earnings for calendar year 1996 - 97}}$$
- (2) For the purposes of subsection (1), *average weekly earnings* for a year of income is the number of dollars in the sum of:
- (a) the average weekly earnings for all employees for the reference period in the December quarter immediately before the year of income, as published by the Australian Statistician; and
 - (b) the average weekly earnings for all employees for the reference period in each of the 3 quarters immediately before that December quarter, as published by the Australian Statistician.

- (3) Subject to subsection (4), if at any time, whether before or after the commencement of sections 8B to 8G and this section, the Australian Statistician has published or publishes an average total weekly earnings number in respect of a year in substitution for an average total weekly earnings number previously published by the Australian Statistician in respect of that year, the publication of the later number shall be disregarded for the purposes of sections 8B, 8C, 8D, 8E, 8F and 8G.
- (4) If at any time, whether before or after the commencement of sections 8B to 8G and this section, the Australian Statistician has changed or changes the reference base for the average total weekly earnings, then, for the purposes of the application of sections 8B, 8C, 8D, 8E, 8F and 8G after the change took place or takes place, regard shall be had only to numbers published in terms of the new reference base.

On the motion of Dr Wooldridge (Minister for Health and Family Services), the requested amendments were not made, after debate.

21 MESSAGE FROM THE SENATE—TAXATION LAWS AMENDMENT (PRIVATE HEALTH INSURANCE INCENTIVES) BILL 1997

The following message from the Senate was reported:

Message No. 155

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to amend the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*, and for related purposes**, and acquaints the House that the Senate has agreed to the bill with the amendment indicated by the annexed schedule, in which amendment the Senate requests the concurrence of the House of Representatives.

MARGARET REID

President

The Senate

4 March 1997

Ordered—That the amendment be considered forthwith.

SCHEDULE OF THE AMENDMENT MADE BY THE SENATE

Schedule 3, page 14 (lines 2 to 12), omit the Schedule.

On the motion of Dr Wooldridge (Minister for Health and Family Services), the amendment was disagreed to, after debate.

Dr Wooldridge moved—That Mr Cadman, Mr McArthur and the mover be appointed a committee to draw up reasons for the House of Representatives disagreeing to the amendment of the Senate.

Question—put and passed.

Dr Wooldridge, on behalf of the committee, brought up reasons, which were circulated, and are as follows:

Reasons of the House of Representatives for disagreeing to the amendment of the Senate

The House does not accept the Senate's amendment for the following reasons:

- the increase in the threshold is an integral part of the Government's package to boost Australia's declining level of participation in private health insurance, a package that includes incentives for lower income earners who have private health insurance and an incentive on higher income earners to take out private health insurance; and
- the \$1000 threshold has not been increased since it was introduced in 1985-86.

On the motion of Dr Wooldridge, the committee's reasons were adopted.

22 BOUNTY LEGISLATION AMENDMENT BILL 1996

The order of the day having been read for the further consideration in detail of the Bill—

Schedule 1—

Items 6 to 9, by leave, taken together, and debated.

23 ADJOURNMENT

It being 7.30 p.m.—The question was proposed—That the House do now adjourn.

Debate ensued.

The House continuing to sit until 8 p.m.—The Speaker adjourned the House until tomorrow at 9.30 a.m.

PAPERS

The following papers were deemed to have been presented on 5 March 1997:

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—Part 105 Amendment 3 February 1997.

Corporations Act—Accounting standard No. AASB 1017.

Defence Act—Determinations under section 58B 1997 Nos. 8, 9, 10, 12, 13, ODD 11.

Family Law Act—Child support ruling 1997 No. CSR 1.

Superannuation Guarantee (Administration) Act—Determination 1997 No. SGD 1.

Taxation Administration Act—Ruling 1997 No. TR 3.

ATTENDANCE

All Members attended (at some time during the sitting) except Mr Fischer, Mr Katter, Mr Lieberman and Ms Worth.

L. M. BARLIN
Clerk of the House of Representatives

1996-97

HOUSE OF REPRESENTATIVES
SUPPLEMENT TO VOTES AND PROCEEDINGS

No. 75

MAIN COMMITTEE

MINUTES OF PROCEEDINGS

WEDNESDAY, 5 MARCH 1997

1 The Main Committee met at 10 a.m.

2 TAXATION LAWS AMENDMENT BILL (NO. 4) 1996

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—*And on the amendment moved thereto by Mr Latham, viz.*—That all words after “That” be omitted with a view to substituting the following words: “whilst not declining to give the Bill a second reading, the House calls on the Government to:

- (1) ensure the Capital Gains Tax rollover relief is restricted to situations where a net increase in employment will occur;
- (2) closely monitor the integrity of the tax system in light of the Capital Gains Tax changes;
- (3) reverse the reduction in the minimum proportion of the workforce which must be invited to participate in an ESOP; and
- (4) reverse the proposed limitation of accelerated depreciation to shipping”—

Debate resumed.

Amendment negatived.

Question—That the Bill be now read a second time—put and passed—Bill read a second time.

On the motion of Mr Miles (Parliamentary Secretary (Cabinet) to the Prime Minister), further proceedings to be conducted in the House.

3 APPROPRIATION BILL (NO. 3) 1996-97

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.

Suspension of sitting: At 12.40 p.m., a division having been called in the House, the proceedings were suspended.

Resumption of sitting: At 12.55 p.m., the proceedings were resumed.

Debate continued.

Suspension of sitting: At 1.01 p.m., the Deputy Speaker left the Chair.

Resumption of sitting: At 4.30 p.m., the Deputy Speaker resumed the Chair.

Debate continued.

Suspension of sitting: At 4.40 p.m., a division having been called in the House, the proceedings were suspended.

Resumption of sitting: At 4.55 p.m., the proceedings were resumed.

Debate continued.

Suspension of sitting: At 5.45 p.m., a division having been called in the House, the proceedings were suspended.

Resumption of sitting: At 6.04 p.m., the proceedings were resumed.

Debate continued.

Paper: Mr E. H. Cameron, by leave, presented the following paper:

Cash Converters Group—Copy of report by Terry Donnelly, 15 November 1996.

Debate continued.

Suspension of sitting: At 6.27 p.m., a division having been called in the House, the proceedings were suspended.

Resumption of sitting: At 6.40 p.m., the proceedings were resumed.

Debate continued.

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.

4 APPROPRIATION BILL (NO. 4) 1996-97

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 the question on the report to be put forthwith.

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

5 APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (NO. 2) 1996-97

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 the question on the report to be put forthwith.

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

6 ADJOURNMENT

On the motion of Mr A. P. Thomson (Parliamentary Secretary to the Minister for Foreign Affairs), the Main Committee adjourned at 7.12 p.m.



B.C. WRIGHT
Clerk of the Main Committee