

1996-97

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

VOTES AND PROCEEDINGS

No. 103

TUESDAY, 26 AUGUST 1997

1 The House met, at 2 p.m., pursuant to adjournment. The Speaker (the Honourable Bob Halverson) took the Chair, and read Prayers.

2 DEATH OF FORMER MEMBER (MR J. FITZPATRICK)

The Speaker informed the House of the death, on 28 July 1997, of Mr John FitzPatrick, a Member of this House for the Division of Darling from 1969 to 1977 and for the Division of Riverina from 1977 to 1980.

As a mark of respect to the memory of the deceased all Members present stood, in silence.

3 QUESTIONS

Questions without notice were asked.

4 PAPERS

The following papers were presented:

Defence Act—Army and Air Force Canteen Service Regulations—Army and Air Force Canteen Service Board of Management—Report for year ended 31 January 1997.

Employment, Education and Training Act—National Board of Employment, Education and Training—Higher Education Council—Report, including the Board's comments—Quality in resource based learning, July 1997.

Finance—

Advance to the Minister for Finance—
Statements for May 1997.

Supporting applications of issues from the Advance during May 1997.

Provision for running costs borrowings —
Statement for May 1997.

Supporting applications for issues from the Provision during May 1997.

Industry Commission Act—Industry Commission—Reports—

No. 52—The machine tools and robotics industries, 13 August 1996.

No. 54—Book printing, 23 October 1996.

No. 56—Medical and scientific equipment industries, 20 December 1996.

National Health and Medical Research Council Act—National Health and Medical Research Council—Strategic plan for 1997-2000.

Treaties—

Bilateral with national interest analysis—

Treaty between the Government of Australia and the Government of the Republic of Indonesia establishing an Exclusive Economic Zone Boundary and Certain Seabed Boundaries, done at Perth on 14 March 1997.

Treaty between the Government of Australia and the Government of the United States of America on Mutual Assistance in Criminal Matters, and Exchange of Notes constituting an Agreement on the interpretation and application of the Treaty on Mutual Assistance in Criminal Matters, done at Washington on 30 April 1997.

Agreement between the Government of Australia and the Government of the Republic of Kazakstan on Economic and Commercial Cooperation, done at Almaty on 7 May 1997.

Exchange of Notes, done at Seoul on 11 August 1997, constituting an Agreement between the Government of Australia and the Government of the Republic of Korea concerning the Retransfer of Australian Obligated Nuclear Material under the Agreement concerning Cooperation in Peaceful uses of Nuclear Energy and the Transfer of Nuclear Material, of 2 May 1979.

Project Arrangement between the Government of Australia and the Government of the United States of America on Detection and Tracking of Targets in Clutter.

Project Arrangement between the Government of Australia and the Government of the United States of America on Data Fusion for Over-the-Horizon Radar.

Multilateral with national interest analysis—

Fourth Protocol, done at Geneva on 15 April 1997, to the General Agreement on Trade in Services, of 15 April 1994.

Second Agreement, done at Vienna on 24 May 1997, to extend the Regional Co-operative Agreement for Research, Development and Training related to Nuclear Science and Technology, of 2 February 1987.

Amendments, done at Harare in June 1997, to Appendices I and II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, of 3 March 1973.

Bilateral—National interest analysis—

Treaty on Extradition between Australia and the Oriental Republic of Uruguay, done at Montevideo on 7 October 1988.

Treaty on Extradition between Australia and the Republic of Turkey, done at Canberra on 3 March 1994, and Exchange of Notes, done at Ankara on 27 and 28 March 1995, constituting an Agreement to correct the Treaty on Extradition and as to the interpretation of the Treaty as corrected.

5 PAPERS—MOTION TO TAKE NOTE OF PAPERS

Mr Reith (Leader of the House) moved—That the House take note of the following papers:

Industry Commission Act—Industry Commission—Reports—

No. 52—The machine tools and robotics industries, 13 August 1996.

No. 54—Book printing, 23 October 1996.

No. 56—Medical and scientific equipment industries, 20 December 1996.

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

6 DISCUSSION OF MATTER OF PUBLIC IMPORTANCE—PRIVATE HEALTH INSURANCE INCENTIVES

The House was informed that Mr Lee had proposed that a definite matter of public importance be submitted to the House for discussion, namely, “The failure of the Government’s private health insurance incentives as confirmed by MBF’s proposal to further increase premiums and to charge members a compulsory \$50 co-payment for private hospital treatment”.

The proposed discussion having received the necessary support—

Mr Lee addressed the House.

Discussion ensued.

Discussion concluded.

7 BILLS REFERRED TO MAIN COMMITTEE

Mr J. N. Andrew (Chief Government Whip), pursuant to notice, moved—That the following Bills be referred to the Main Committee for further consideration:

Indigenous Education (Supplementary Assistance) Amendment 1997;

Transport Legislation Amendment (Search and Rescue Service) 1997;

Health Insurance (Pathology Services) Amendment 1997;

Radiocommunications (Spectrum Licence Tax) 1997; and

Radiocommunications Legislation Amendment 1997.

Question—put and passed.

8 SELECTION COMMITTEE—REPORT

Mr Nehl (Chair) presented the following paper:

Selection Committee—Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 1 September 1997.

9 ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS—STANDING COMMITTEE—REPORT—STATEMENTS BY MEMBERS—MOTION TO TAKE NOTE OF PAPER

Mr Lieberman (Chair) presented the following papers:

Aboriginal and Torres Strait Islander Affairs—Standing Committee—Torres Strait Islanders: A new deal—Greater autonomy for Torres Strait Islanders—

Report, August 1997.

Evidence received by the committee.

Minutes of proceedings.

Ordered—That the report be printed.

Mr Lieberman, Mr Melham and Mr Holding, by leave, made statements in connection with the report.

Mr Lieberman, by leave, moved—That the House take note of the report.

Mr Lieberman was granted leave to continue his speech when the debate is resumed.

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

10 STATES GRANTS (GENERAL PURPOSES) AMENDMENT 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.

Mr Campbell was granted leave to continue his speech when the debate is resumed.

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

11 STATES GRANTS (GENERAL PURPOSES) AMENDMENT 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.

Messages from the Governor-General

The following messages from His Excellency the Governor-General were announced:

No. 172, dated 15 August 1997, recommending an appropriation for the purposes of the Bill; and

No. 173, dated 26 August 1997, recommending an appropriation for the purpose of amendments to the Bill.

Consideration in detail

Bill, by leave, taken as a whole.

Mr Miles (Parliamentary Secretary (Cabinet) to the Prime Minister), by leave, moved the following amendments together:

Schedule 1—

Item 1, page 3 (after line 9), after the definition of *competition agreement*, insert:

Commonwealth surcharge means the variation effected by a Surcharge Act in the rate of duty of customs or excise payable on

specified goods or in the rate of sales tax applicable to specified taxable dealings (as the case may be).

Sales Tax (Surcharge) Acts means the following Acts:

- (a) the *Sales Tax (Customs) (Alcoholic Beverages) Act 1997*;
- (b) the *Sales Tax (Excise) (Alcoholic Beverages) Act 1997*;
- (c) the *Sales Tax (General) (Alcoholic Beverages) Act 1997*.

Note: These Acts increase the rates of tax that apply to taxable dealings with the following goods:

- (a) goods covered by Item 1 of Schedule 7 to the *Sales Tax (Exemptions and Classifications) Act 1992*;
- (b) beer, spirits, liqueurs or spirituous liquors;
- (c) beverages that contain beer, spirits (other than spirits for fortifying wine or other beverages), liqueurs or spirituous liquors.

Secretary means the Secretary of the Department.

Surcharge Acts means the following Acts:

- (a) the *Customs Tariff Amendment Act (No. 3) 1997*;
- (b) the *Excise Tariff Amendment Act (No. 3) 1997*;
- (c) the Sales Tax (Surcharge) Acts;
- (d) any Act that varies:
 - (i) the rate of the duty of customs payable on goods falling to subheadings of Chapter 24 or 27 of the *Customs Tariff Act 1995*; or
 - (ii) the rate of the duty of excise payable on goods falling to items 6, 7, 8 or 11 of the Schedule to the *Excise Tariff Act 1921*; or
 - (iii) the rate of sales tax applicable to any of the taxable dealings to which the Sales Tax (Surcharge) Acts relate;

and is prescribed for the purposes of this definition.

Note 1: The *Customs Tariff Amendment Act (No. 3) 1997* increases the rate of the duty of customs payable on goods falling to certain subheadings of Chapters 24 and 27 of Schedule 3 to the *Customs Tariff Act 1995*. The relevant subheadings of Chapter 24 deal with tobacco and manufactured tobacco substitutes. The relevant subheadings of Chapter 27 deal with petroleum products.

Note 2: The *Excise Tariff Amendment Act (No. 3) 1997* increases the rate of the duty of excise payable on goods falling to items 6, 7, 8 and 11 in the Schedule to the *Excise Tariff Act 1921*. Items 6, 7 and 8 in that Schedule deal with tobacco, cigars and cigarettes. Item 11 deals with petroleum products.

Item 3, page 4 (after line 14), after section 11, insert:

11A Revenue replacement payments

Subject to this Act, each State is to be paid by way of financial assistance, in relation to a grant year, a revenue replacement payment worked out in accordance with the applicable Schedule.

11B Franchise fees windfall tax reimbursement payments

Subject to this Act, each State is to be paid by way of financial assistance, in relation to a grant year, a franchise fees windfall tax reimbursement payment worked out in accordance with the applicable Schedule.

Page 4 (after line 18), after item 4, insert:

4A After section 12A

Insert:

12B Overpayment of grant

If a State has been paid an amount in excess of the amount that, under a provision of this Act, it was entitled to receive by way of financial assistance in relation to a grant year, the Treasurer may deduct an amount equal to the excess from any amount that the State is entitled to receive by way of financial assistance in relation to the year immediately following the grant year.

Page 5 (after line 14), after item 5, insert:

5A At the end of section 17

Add:

(4) In working out:

- (a) for the purposes of subsection (1), the sum of the amounts payable to a State in relation to the grant year commencing on 1 July 1997; and
- (b) for the purposes of subsection (2), the total amount payable under this Act in relation to that grant year;

the revenue replacement payment made to a State in relation to that grant year is taken to be the amount worked out by using the formula:

$$\frac{AA \times 12}{11}$$

where:

AA (actual amount) means the amount of the revenue replacement payment worked out in accordance with clause 4A in Schedule 4 in relation to that State.

Page 5 (after line 18), after item 7, insert:

7A After paragraph 21(c)

Insert:

- (ca) the Commissioner of Taxation; or
- (cb) the Chief Executive Officer of Customs; or
- (cc) the Secretary; or

7B After section 21

Insert:

21A Regulations

The Governor-General may make regulations:

- (a) prescribing matters required or permitted by this Act to be prescribed; or
- (b) prescribing matters necessary or convenient to be prescribed for carrying out or giving effect to this Act.

Item 8—

Page 5 (after line 23), after the definition of *base assistance amount*, insert:*CEO* means the Chief Executive Officer of Customs.*Commissioner* means the Commissioner of Taxation.

Page 6 (after line 14), after clause 4, insert:

4A Revenue replacement payments

- (1) For the purposes of section 11A, the revenue replacement payment to be made to a State is worked out by using the formula:

$$[ABA \times AS] + [TBA \times TS] + [PBA \times PS]$$

where:

ABA (alcohol base amount) means the sum of:

- (a) the amount determined by the Commissioner, before 15 June 1998, to be the additional amount of sales tax on taxable dealings to which the Sales Tax (Surcharge) Acts relate that was collected before 1 June 1998 because of a Commonwealth surcharge (whether under those Acts or any other Surcharge Act); and
- (b) the amount determined by the Commissioner, before 15 June 1998, to be the additional amount of sales tax on taxable dealings to which the Sales Tax (Surcharge) Acts relate that the Commissioner estimates to be likely to be collected during the month of June 1998 because of a Commonwealth surcharge (whether under those Acts or any other Surcharge Act);

less the amount determined by the Commissioner to be the additional administrative costs incurred by the Commonwealth in the grant year because of that surcharge or those surcharges.

AS (alcohol share) means the number set out opposite the name of the State in the following table.

Alcohol Share	
State	Alcohol Share
New South Wales	0.33796
Victoria	0.22332
Queensland	0.19314
Western Australia	0.11147
South Australia	0.07857
Tasmania	0.02415
Australian Capital Territory	0.01569
Northern Territory	0.01569

TBA (tobacco base amount) means the sum of:

- (a) the amount determined by the CEO, before 15 June 1998, to be the additional amount of customs duty on goods falling to subheadings of Chapter 24 of Schedule 3 to the *Customs Tariff Act 1995* that was collected before 1 June 1998 because of a Commonwealth surcharge (whether under the *Customs Tariff Amendment Act (No. 3) 1997* or any other Surcharge Act); and

Note: Chapter 24 of Schedule 3 to the *Customs Tariff Act 1995* deals with tobacco and manufactured tobacco substitutes.

- (b) the amount determined by the CEO, before 15 June 1998, to be the additional amount of customs duty on goods falling to subheadings of Chapter 24 of Schedule 3 to the *Customs Tariff Act 1995* that the CEO estimates to be likely to be collected during the month of June 1998 because of a Commonwealth surcharge (whether under the *Customs Tariff Amendment Act (No. 3) 1997* or any other Surcharge Act); and
- (c) the amount determined by the CEO, before 15 June 1998, to be the additional amount of excise duty on goods falling to items 6, 7 and 8 of the Schedule to the *Excise Tariff Act 1921* that was collected before 1 June 1998 because of a Commonwealth surcharge (whether under the *Excise Tariff Amendment Act (No. 3) 1997* or any other Surcharge Act); and

Note: Items 6, 7 and 8 of the Schedule to the *Excise Tariff Act 1921* deal with tobacco, cigars and cigarettes.

- (d) the amount determined by the CEO, before 15 June 1998, to be the additional amount of excise duty on goods falling to items 6, 7 and 8 of the Schedule to the *Excise Tariff Act 1921* that the CEO estimates to be likely to be collected during the month of June 1998 because of a Commonwealth surcharge (whether under the *Excise Tariff Amendment Act (No. 3) 1997* or any other Surcharge Act);

less the amount determined by the CEO to be the amount of the additional administrative costs incurred by the Commonwealth in the grant year because of those surcharges.

TS (tobacco share) means the number set out opposite the name of the State in the following table.

Tobacco Share	
State	Tobacco Share
New South Wales	0.33319
Victoria	0.22731
Queensland	0.19616
Western Australia	0.10121
South Australia	0.08180
Tasmania	0.02940
Australian Capital Territory	0.01444
Northern Territory	0.01648

PBA (petroleum base amount) means the sum of:

- (a) the amount determined by the CEO, before 15 June 1998, to be the additional amount of customs duty on goods falling to subheadings of Chapter 27 of Schedule 3 to the *Customs Tariff Act 1995* that was collected before 1 June 1998 because of a Commonwealth surcharge (whether under the *Customs Tariff Amendment Act (No. 3) 1997* or any other Surcharge Act); and

Note: Chapter 27 of Schedule 3 to the *Customs Tariff Act 1995* deals with petroleum products.

- (b) the amount determined by the CEO, before 15 June 1998, to be the additional amount of customs duty on goods falling to subheadings of Chapter 27 of Schedule 3 to the *Customs Tariff Act 1995* that the CEO estimates to be likely to be collected during the month of June 1998 because of a Commonwealth surcharge (whether under the *Customs Tariff Amendment Act (No. 3) 1997* or any other Surcharge Act); and
- (c) the amount determined by the CEO, before 15 June 1998, to be the additional amount of excise duty on goods falling to item 11 of the Schedule to the *Excise Tariff Act 1921* that

was collected before 1 June 1998 because of a Commonwealth surcharge (whether under the *Excise Tariff Amendment Act (No. 3) 1997* or any other Surcharge Act); and

Note: Item 11 of the Schedule to the *Excise Tariff Act 1921* deals with petroleum products.

- (d) the amount determined by the CEO, before 15 June 1998, to be the additional amount of excise duty on goods falling to item 11 of the Schedule to the *Excise Tariff Act 1921* that the CEO estimates to be likely to be collected during the month of June 1998 because of a Commonwealth surcharge (whether under the *Excise Tariff Amendment Act (No. 3) 1997* or any other Surcharge Act);

less the following amounts:

- (e) the amount determined by the CEO to be the amount of the additional administrative costs incurred by the Commonwealth in the grant year because of those surcharges;
- (f) the amount determined by the Secretary to be the amount of public debt interest incurred by the Commonwealth in the grant year because payments of amounts of customs duty that included an amount payable because of a Commonwealth surcharge were deferred in accordance with permissions granted under section 69 of the *Customs Act 1901* for the delivery into home consumption of goods falling to subheadings of Chapter 27 of Schedule 3 to the *Customs Tariff Act 1995*.

PS (petroleum share) means the number set out opposite the name of the State in the following table.

Petroleum Share	
State	Petroleum Share
New South Wales	0.30039
Victoria	0.20153
Queensland	0.19593
Western Australia	0.17118
South Australia	0.07549
Tasmania	0.02453
Australian Capital Territory	0.01291
Northern Territory	0.01804

- (2) In determining, for the purposes of subsection (1), the additional amount of customs duty or excise duty that was collected, or is likely to be collected, during a particular period because of a

Commonwealth surcharge, the CEO is to take into account the impact of the operation of:

- (a) section 19 of the *Customs Tariff Act 1995*; or
- (b) section 6A of the *Excise Tariff Act 1921*;

as the case requires.

Note: Section 19 of the *Customs Tariff Act 1995* and section 6A of the *Excise Tariff Act 1921* provide for the automatic indexation of certain rates of duty which include rates payable on tobacco etc. and petroleum products.

- (3) In working out, for the purposes of a determination under paragraph (f) of the definition of *PBA* in subsection (1), the total of the amounts of customs duty whose payment was deferred in accordance with a permission granted under section 69 of the *Customs Act 1901*, the Secretary is to disregard any part of those amounts of customs duty collected because of a Commonwealth surcharge.

4B Franchise fees windfall tax reimbursement payments

For the purposes of section 11B, the franchise fees windfall tax reimbursement payment to be made to a State is equal to the sum of:

- (a) the amount determined by the Commissioner, not later than 22 June 1998, to be the total of the amounts of tax collected, and remitted to the Commissioner, by the State under the *Franchise Fees Windfall Tax (Collection) Act 1997* on or before 21 June 1998; and
- (b) the amount determined by the Commissioner, not later than 22 June 1998, to be the total of the amounts of tax likely to be collected, and remitted to the Commissioner, by the State under that Act during the month of June 1998.

Paper

Mr Miles presented a supplementary explanatory memorandum to the Bill.

Debate continued.

Amendments 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.

12 WORKPLACE RELATIONS AMENDMENT 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.

13 ADJOURNMENT

It being 10.30 p.m.—The question was proposed—That the House do now adjourn.

Debate ensued.

The House continuing to sit until 11 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 26 August 1997:

Copyright Act—Declaration under section 10A, 20 May 1997.

Superannuation Act 1976—Declaration—Statutory Rules 1997 No. 214.

Superannuation Act 1990—Declarations—Statutory Rules 1997 Nos. 212, 213.

ATTENDANCE

All Members attended (at some time during the sitting) except Mr R. C. Baldwin, Mr Mutch and Mr Sawford.

I. C. HARRIS

Clerk of the House of Representatives