

1998-99

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

VOTES AND PROCEEDINGS

No. 43

TUESDAY, 8 JUNE 1999



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

2 QUESTIONS

Questions without notice being asked—

Papers

Mr Beazley (Leader of the Opposition), in accordance with standing order 321, having called for documents quoted from by Mr Howard (Prime Minister)—

Mr Howard presented the following paper:

Cape York Concrete Pty Ltd—Copy of facsimile from Bob Lane, Lane Accounting, to Mr Entsch, 8 June 1999.

Questions without notice continued.

3 DISCUSSION OF MATTER OF PUBLIC IMPORTANCE—GOODS AND SERVICES TAX

The House was informed that Mr Swan had proposed that a definite matter of public importance be submitted to the House for discussion, namely, “The failure of the Coalition-Democrat tax deal to adequately protect low and middle-income Australians from the adverse impact of the GST”.

The proposed discussion having received the necessary support—

Mr Swan addressed the House.

Discussion ensued.

Discussion concluded.

4 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, 21 June 1999.

5 A NEW TAX SYSTEM (CLOSELY HELD TRUSTS) BILL 1999

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 by Mr Cox who moved, as an amendment—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 notes that:

- (1) In relation to tax avoidance:
 - (a) the Government has failed for three years to take adequate action to deal with major tax avoidance and evasion by high wealth individuals using complex trust structures;
 - (b) lack of action is causing major ongoing losses of revenue;
 - (c) at the time these aggressive tax avoidance and evasion schemes were first identified by the Australian Taxation Office in late 1995 and early 1996 an amount of \$800 million was being evaded by 80 high wealth individuals;
 - (d) some of the high wealth individuals participating in these schemes were manipulating their taxable incomes to declare as little as \$20,000 a year and so claim various government benefits;
 - (e) the legislative action required to eliminate these schemes is well understood by the Australian Taxation Office; and
 - (f) the lack of adequate action on tax avoidance and evasion using trusts is an indicator of the Government’s failure to provide proper and fair tax reforms; and
- (2) In relation to so called taxation reform, of which this Bill forms a part as a component of the New Tax System:
 - (a) the government has not achieved real tax reforms in Australia, it has merely agreed to introduce an unfair GST;
 - (b) the new Howard/Lees GST will involve a massive tax mix switch which will hurt ordinary families, which is directly contrary to the balloted policy of the Australian Democrats;
 - (c) the Howard/Lees deal will actually increase the tax on food in Australia;
 - (d) ordinary people will now face a GST on top of state indirect taxes on bank accounts; and
 - (e) the amended tax package is still unfair and will also damage the environment”.

Debate continued.

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

The House divided (the Deputy Speaker, Mrs Crosio, in the Chair)—

AYES, 73

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|------------------|-----------------|---------------------|-------------------|
| Mr Abbott | Mr Entsch | Mr Lindsay | Mr Secker |
| Mr Anderson | Mr Fahey | Mr Lloyd | Mr Slipper |
| Mr K. J. Andrews | Mr Fischer | Mr McArthur* | Mr Somlyay |
| Mr Anthony | Mr Forrest* | Mr I. E. Macfarlane | Mrs Stone |
| Mr Baird | Mrs Gallus | Mr McGauran | Mrs Sullivan |
| Mr Barresi | Ms Gambaro | Mrs May | Mr C. P. Thompson |
| Mr Bartlett | Mrs Gash | Mr Moore | Mr A. P. Thomson |
| Mr Billson | Mr Georgiou | Mr Nairn | Mr Truss |
| Mrs B. K. Bishop | Mr Haase | Mr Nehl | Mr Tuckey |
| Ms J. I. Bishop | Mr Hardgrave | Dr Nelson | Mr M. A. J. Vaile |
| Mr Brough | Mr Hawker | Mr Neville | Mrs D. S. Vale |
| Mr Cadman | Mrs Hull | Mr Nugent | Mr Wakelin |
| Mr Cameron | Mr Jull | Mr Prosser | Dr Washer |
| Mr Causley | Mr Katter | Mr Pyne | Mr Williams |
| Mr Charles | Mrs D. M. Kelly | Mr Ronaldson | Dr Wooldridge |
| Mr Costello | Jackie Kelly | Mr Ruddock | Ms Worth |
| Mr Downer | Dr Kemp | Mr St Clair | |
| Mrs Draper | Mr Lawler | Mr Schultz | |
| Mrs Elson | Mr Lieberman | Mr Scott | |

NOES, 60

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|----------------------|--------------|--------------------|------------------|
| Mr Adams | Ms Gerick | Mr McClelland | Mr Ripoll |
| Mr Albanese | Mr Gibbons | Ms J. S. McFarlane | Ms Roxon |
| Mr Brereton | Mr Griffin | Ms Macklin | Mr Sawford* |
| Ms Burke | Ms Hall | Mr McLeay | Mr Sciacca |
| Mr Cox | Mr Hatton | Mr McMullan | Mr Sercombe* |
| Mr Crean | Mr Hollis | Mr Melham | Mr Sidebottom |
| Mr Danby | Mr Horne | Mr Morris | Mr Smith |
| Mr Edwards | Mrs Irwin | Mr Mossfield | Mr Snowdon |
| Ms Ellis | Mr Jenkins | Mr Murphy | Mr Swan |
| Dr Emerson | Ms Kernot | Ms O'Byrne | Mr Tanner |
| Mr G. J. Evans | Mr Kerr | Mr O'Connor | Dr Theophanous |
| Mr M. J. Evans | Mr Latham | Mr O'Keefe | Mr K. J. Thomson |
| Mr L. D. T. Ferguson | Dr Lawrence | Ms Plibersek | Mr Wilkie |
| Mr M. J. Ferguson | Mr Lee | Mr Price | Mr Wilton |
| Mr Fitzgibbon | Ms Livermore | Mr Quick | Mr Zahra |

* Tellers

Pairs

| | |
|--------------|------------|
| Mr Howard | Mr Beazley |
| Dr Southcott | Mr Martin |
| Mrs Moylan | Ms Gillard |
| Ms Bailey | Ms Hoare |
| Mr Reith | Mr Bevis |

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.

Leave granted for third reading to be moved forthwith.

On the motion of Mr Slipper (Parliamentary Secretary to the Minister for Finance and Administration), the Bill was read a third time.

6 A NEW TAX SYSTEM (ULTIMATE BENEFICIARY NON-DISCLOSURE TAX) BILL (NO. 1) 1999

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 Slipper (Parliamentary Secretary to the Minister for Finance and Administration), the Bill was read a third time.

7 A NEW TAX SYSTEM (ULTIMATE BENEFICIARY NON-DISCLOSURE TAX) BILL (NO. 2) 1999

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 Slipper (Parliamentary Secretary to the Minister for Finance and Administration), the Bill was read a third time.

8 AVIATION FUEL REVENUES (SPECIAL APPROPRIATION) AMENDMENT BILL 1999

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.

Message from the Governor-General

Message No. 68, 8 June 1999, from His Excellency the Governor-General was announced recommending an appropriation for the purposes of the Bill.

Leave granted for third reading to be moved forthwith.

On the motion of Mr Truss (Minister for Community Services), the Bill was read a third time.

9 CUSTOMS TARIFF AMENDMENT (AVIATION FUEL REVENUES) BILL 1999

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 Truss (Minister for Community Services), the Bill was read a third time.

10 EXCISE TARIFF AMENDMENT (AVIATION FUEL REVENUES) BILL 1999

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 Truss (Minister for Community Services), the Bill was read a third time.

11 NATIONAL HEALTH AMENDMENT (LIFETIME HEALTH COVER) BILL 1999

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 Melham), and the resumption of the debate made an order of the day for the next sitting.

12 ADJOURNMENT

Mrs Stone (Parliamentary Secretary to the Minister for the Environment and Heritage) moved—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 8 June 1999:

Public Service Act—Australian Competition and Consumer Commission Determination 1999 No. 1.

Quarantine Act—Quarantine Amendment Proclamation 1999.

Trade Practices Act—Explanatory statement under section 65C.

ATTENDANCE

All Members attended (at some time during the sitting) except Ms Bailey, Mr Bevis, Ms Gillard, Ms Hoare, Mr Martin, Mrs Moylan, Mr Reith, Mr Rudd and Dr Southcott.

I. C. HARRIS
Clerk of the House of Representatives

1998-99

HOUSE OF REPRESENTATIVES
SUPPLEMENT TO VOTES AND PROCEEDINGS

No. 43

MAIN COMMITTEE

MINUTES OF PROCEEDINGS

TUESDAY, 8 JUNE 1999

1 The Main Committee met at 4.30 p.m.

2 **APPROPRIATION BILL (NO. 1) 1999-2000—BUDGET DEBATE**

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 5.48 p.m., a division having been called in the House, the proceedings were suspended.

Resumption of sitting

At 5.58 p.m., the proceedings were resumed.

Debate continued.

Suspension of sitting

At 6.35 p.m., the Deputy Speaker left the Chair.

Resumption of sitting

At 8 p.m., the Deputy Speaker resumed the Chair.

Debate continued.

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

3 ADJOURNMENT

On the motion of Mr Hawker, the Main Committee adjourned at 10.11 p.m.

The Deputy Speaker fixed tomorrow at 9.40 a.m. for the next meeting of the Main Committee.



B. C. WRIGHT

Clerk of the Main Committee