REPORT NO. 7 OF 2023

MEMBERS OF THE COMMITTEE

Senator Anne Urquhart (Government Whip, Chair)

Senator Wendy Askew (Opposition Whip)

Senator Ross Cadell (The Nationals Whip)

Senator Pauline Hanson (Pauline Hanson's One Nation Whip)

Senator Nick McKim (Australian Greens Whip)

Senator Ralph Babet

Senator the Hon. Anthony Chisholm

Senator the Hon. Katy Gallagher

Senator Matt O'Sullivan

Senator David Pocock

Senator Paul Scarr

Senator Lidia Thorpe

Senator Tammy Tyrrell

Secretary: Tim Bryant

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REPORT NO. 7 OF 2023

- 1. The committee met in private session on Wednesday, 21 June 2023 at 7.16 pm.
- 2. The committee recommends that—
 - (a) the *provisions* of the Biosecurity Amendment (Advanced Compliance Measures) Bill 2023 be *referred immediately* to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 27 July 2023 (see appendix 1 for a statement of reasons for referral);
 - (b) contingent upon introduction in the House of Representatives, the *provisions* of the Crimes Legislation Amendment (Combatting Foreign Bribery) Bill 2023 be *referred immediately* to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 26 July 2023 (see appendix 2 for a statement of reasons for referral);
 - (c) contingent upon introduction in the House of Representatives, the *provisions* of the Environment Protection (Sea Dumping) Amendment (Using New Technologies to Fight Climate Change) Bill 2023 be *referred immediately* to the Environment and Communications Legislation Committee for inquiry and report by 27 July 2023 (see appendix 3 for a statement of reasons for referral);
 - (d) the Greenhouse and Energy Minimum Standards Amendment (Administrative Changes) Bill 2023 be *referred immediately* to the Environment and Communications Legislation Committee for inquiry and report by 27 July 2023 (see appendix 4 for a statement of reasons for referral);
 - (e) contingent upon introduction in the House of Representatives, the *provisions* of the Migration Amendment (Strengthening Employer Compliance) Bill 2023 be *referred immediately* to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 31 August 2023 (see appendix 5 for a statement of reasons for referral);
 - (f) the provisions of the Public Service Amendment Bill 2023 be referred immediately to the Finance and Public Administration Legislation Committee for inquiry and report by 30 August 2023 (see appendix 6 for a statement of reasons for referral);
 - (g) the Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023 be *referred immediately* to the Community Affairs Legislation Committee for inquiry and report by 24 July 2023 (see appendix 7 for a statement of reasons for referral);
 - (h) the *provisions* of the Treasury Laws Amendment (2023 Law Improvement Package No. 1) Bill 2023 be *referred immediately* to the Economics Legislation Committee for inquiry and report by 24 July 2023 (see appendix 8 for a statement of reasons for referral); and

- (i) contingent upon introduction in the House of Representatives, the *provisions* of the Treasury Laws Amendment (Making Multinationals Pay Their Fair Share—Integrity and Transparency) Bill 2023 be *referred immediately* to the Economics Legislation Committee for inquiry and report by 31 August 2023 (see appendix 9 for a statement of reasons for referral).
- 3. The committee recommends that the following bills *not* be referred to committees:
 - Treasury Laws Amendment (2023 Measures No. 3) Bill 2023
 - United Nations Declaration on the Rights of Indigenous Peoples Bill 2022.
- 4. The committee deferred consideration of the following bills to its next meeting:
 - Broadcasting Services Amendment (Ban on Gambling Advertisements During Live Sport) Bill 2023
 - Classification (Publications, Films and Computer Games) Amendment (Industry Self-Classification and Other Measures) Bill 2023
 - Criminal Code Amendment (Inciting Illegal Disruptive Activities) Bill 2023
 - Electoral Legislation Amendment (Lowering the Voting Age) Bill 2023
 - Environment Protection and Biodiversity Conservation Amendment (Regional Forest Agreements) Bill 2020
 - Fair Work Amendment (Right to Disconnect) Bill 2023 [No. 2]
 - Freeze on Rent and Rate Increases Bill 2023
 - Inspector-General of Live Animal Exports Amendment (Animal Welfare) Bill 2023
 - Intellectual Property Laws Amendment (Regulator Performance) Bill 2023
 - Intelligence Services Legislation Amendment Bill 2023
 - International Organisations (Privileges and Immunities) Amendment Bill 2023
 - National Occupational Respiratory Disease Registry Bill 2023
 National Occupational Respiratory Disease Registry (Consequential Amendments)
 Bill 2023
 - Productivity Commission Amendment (Electricity Reporting) Bill 2023.
- 5. The committee considered the following bill but was unable to reach agreement:
 - Australian Capital Territory (Self-Government) Amendment Bill 2023.

(Anne Urquhart) **Chair**22 June 2023

Proposal to refer a bill to a committee

Name of bill: Biosecurity Amendment (Advanced Compliance Measures) Bill 2023

Reasons for referral/principal issues for consideration:

Unclear as to degree of consultation (awaiting response from Government) Although sold as being administrative, EM is 90 pages long

Possible submissions or evidence from:

Biosecurity stakeholders (e.g. Invasive Species Council, trade stakeholders, farmers groups)

Committee to which bill is to be referred:

RRAT

Possible hearing date(s): On papers?

Possible reporting date: 31 July

(signed)

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Crimes Legislation Amendment (Combatting Foreign Bribery) Bill 2023

Reasons for referral/principal issues for consideration:

Complicated issue

Possible submissions or evidence from:

Sector, Groups Individuals that are affected.

Committee to which bill is to be referred.

Legal and Constitutional Affairs Legislation Committee

Possible hearing date(s):

June - July

Possible reporting date:

26 July 2023

(signed)

Print name: Wedy Askew

Proposal to refer a bill to a committee

Name of bill: Environment Protection (Sea Dumping) Amendment (Using New Technologies to Fight Climate Change) Bill 2023

Reasons for referral/principal issues for consideration:

We know nothing about this bill prior to be tabled tomorrow

Possible submissions or evidence from:

Ocean stakeholders (e.g. AMCS, Greenpeace, Sea Shepherd)

Committee to which bill is to be referred:

Environment and Communications

Possible hearing date(s): August

Possible reporting date: 1 September

(signed)

Name of bill:

Greenhouse and Energy Minimum Standards Amendment (Administrative Changes) Bill 2023

Reasons for referral/principal issues for consideration:

Complicated issue

Possible submissions or evidence from:

Sector, Groups Individuals that are affected.

Committee to which bill is to be referred.

Environment and Communications Legislation Committee

Possible hearing date(s):

June -August

Possible reporting date:

3 August 2023 27 July 2023

(signed)

Print name: Wed, Askey

Proposal to refer a bill to a committee

Name of bill: Migration Amendment (Strengthening Employer Compliance) Bill 2023

Reasons for referral/principal issues for consideration: provisions of the Bill will provide additional powers to the ABF, and without proper protections, will have the potential to further victimise vulnerable, exploited migrants.

Possible submissions or evidence from: migration, human rights, and workplace relations experts, academics, and advocates.

Committee to which bill is to be referred: Legal and Constitutional Affairs

Possible hearing date(s): on the papers

Possible reporting date: 31 August 2023

(signed)

Name of bill:

Public Service Amendment Bill 2023

Reasons for referral/principal issues for consideration:

Complicated issue

Possible submissions or evidence from:

Sector, Groups Individuals that are affected.

Committee to which bill is to be referred.

Finance and Public Administration Committee

30 August 2023

Possible hearing date(s):

June -August

Possible reporting date:

(signed)

Print name: Les Asker

Proposal to refer a bill to a committee

| Name of bill: Public Service Amendment |
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Reasons for referral/principal issues for consideration:

• This is an issue of significant public importance and interest.

Possible submissions or evidence from:

• Unions, academics and any other relevant stakeholders

Committee to which bill is to be referred:

• Finance and Public Administration Legislation Committee

Possible hearing date(s):

• 4 August

Possible reporting date:

• 30 August

(signed)

Proposal to refer a bill to a committee

Name of bill: <u>Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023</u>

Reasons for referral/principal issues for consideration: Parliamentary scrutiny of a bill combining several Budget measures

Possible submissions or evidence from:

- Australian Council of Social Services
- Antipoverty Centre
- Council of Single Mothers and their Children
- Other social services organisations

Committee to which bill is to be referred:

Community Affairs Legislation Committee

Possible hearing date(s):

Week commencing 10th July (or before / after)

Possible reporting date:

24 July 2023

(signed)

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Treasury Laws Amendment (2023 Law Improvement Package No. 1) Bill 2023

Reasons for referral/principal issues for consideration:

Complicated issue

Possible submissions or evidence from:

Sector, Groups Individuals that are affected.

Committee to which bill is to be referred.

Economics Legislation Committee

Possible hearing date(s):

June - July

Possible reporting date:

24 July 2023

(signed)

Print name: Wedy Asker

Proposal to refer a bill to a committee

Name of bill:

- Treasury Laws Amendment (Making Multinationals Pay Their Fair Share) Bill 2023

Reasons for referral/principal issues for consideration:

- To understand the revenue and economic implications.

Possible submissions or evidence from:

- Academics
- Civil society
- Business

Committee to which bill is to be referred:

- Economics Legislation Committee

Possible hearing date(s):

- July/August 2023

Possible reporting date:

- 1 September 2023

31 AUGUST 2023

Senator McKim

Proposal to refer a bill to a committee

Name of bill: Treasury Laws Amendment (Making Multinationals Pay their Fair Share: Integrity and Transparency) Bill 2023

Reasons for referral/principal issues for consideration:

The Bill implements elements of the government's Multinational Tax Integrity package, announced in the October 2022-23 Budget, comprising measures to improve tax transparency of corporates, and tax integrity measures to strengthen the thin capitalisation rules to address the use of excessive debt deductions. This will ensure multinationals pay their fair share of tax.

The measures in the Bill reflect several rounds of public consultation to balance this policy intent while continuing to support genuine commercial activity and being mindful of compliance costs. It will ensure that debt deductions are linked to genuine economic activity.

The amendments to the thin capitalisation rules are significant, introducing earnings-based interest limitation rules for general class investors to replace the existing asset-based rules.

The amendments are in line with the OECD's best practice framework and similar amendments have already been adopted by most OECD countries including the United Kingdom, United States, and most of the EU.

The amendments also introduce a new third-party debt test which is expected to be used by the property and infrastructure sectors, as they generally have low earnings in the construction phase of a project. The test means that these entities can continue to deduct genuine third-party debt, without an earnings limitation, subject to eligibility rules.

Treasury has worked constructively with affected stakeholders to address unintended consequences identified through two separate rounds of consultation on the policy design and the exposure draft legislation.

However, the changes are highly complex, and as a tax integrity measure, there are sensitivities, and questions of interpretation that will benefit from the scrutiny and explication possible in the committee process.

A committee process will ensure that the Bill considered in parliament has had the benefit of an open and thorough conversation on the full text of the Bill.

Possible submissions or evidence from: ASX, Corporate Tax Association, The Tax Institute, Law Council of Australia, Dr Kerrie Sadiq, Tax Justice Network, CICTAR, Property Council of Australia, Business Council of Australia, Australian Shareholders Association, Chartered Accountants, Department of the Treasury, ATO.

Committee to which bill is to be referred: Senate Economics Legislation Committee

Possible hearing date(s): throughout July / mid August

Possible reporting date: before August 31

(signed)