**Senate Standing Committee**

**for the**

**Scrutiny of Bills**

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**Senate Standing Committee for the Scrutiny of Bills**

**Members of the Committee**

Senator the Hon H Coonan (Chair)

Senator M Bishop (Deputy Chair)

Senator D Cameron

Senator J Collins

Senator R Siewert

Senator the Hon J Troeth

**Terms of Reference**

Extract from **Standing Order 24**

(1) (a) At the commencement of each Parliament, a Standing Committee for the Scrutiny of Bills shall be appointed to report, in respect of the clauses of bills introduced into the Senate, and in respect of Acts of the Parliament, whether such bills or Acts, by express words or otherwise:

(i) trespass unduly on personal rights and liberties;

(ii) make rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers;

(iii) make rights, liberties or obligations unduly dependent upon non-reviewable decisions;

(iv) inappropriately delegate legislative powers; or

(v) insufficiently subject the exercise of legislative power to parliamentary scrutiny.

(b) The committee, for the purpose of reporting upon the clauses of a bill when the bill has been introduced into the Senate, may consider any proposed law or other document or information available to it, notwithstanding that such proposed law, document or information has not been presented to the Senate.

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Aviation Transport Security Amendment (2009 Measures No. 2) Bill 2009

Introduced into the House of Representatives on 29 October 2009

Portfolio: Infrastructure, Transport, Regional Development and Local Government

Background

This bill amends the *Aviation Transport Security Act 2004* to expand the regulatory scope for air cargo supply chain security.

Specifically, the bill:

* broadens the definition of ‘cargo’ to include goods that are ‘reasonably likely’ to be transported by aircraft in order to ensure a secure supply chain from consignment to uplift;
* expands the scope of industry participants who may certify cargo, through a revised definition of the term ‘certified’ which includes Regulated Air Cargo Agents (RACAs) and Accredited Air Cargo Agents (AACAs);
* aligns certification processes with examination processes which will allow certification of cargo by a RACA, AACA or aircraft operator;
* allows regulations to be made which provide the Secretary with the power to issue a written notice specifying the circumstances in which cargo may be certified by RACAs, AACAs or aircraft operators;
* introduces transitional provisions for Transport Security Programs to ensure a consistent application of measures in line with the amended definition of ‘cargo’; and
* includes a saving provision to preserve the application of existing regulations made under section 44C of the Act.

*The Committee has no comment on this bill.*

Bankruptcy Legislation Amendment Bill 2009

Introduced into the House of Representatives on 28 October 2009

Portfolio: Attorney-General

Background

This bill amends the *Bankruptcy Act 1966* to modernise the national personal insolvency scheme.

In particular, the bill:

* provides a more streamlined process for fixing trustee remuneration and a more transparent process for reviewing that remuneration;
* strengthens the penalties for some offences and ensures that these are in line with the penalties for other similar offences;
* removes the concept of ‘Bankruptcy Districts’ in order to provide more flexibility in personal insolvency administration;
* increases the minimum debt to $10,000 for a creditor’s petition to reflect changes in the economic environment;
* increases the stay period that follows a declaration of intent (from seven days to 28 days) to file a debtor’s petition (to allow debtors to better assess their options); and
* increases the debt, income and asset tests thresholds for debt agreements by 20% to ensure that the thresholds keep pace with increasing wages and the increasing availability of credit.

Determination of important matters by regulation

Schedule 1, item 12, new subsections 162(4) and 162(4A)

Schedule 1 amends provisions of the Bankruptcy Act for setting and reviewing remuneration of trustees. Proposed new subsection 162(4), to be inserted by item 12 of Schedule 1, replaces existing subsection 162(4) which provides for a trustee’s remuneration to be prescribed by regulations. Proposed new subsection 162(4) provides that, if the remuneration of the trustee is not fixed by the creditors or the committee of inspection, the trustee may, in the circumstances prescribed by the regulations, make an application in accordance with the regulations, to the Inspector-General in Bankruptcy for the Inspector-General to decide the trustee’s remuneration. Under proposed new subsection 162(4A), the Inspector-General must decide the trustee’s remuneration having regard to the matters prescribed by the regulations.

This is a broad delegation of legislative power but the explanatory memorandum provides (at pages 5-6) a clear explanation of why such a process is considered appropriate (it will deal with circumstances in which it is not practical or cost effective to seek creditor approval for remuneration); examples of the matters the Inspector-General may consider (the trustee must have followed certain processes and done certain things); and the options available to the trustee if they are dissatisfied with the Inspector-General’s decision (the trustee may vacate the office by a prescribed method or put a revised remuneration proposal to the creditors). The Committee notes that the regulations would also be subject to the usual scrutiny and disallowance regime under the *Legislative Instruments Act 2003*.

*In the circumstances, the Committee makes no further comment on these provisions.*

Determination of important matters by regulation

Schedule 1, item 13, new section 167

Similarly, proposed new section 167, to be inserted by item 13 of Schedule 1, replaces existing section 167. Proposed new section 167 provides a power to make regulations for the process of reviewing remuneration and costs, including: reviewing decisions relating to a trustee’s remuneration (subsection 167(1)); reviewing a bill of costs for services provided by a third party (subsection 167(2)); powers in relation to a review by the Inspector-General (paragraph 167(3)(a)); and decisions that may be made by the Inspector-General in relation to the review (paragraph 167(3)(c)).

The Committee notes that, while details of the process will be prescribed in regulations, proposed new section 167 sets out general principles and a broad framework within which the regulations will be made. The explanatory memorandum also contains (at page 6) an explanation of how the process will work; and the regulations will be subject to the usual scrutiny and disallowance regime under the *Legislative Instruments Act 2003*.

*In the circumstances, the Committee makes no further comment on these provisions.*

Strict liability

Schedule 2, items 7, 11, 14, 22, 23, 27, 33, 46, 56, 59, 62, 64, 67 and 82

In February 2004, the Minister for Justice and Customs published a *Guide to the Framing of Commonwealth Offences, Civil Penalties and Enforcement Powers,* which draws together the principles of the criminal law policy of the Commonwealth. Part 4.5 of the *Guide* contains a statement of the matters which should be considered in framing strict and absolute liability offences. The Committee will generally draw to the attention of Senators any provisions in bills which create strict and absolute liability offences. The Committee considers that the reasons for the imposition of strict and absolute liability should be set out in the relevant explanatory memorandum.

Schedule 2 of the bill contains offence provisions. Several of these provisions impose strict liability for failure by a trustee, debt agreement administrator or creditor to comply with certain requirements (for example, provide certain information to the Official Receiver): items 7, 11, 14, 22, 23, 27, 33, 46, 56, 59, 62, 64 and 67.

While the explanatory memorandum does not refer to the *Guide*, it does provide a clear explanation of the reasons for the imposition of strict liability in each case. Some of the reasons include that strict liability is appropriate because ‘prompt notification of [certain information] is necessary to preserve the integrity of the National Personal Insolvency Index (NPII) which is the public record of bankruptcy and personal insolvency events’ (see paragraph 52); and that the provision of certain information is ‘integral to the effective regulation of trustees’ (see paragraph 64).

The Committee notes also that most of the strict liability offences in Schedule 2 are part of a proposed new infringement notice regime for offences of strict liability (new and existing) in the Bankruptcy Act, which is contained in item 82 of Schedule 2. Under the infringement notice regime, a non-judicial officer is empowered to give a notice alleging the offence to a suspected offender which provides that the suspected offender may pay a specified penalty to avoid prosecution.

This regime is fully explained at paragraph 95 of the explanatory memorandum: ‘Such a regime would provide an efficient means of penalising behaviour which, while relatively minor in criminality, can have significant repercussions for the effective administration of bankrupt estates, integrity of the NPII or regulation of insolvency practitioners. The issuing of a notice would not replace the current penalties but would serve as an alternative to prosecution’.

*In the circumstances, the Committee makes no further comment on these provisions.*

Retrospective application

Schedule 2, subitem 84(3)

Item 84 of Schedule 2 contains a number of application provisions. Subitem 84(3) provides that the amendment made by item 15 (relating to a new power in section 77C for the Official Receiver to obtain a statement of affairs from a bankrupt) applies to bankruptcies occurring ‘before, on or after the day on which that item commences’.

This gives the provision retrospective application, even though the explanatory memorandum contains a general statement (at paragraph 16) that ‘(a)ll amendments will apply prospectively only’. In relation to subitem 84(3), specifically, the explanatory memorandum explains (at paragraph 100) that the provision is considered appropriate since the obligation to file a statement of affairs already exists and that ‘the new power is simplyallowing the Official Receiver to enforce that existing obligation’.

As a matter of practice, the Committee draws attention to any bill that seeks to have retrospective impact and will comment adversely where such a bill has a detrimental effect on people. In this case, the Committee **seeks the Attorney-General’s advice** in relation to the reasons why it is now considered necessary to apply the enforcement mechanism to those who become bankrupt before the commencement of the bill.

*Pending the Attorney-General’s advice, the Committee draws Senators’ attention to the provision, as it may be considered to trespass unduly on personal rights and liberties, in breach of principle 1(a)(i) of the Committee’s terms of reference.*

Omission in explanatory memorandum

Schedules 3 and 4

The Committee notes that the explanatory memorandum does not provide a detailed explanation of Schedule 3 (Removal of Bankruptcy Districts) and Schedule 4 (Other amendments), although the General Outline in the explanatory memorandum does contain a brief description of these Schedules. The consideration of bills by the Committee and by the Parliament is assisted if they are accompanied by a detailed explanation of the intent and operation of proposed amendments. The Committee **draws to the attention of the Attorney-General** the lack of detailed explanation of Schedules 3 and 4.

*In the circumstances, the Committee makes no further comment on this bill.*

Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Restoration of Racial Discrimination Act) Bill 2009

Introduced into the Senate on 29 October 2009

By Senator Siewert

Background

This bill aims to ensure that the Northern Territory Intervention is consistent with Australia’s human rights obligations by restoring the operation of the *Racial Discrimination Act 1975* (Cth) and relevant Northern Territory anti-discrimination laws to:

* the *Families, Community Services and Indigenous Affairs and Other Legislation Amendment (Northern Territory National Emergency Response and Other Measures) Act 2007*;
* the *Northern Territory National Emergency Response Act 2007*; and
* the *Social Security and Other Legislation Amendment (Welfare Payment Reform) Act 2007*.

Specifically, the bill will ensure that:

* the provisions of the *Racial Discrimination Act 1975* prevail over the provisions of the above-mentioned Acts;
* the above Acts do not authorise conduct that is inconsistent with the provisions of the *Racial Discrimination Act 1975*;
* the provisions of those Acts and any acts done under relevant provisions in the Acts are intended to qualify as ‘special measures’; and
* any acts done, decisions made or discretions exercised under the Acts are consistent with the intended beneficial purpose of the relevant Act.

Trespass unduly on rights and liberties

Schedule 1

The bill raises the issue of whether the Northern Territory Intervention Acts trespass on personal rights and liberties. When these Acts were considered (as bills) in 2007, the Committee noted that the explanatory memorandum pointed out that ‘special measures’ (under Article 1.4 of the International Convention on the Elimination of all Forms of Racial Discrimination) are those measures which are ‘taken for the sole purpose of securing adequate advancement of certain racial or ethnic groups…requiring such protection as may be necessary in order to ensure such groups…equal enjoyment or exercise of human rights and fundamental freedoms’ (see *Alert Digest No. 9 of 2007*).

In 2007, the Committee considered that the relevant provisions might be considered to trespass on personal rights and liberties but left to the Senate as a whole the question of whether they did so *unduly*. Given that this bill seeks to *remove* any intrusion on rights and liberties imposed by the 2007 Acts, the Committee again considers it appropriate to **leave consideration of such issues to the Senate as a whole**.

*In the circumstances, the Committee makes no further comment on this bill.*

Health Insurance Amendment (Revival of Table Items) Bill 2009

Introduced into, and passed by, the Senate on 28 October 2009

By Senators Cormann, Fielding and Xenophon

Background

This bill amends the *Health Insurance Act 1973* to provide that if an item in the general medical services table is disallowed under the *Legislative Instruments Act 2003*, the corresponding item in the previous regulations is ‘revived’ from the time of disallowance. Specifically, the bill aims to provide the same amount of Medicare rebate for cataract surgery as under the previous regulations.

Retrospective application

Schedule 1, item 2

Item 2 of Schedule 1 provides that the bill applies with effect from 26 October 2009, which is the date the Federal Government tabled new regulations reducing the Medicare rebate for cataract surgery. This necessarily gives the bill retrospective effect. As a matter of practice, the Committee draws attention to any bill that seeks to have retrospective impact and will comment adversely where such a bill has a detrimental effect on people. The Committee notes, in this instance, that the bill does not have an adverse impact on any individual and, in any case, has already been passed by the Senate.

*In the circumstances, the Committee makes no further comment on this bill.*

Keeping Jobs from Going Offshore (Protection of Personal Information) Bill 2009

Introduced into the Senate on 26 October 2009

By Senator Fielding

Background

This bill seeks to ensure that the personal information of Australian consumers obtained by call centres – such as credit card details, home addresses, passport numbers and marital status – remain in Australia and cannot be sent or used abroad unless a consumer gives his or her written consent.

Explanatory memorandum

This bill, introduced as a private Senator’s bill, was accompanied only by a second reading speech and was introduced without an explanatory memorandum. While noting that the second reading speech provides some explanation of the background, intent and operation of the bill, the Committee **seeks the Senator’s advice** as to whether an explanatory memorandum could also be provided.

*In the circumstances, the Committee makes no further comment on this bill.*

National Broadcasting Legislation Amendment Bill 2009

Introduced into the House of Representatives on 29 October 2009

Portfolio: Broadband, Communications and the Digital Economy

Background

This bill amends the *Australian Broadcasting Corporation Act 1983* (ABC Act) and the *Special Broadcasting Service Corporation Act 1991* to implement a new merit-based appointment process for the ABC and SBS Boards. The bill also reinstates the position of staff-elected Director to the ABC Board.

In particular, the bill:

* provides for the assessment of applicants’ claims to be undertaken by an independent Nomination Panel established at arms length from the government;
* requires vacancies to be widely advertised, at a minimum in national and/or state and territory newspapers, and on the website of the Department of Broadband, Communications and the Digital Economy;
* provides for the assessment of candidates to be made against a core set of selection criteria, supplemented where necessary by additional criteria as determined by the Minister; and
* requires a report containing a short-list of recommended candidates to be provided to either the Minister or Prime Minister by the Nomination Panel.

Trespass unduly on rights and liberties

Schedule 1, items 12 and 24, new subsections 12(5A) and 17(2A)

Proposed new subsection 12(5A) of the ABC Act, to be inserted by item 12 of Schedule 1, provides that certain persons are not eligible for appointment as the Chairperson or a Director of the ABC Board. These persons are: members or former members of the Commonwealth Parliament (paragraph 12(5A)(a)); members or former members of state or territory parliaments (paragraph 12(5A)(b)); or a person who is or was a senior political staff member (paragraph 12(5A)(c)). Proposed new subsection 17(2A) of the SBS Act, to be inserted by item 24 of Schedule 1, duplicates this disqualification for non-executive Directors of the SBS Board.

The term ‘senior political staff member’ is defined as a person included in a class of persons specified by legislative instrument (proposed new subsection 3(3) of the ABC Act, to be inserted by item 3 of Schedule 1). The explanatory memorandum gives examples (at page 3) of the positions expected to be included in the legislative instrument: Chief of Staff, Special Adviser, Principal Adviser, Senior Adviser, Media Adviser and Adviser. The concept is not intended to extend to more junior positions such as Electorate Officer or Departmental Liaison Officer.

Legislation regularly stipulates the knowledge, skills and experience needed for Commonwealth positions and disqualification from office is generally based on criminal record, bankruptcy or similar lack of fitness for office. Unusually, proposed new subsections 12(5A) and 17(2A) base the disqualification from office on a person’s previous public employment. The explanatory memorandum states (at pages 6 and 15) that the exclusion of former politicians and senior staffers from consideration for ABC and SBS Board positions is intended to strengthen the independence and impartiality of the Boards (consistent with Board duties) and to overcome past perceptions of political bias.

While cognisant of the clear intent of the bill, the Committee notes that discrimination based on political opinion is contrary to human rights (see, for example, Article 2(2) of the International Covenant on Economic, Social and Cultural Rights); and freedom of expression is a recognised human right (see Article 19 of the International Covenant on Civil and Political Rights). Further, political opinion is not necessarily a selection criterion for senior political staff positions.

Such disqualification is based on bias – actual, perceived or vicarious – and the disqualification of all those covered by the provisions is for life. Importantly, it would apply to people who occupied the relevant positions prior to the commencement of the legislation. The Committee **seeks the Minister’s advice** as to the rationale for why this is considered appropriate, as well as the particular reasons why appointment to the ABC and SBS Boards is considered ‘different’ or ‘special’ to other appointments. The Committee also **seeks the Minister’s advice** as to why the term ‘senior political staff member’ will be defined by legislative instrument rather than being defined in the bill itself (which would provide certainty as to the precise positions intended to be covered).

*Pending the Minister’s advice, the Committee draws Senators’ attention to the provisions, as they may be considered to trespass unduly on personal rights and liberties, in breach of principle 1(a)(i) of the Committee’s terms of reference.*

Retrospective application

Schedule 1, subitem 17(2); Schedule 2, item 7

The application provision contained in item 7 of Schedule 2 provides that subsection 13A(6) of the ABC Act, which is inserted by item 4 of Schedule 2, applies in relation to persons elected as the staff-elected Director before or after the commencement of item 7. This means that the time limit imposed in proposed new subsection 13A(6) – namely, that a person who has been elected at two elections is not eligible for election again – can apply to persons elected before commencement of the legislation. The explanatory memorandum states (at page 21) that ‘(t)his means that if a person who served as staff-elected Director before 15 June 2006 becomes a staff-elected Director in future, their previous period in office is taken into account for the purpose of subsection 13A(6)’.

This can be compared with subitem 17(2) of Schedule 1 which provides that ‘(s)ubject to subitem (3), the amendment made by item 8 [of Schedule 1] applies in relation to appointments made before, on or after the commencement of that item’. Item 8 of Schedule 1 inserts proposed new subsection 12(2A) into the ABC Act which limits to ten years the total period for which the Chairperson or other non-executive Director may hold office. However, subitem 17(3) is a transitional provision which applies to the person holding the position of ABC Chairperson immediately before commencement of the bill. In effect, the transitional provision allows any time that the person served on the Board as a Director only to be disregarded for the purposes of the ten-year rule inserted by new subsection 12(2A). The explanatory memorandum explains (at page 13) that ‘(t)his is to ensure the incumbent Chairperson is not disadvantaged by legislative changes that are not intended to change the basis of the original appointment’.

As a matter of practice, the Committee draws attention to any bill that seeks to have retrospective impact and will comment adversely where such a bill has a detrimental effect on people. The Committee is mindful that transitional provisions must provide commencement dates for provisions to take effect. Further, the issue of including or disregarding previous Board service clearly involves a policy decision. The Committee nevertheless remains concerned that the retrospective effect of the application provisions may adversely affect certain individuals and **seeks the Minister’s advice** as to the rationale for the approaches taken in subitem 17(2) of Schedule 1 and item 7 of Schedule 2.

*Pending the Minister’s advice, the Committee draws Senators’ attention to the provisions, as they may be considered to trespass unduly on personal rights and liberties, in breach of principle 1(a)(i) of the Committee’s terms of reference.*

Poker Machine (Reduced Losses—Interim Measures) Bill 2009

Introduced into the Senate on 28 October 2009

Senator Xenophon

Background

This bill aims to implement key recommendations of the Productivity Commission’s draft report into Gambling (pending the publication of the Commission’s final report in early 2010), by introducing interim measures to regulate the rate of poker machine losses, and adjust spin rates and the ‘volatility’ of poker machines.

*The Committee has no comment on this bill.*

Protecting Problem Gamblers Bill 2009

Introduced into the Senate on 27 October 2009

By Senator Fielding

Background

This bill aims to protect problem gamblers by reducing bet limits to $1 per spin and establishing load up limits of $20 on poker machines.

The bill also prevents corporations from manufacturing or supplying gaming machines and poker machines that allow a player to enter a banknote with a denomination greater then $20, or a credit of amount greater than $20 by any other means in a single transaction.

Explanatory memorandum

This bill, introduced as a private Senator’s bill, was accompanied only by a second reading speech and was introduced without an explanatory memorandum. While noting that the second reading speech provides some explanation of the background, intent and operation of the bill, the Committee **seeks the Senator’s advice** as to whether an explanatory memorandum could also be provided.

*In the circumstances, the Committee makes no further comment on this bill.*

Statute Law Revision Bill 2009

Introduced into the House of Representatives on 28 October 2009

Portfolio: Attorney-General

Background

This bill amends numerous Acts to correct technical errors that have occurred as a result of drafting and clerical mistakes. The bill aims to improve the quality of the text of Commonwealth legislation and, in particular, facilitate the publication of consolidated versions of Acts by the Attorney-General’s Department and by private publishers of legislation.

Specifically, the bill:

* removes gender-specific language, to modernise language and to make other technical amendments in certain legislation;
* repeals a number of Acts that are obsolete; and
* amends a large number of Acts to ensure consistency of language.

Retrospective application

Clause 2

Clause 2 of the bill contains the table of commencement information and many items listed in the commencement table provide for retrospective commencement. The explanatory memorandum provides a thorough explanation as to why retrospectivity is considered appropriate: the relevant items relate to misdescribed or redundant amendments or errors contained in amending Acts; and the commencement of those items is tied to the time specified in the amending Act for the commencement of the misdescribed or redundant amendment. The Committee accepts the retrospective application of provisions in such circumstances.

*In the circumstances, the Committee makes no further comment on this bill.*

Trade Practices Amendment (Infrastructure Access) Bill 2009

Introduced into the House of Representatives on 29 October 2009

Portfolio: Treasury

Background

This bill amends the National Access Regime in Part IIIA of the *Trade Practices Act 1974*, and related provisions in Part IIA, to give effect to certain provisions of the Council of Australian Governments (COAG) *Competition and Infrastructure Reform Agreement* (CIRA) (agreed to on 10 February 2006).

The CIRA committed the Federal Government to amend Part IIIA of the Trade Practices Act to implement the requirement that regulators are bound to make regulatory decisions within six months; and, where merits review is provided for, reviews are to be limited to the information submitted to the original decision-maker. COAG also agreed to the CIRA Implementation Plan which includes guiding principles for the implementation of binding time limits and limited merits review.

The bill also introduces other measures aimed at increasing regulatory certainty and streamlining administrative processes associated with the application of the National Access Regime.

Typographical error

Schedule 3, item 5, new paragraph 44ZZAAB(4)(b)

Proposed new paragraph 44ZZAAB(4)(b), to be inserted by item 5 of Schedule 3, appears to contain a typographical error. The word ‘be’ appears between the words ‘should’ and ‘not’ in the last few words of the sentence so that the sentence reads ‘should be not be fixed’. The Committee **draws this apparent error to the attention of the Treasurer**.

*In the circumstances, the Committee makes no further comment on this bill.*

**COMMENTARY ON AMENDMENTS TO BILLS**

**Access to Justice (Civil Litigation Reforms) Amendment Bill 2009**

On 27 October 2009, the Senate agreed to five government amendments and one Australian Greens amendment to the bill. None of these amendments fall within the Committee’s terms of reference.

**AusCheck Amendment Bill 2009**

On 29 October 2009, the Senate agreed to nine government amendments to the bill, none of which fall within the Committee’s terms of reference.

**Corporations Amendment (Improving Accountability on Termination Payments) Bill 2009**

On 26 October 2009, the Senate agreed to one amendment to the bill (moved by Senator Xenophon) which does not fall within the Committee’s terms of reference. On 29 October 2009, the House of Representatives disagreed to this amendment. On 16 November 2009, the Senate agreed not to insist on its amendment.

**Federal Justice System Amendment (Efficiency Measures) Bill (No. 1)**

On 26 October 2009, the Senate agreed to 18 government amendments to the bill, none of which fall within the Committee’s terms of reference.

**National Consumer Credit Protection Bill 2009**

On 26 October 2009, the Senate agreed to 56 government amendments to the bill, none of which fall within the Committee’s terms of reference.

**National Consumer Credit Protection (Transitional and Consequential Provisions) Bill 2009**

On 26 October 2009, the Senate agreed to 43 government amendments to the bill, none of which fall within the Committee’s terms of reference.

**Tax Agent Services (Transitional Provisions and Consequential Amendments) Bill 2009**

On 27 October 2009, the House of Representatives agreed to one government amendment to the bill, which does not fall within the Committee’s terms of reference. On 29 October 2009, the Senate passed the bill as amended. The bill received Royal Assent on 16 November 2009.

**Tax Laws Amendment (2009 Measures No. 5) Bill 2009**

**Correction to explanatory memorandum**

On 16 November 2009, the Assistant Treasurer tabled a ‘Correction to the Explanatory Memorandum’ in the Senate to correct some typographical errors identified by the Committee in its *Alert Digest No. 13 of 2009*. The Committee noted that there was a discrepancy between the bill and the explanatory memorandum in relation to the date of commencement of amendments to the *Income Tax Assessment Act 1997* concerning payments under the Continence Aids Payment Scheme. The ‘Correction to the Explanatory Memorandum’ clarifies that the Continence Aids Payment Scheme applies to payments in the 2010-11 income year (and beyond).

**PROVISIONS of bills which IMPOSE CRIMINAL SANCTIONS FOR A FAILURE TO PROVIDE INFORMaTION**

The Committee’s *Eighth Report of 1998* dealt with the appropriate basis for penalty provisions for offences involving the giving or withholding of information. In that Report, the Committee recommended that the Attorney-General develop more detailed criteria to ensure that the penalties imposed for such offences were ‘more consistent, more appropriate, and make greater use of a wider range of non-custodial penalties’. The Committee also recommended that such criteria be made available to Ministers, drafters and to the Parliament.

The Government responded to that Report on 14 December 1998. In that response, the Minister for Justice referred to the ongoing development of the Commonwealth *Criminal Code*, which would include rationalising penalty provisions for ‘administration of justice offences’. The Minister undertook to provide further information when the review of penalty levels and applicable principles had taken place.

For information, the following Table sets out penalties for ‘information-related’ offences in the legislation covered in this *Digest.* The Committee notes that imprisonment is still prescribed as a penalty for some such offences.

|  |  |  |  |
| --- | --- | --- | --- |
| **Bill/Act** | **Section/Subsection** | **Offence** | **Penalty** |
| Bankruptcy Legislation Amendment Bill 2009  Bankruptcy Legislation Amendment Bill 2009 | Schedule 2, item 4, new subsection 12(2C)  Schedule 2, item 82, new subsection 277B(2), various table items | Failure to provide information to a public authority  Failure to provide information to a public authority | Imprisonment for 12 months  Between one and five penalty units |

**BILLS GIVING EFFECT TO NATIONAL SCHEMES OF LEGISLATION**

The Chairs and Deputy Chairs of Commonwealth, and state and territory Scrutiny Committees have noted (most recently in 2000) difficulties in the identification and scrutiny of national schemes of legislation. Essentially, these difficulties arise because ‘national scheme’ bills are devised by Ministerial Councils and are presented to Parliaments as agreed and uniform legislation. Any requests for amendment are seen to threaten that agreement and that uniformity.

To assist in the identification of national schemes of legislation, the Committee’s practice is to note bills that give effect to such schemes as they come before the Committee for consideration.

**Trade Practices Amendment (Infrastructure Access) Bill 2009**

This bill gives effect to certain provisions of the Council of Australian Governments (COAG) *Competition and Infrastructure Reform Agreement* (CIRA), which was agreed to on 10 February 2006. CIRA contained a suite of reforms aimed at achieving a simpler and more consistent national approach to the regulation of nationally significant infrastructure, and included a commitment by the Federal Government to amend Part IIIA of the *Trade Practices Act 1974* to implement certain measures.

**SCRUTINY OF STANDING APPROPRIATIONS**

The Committee has determined that, as part of its standard procedures for reporting on bills, it should draw senators’ attention to the presence in bills of standing appropriations. It will do so under provisions 1(a)(iv) and (v) of its terms of reference, which require the Committee to report on whether bills:

1. inappropriately delegate legislative powers; or
2. insufficiently subject the exercise of legislative power to parliamentary scrutiny.

Further details of the Committee’s approach to scrutiny of standing appropriations are set out in the Committee’s *Fourteenth Report of 2005*. The following is a list of the bills containing standing appropriations that have been introduced since the beginning of the 42nd Parliament.

**Bills introduced with standing appropriation clauses – 42nd Parliament**

**\*** Indicates bill passed by the Senate

**N** Indicates bill negatived by the Senate

|  |  |
| --- | --- |
| **\*** | **Asian Development Bank (Additional Subscription) Bill 2009** — clause 6 |
| **N** | **Australian Business Investment Partnership Bill 2009** — clauses 13 and 14 |
|  | **Australian National Preventive Health Agency Bill 2009** ––clause 50 (Special Account: CRF appropriated by virtue of section 21 of the *Financial Management and Accountability Act 1997*) |
| **\*** | **Automotive Transformation Scheme Bill 2009** — clause 10 |
| **\*** | **Car Dealership Financing Guarantee Appropriation Bill** — clause 5 |
| **N** | **Carbon Pollution Reduction Scheme Bill 2009** — subclauses 103B(5), 139(4) and 291(4) |
|  | **Carbon Pollution Reduction Scheme Bill 2009 [No. 2] —** subclauses 103B(5), 139(4) and 291(4) |
| **\*** | **COAG Reform Fund Bill 2008** — clause 5 (Special Account: CRF appropriated by virtue of section 21 of the *Financial Management and Accountability Act 1997* |
| **\*** | **Commonwealth Securities and Investment Legislation Amendment Bill 2008** — Schedule 1, item 10, subsection 5BA(7) |
| **\*** | **Defence Home Ownership Assistance Scheme Bill 2008** —clause 84 |
| **\*** | **Dental Benefits Bill 2008** —clause 65 |
| **\*** | **Education Legislation Amendment Bill 2008** — Schedule 1, item 6, section 14B |
| **\*** | **Fair Work Bill 2008** —Subclause 559(4) |
| **\*** | **Farm Household Support Amendment (Additional Drought Assistance Measures) Bill 2008** —Schedule 1, item 29 |
| **\*** | **Federal Financial Relations Bill 2009** —clause 22 |
| **\*** | **Federal Financial Relations (Consequential Amendments and Transitional Provisions) Bill 2009** — Schedule 4, subitem 2(3) |
| **\*** | **Financial System Legislation Amendment (Financial Claims Scheme and Other Measures) Bill 2008** —Schedule 1, item 49, section 54A and Schedule 2, item 23, section 70E (Special Accounts: CRF appropriated by virtue of section 21 of the *Financial Management and Accountability Act 1997*) |
| **\*** | **Fisheries Legislation Amendment (New Governance Arrangements for the Australian Fisheries Management Authority and Other Matters) Bill 2008** —Schedule 1, item 79, section 94B (Special Account: CRF appropriated by virtue of section 21 of the *Financial Management and Accountability Act 1997*) |
| **\*** | **Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008** —Schedule 5, item 141, section 65A |
| **\*** | **Guarantee of State and Territory Borrowing Appropriation Bill 2009** —clause 5 |
| **\*** | **Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Bill 2008** —clause 5 |
| **\*** | **International Monetary Agreements Amendment (Financial Assistance) Bill 2009** —Schedule 1, item 4, subsection 8CA(4) |
|  | **Midwife Professional Indemnity (Commonwealth Contribution) Scheme Bill 2009** —subclause 43(2), clause 70 and subclause 78(2) |
| **\*** | **Nation-building Funds Bill 2008 —clauses 13, 61, 68, 75, 82, 132, 181, 188, 215 and 255** —(Special Accounts: CRF appropriated by virtue of section 21 of the *Financial Management and Accountability Act 1997)* |
| **\*** | **National Consumer Credit Protection Bill 2009** — Schedule 1, subclause 115(2) |
| **\*** | **Protection of the Sea Legislation Amendment Bill 2008** —Schedule 1, item 20, section 46N |
| **\*** | **Safe Work Australia Bill 2008** —clause 64 (Special Account: CRF appropriated by virtue of section 21 of the *Financial Management and Accountability Act 1997*) |
| **\*** | **Safe Work Australia Bill 2008 [No. 2]** —clause 64 (Special Account: CRF appropriated by virtue of section 21 of the *Financial Management and Accountability Act 1997*) |
| **\*** | **Schools Assistance Bill 2008** —clause 167 |
| **\*** | **Uranium Royalty (Northern Territory) Bill 2008** – clause 18 |

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| **\*** | **Veterans’ Affairs Legislation Amendment (International Agreements and Other Measures) Bill 2008** — Schedule 1, item 1 |
| **\*** | **Wheat Export Marketing Bill 2008** —clause 58 (Special Account: CRF appropriated by virtue of section 21 of the *Financial Management and Accountability Act 1997*) |

**Other relevant appropriation clauses in bills**

**\*** Indicates bill passed by the Senate

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| **N** | **Household Stimulus Package Bill 2009** —Schedule 4, subitem 1(5): special appropriation clause – for a finite period of time (ie for circumstances arising in a particular financial year). |
| **\*** | **Household Stimulus Package Bill (No. 2) 2009 –** Schedule 4, subitem 1(5): special appropriation clause – for a finite period of time (ie. for circumstances arising in a particular financial year). |
| **\*** | **Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008** —Schedule 4, item 4: special appropriation clause – for a finite period of time (ie for circumstances arising in a particular financial year). |
| **\*** | **Social Security and Veterans’ Entitlements Legislation Amendment (One-off Payments and Other Budget Measures) Bill 2008** —Schedule 2, items 1 and 2, and Schedule 4, item 1: special appropriation clauses – for a finite period of time (ie. for circumstances arising in a particular financial year). |