

1996-97

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

VOTES AND PROCEEDINGS

No. 84

WEDNESDAY, 14 MAY 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 AUSTRALIAN NATIONAL RAILWAYS COMMISSION SALE BILL 1997

Mr Sharp (Minister for Transport and Regional Development), pursuant to notice, presented a Bill for an Act to amend the *Australian National Railways Commission Act 1983*, to repeal certain Acts, and for other purposes.

Bill read a first time.

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

Paper

Mr Sharp presented an explanatory memorandum to the Bill.

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

3 TELECOMMUNICATIONS (INTERCEPTION) AND LISTENING DEVICE AMENDMENT BILL 1997

Mr Williams (Attorney-General and Minister for Justice), pursuant to notice, presented a Bill for an Act to amend the *Telecommunications (Interception) Act 1979*, the *Australian Federal Police Act 1979*, the *Customs Act 1901* and the *Financial Transaction Reports Act 1988*, and for related purposes.

Bill read a first time.

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

Paper

Mr Williams presented an explanatory memorandum to the Bill.

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

4 CONSTITUTIONAL CONVENTION (ELECTION) 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 Beazley (Leader of the Opposition) 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, recognising that if it is to have the necessary standing and authority, the Constitutional Convention should be based on the most fair and straightforward electoral arrangements practicable, the House:

- (1) is of the view that the Government has exaggerated the cost differential between a postal ballot and a normal attendance ballot and considers that the elections should be made by means of a normal attendance ballot;
- (2) considers that the voting method proposed by the Government will:
 - (a) cause unnecessary confusion, and both of which will distort the results of the vote; and
 - (b) deprive many Australians of their right to vote;
- (3) is of the view that the proposed period of 1 week from the issuing of the notice of the election and the closing of the roll is undemocratic and will deny many Australians participation in the process;
- (4) considers that the Government proposals for the nomination of persons to the convention are undemocratic and will allow the Coalition and its allies to have a disproportionate influence on the process; and
- (5) is of the opinion that a Joint Select Committee should be appointed to nominate community representatives, to advise on the processes and procedures for the Convention and to advise on the appointment of an independent Chair for the Convention”.

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.

5 QUESTIONS

Questions without notice being asked—

Member ordered to withdraw

At 2.36 p.m. the Member for Melbourne (Mr Tanner) 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 continuing—

Paper

Mr K. J. Thomson, in accordance with standing order 321, having called for a document quoted from by Mr Fischer (Minister for Trade)—

Mr Fischer presented the following paper:

Regional Australia: Leading the way.

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. 31 of 1996-97—Performance audit—Medifraud and inappropriate practice: Health Insurance Commission.

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

- (1) this House authorises the publication of the Auditor-General's audit report No. 31 of 1996-97; and
- (2) the report be printed.

Question—put and passed.

7 PAPERS

The following papers were presented:

Audit Act—Auditor-General—Report on the audit of the Australian Wheat Board 1995-96.

Treaties—

List of multilateral treaty action under negotiation or consideration by the Australian Government.

Joint Standing Committee—1st report, August 1996—Government response.

8 SUSPENSION OF STANDING ORDER 48A

Mr Reith (Leader of the House), by leave, moved—That standing order 48A (Adjournment and next meeting) be suspended for the sitting on Thursday, 15 May 1997.

Question—put and passed.

9 DISCUSSION OF MATTER OF PUBLIC IMPORTANCE—BUDGET

The House was informed that Mr G. J. Evans (Deputy Leader of the Opposition) had proposed that a definite matter of public importance be submitted to the House for discussion, namely, "The failure of the Budget to generate jobs and provide financial security for retirees".

The proposed discussion having received the necessary support—

Mr G. J. Evans addressed the House.

Discussion ensued.

Discussion concluded.

10 EXCISE TARIFF AMENDMENT BILL (NO. 2) 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Excise Tariff Amendment Bill (No. 2) 1997 had been fully considered by the Main Committee and agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Dr Wooldridge (Minister for Health and Family Services), by leave, the Bill was read a third time.

11 PETROLEUM EXCISE (PRICES) AMENDMENT BILL 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Petroleum Excise (Prices) Amendment Bill 1997 had been fully considered by the Main Committee and agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Dr Wooldridge (Minister for Health and Family Services), by leave, the Bill was read a third time.

12 BROADCASTING SERVICES LEGISLATION AMENDMENT BILL 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Broadcasting Services Legislation Amendment Bill 1997 had been fully considered by the Main Committee and agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Dr Wooldridge (Minister for Health and Family Services), by leave, the Bill was read a third time.

13 TELEVISION LICENCE FEES AMENDMENT BILL 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Television Licence Fees Amendment Bill 1997 had been fully considered by the Main Committee and agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Dr Wooldridge (Minister for Health and Family Services), by leave, the Bill was read a third time.

14 RADIO LICENCE FEES AMENDMENT BILL 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Radio Licence Fees Amendment Bill 1997 had been fully considered by the Main Committee and agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Dr Wooldridge (Minister for Health and Family Services), by leave, the Bill was read a third time.

15 DAIRY PRODUCE LEVY (NO. 1) AMENDMENT BILL 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Dairy Produce Levy (No. 1) Amendment Bill 1997 had been fully considered by the Main Committee and agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Dr Wooldridge (Minister for Health and Family Services), by leave, the Bill was read a third time.

16 AUSTRALIAN ANIMAL HEALTH COUNCIL (LIVE-STOCK INDUSTRIES) FUNDING AMENDMENT BILL 1997—REPORT FROM MAIN COMMITTEE

The Second Deputy Speaker reported that the Australian Animal Health Council (Live-stock Industries) Funding Amendment Bill 1997 had been fully considered by the Main Committee, a Governor-General's message recommending an appropriation had been reported, and the Bill had been agreed to without amendment, and presented a certified copy of the Bill.

Bill agreed to.

On the motion of Dr Wooldridge (Minister for Health and Family Services), by leave, the Bill was read a third time.

17 MESSAGE FROM THE SENATE—SUPERANNUATION CONTRIBUTIONS SURCHARGE (ASSESSMENT AND COLLECTION) BILL 1997 [SUPERANNUATION CONTRIBUTIONS TAX (ASSESSMENT AND COLLECTION) BILL 1997]

The following message from the Senate was reported:

Message No. 213

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act relating to the assessment and collection of superannuation contributions surcharge, and for related purposes**, and acquaints the House that the Senate has agreed to the bill with the amendments indicated by the annexed schedule, in which amendments the Senate requests the concurrence of the House of Representatives.

MARGARET REID

President

The Senate

12 May 1997

Ordered—That the amendments be considered forthwith.

SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE

- (1) Title, page 1 (line 11), omit "**surcharge**", substitute "**tax**".
- (2) Clause 1, page 1 (line 17), omit "*Surcharge*", substitute "*Tax*".
- (3) Clause 16, page 20 (after line 27), after subclause (6), insert:

Surcharge debt may be reduced
- (6B) The member may make payments to the provider for the purpose of reducing the deferred amount in the surcharge debt account.
- (6C) If a member makes a payment under subsection (6B), the provider must:
 - (a) credit the payment to the surcharge debt account; and
 - (b) acknowledge receipt of the payment to the member; and
 - (c) advise the member of the revised balance of the surcharge debt account.

- (6D) A payment received by the provider under subsection (6B) must be forwarded to the Commissioner within one month of receipt.
- (4) Clause 19, page 23 (after line 8), after subclause (1), insert:
Additional application
- (1A) This section also applies if:
- (a) under an assessment of surcharge on a member's surchargeable contributions for a financial year, the rate of surcharge that applies to the member on particular surchargeable contributions for the financial year was assessed to be nil because paragraph 5(3)(e) of the *Superannuation Contributions Surcharge Imposition Act 1997* applied to the member; and
 - (b) the rate of surcharge that applies to the member on these contributions for that financial year is afterwards determined to be greater than nil; and
 - (c) the person to whom the nil assessment was directed is still the holder of the contributions.
- (5) Clause 19, page 23 (line 11), at the end of subclause (2), add "or paragraph (1A)(c)".
- (6) Clause 20, page 24 (after line 13), after subclause (1), insert:
Additional application
- (1A) This section also applies if:
- (a) under an assessment of surcharge (the *previous assessment*) on a member's surchargeable contributions for a financial year, the rate of surcharge that applies to the member on particular surchargeable contributions for that financial year was assessed to be nil because paragraph 5(3)(e) of the *Superannuation Contributions Surcharge Imposition Act 1997* applied to the member; and
 - (b) the rate of surcharge that applies to the member on those contributions for that financial year is afterwards determined to be greater than nil; and
 - (c) the person to whom the previous assessment was directed is no longer the holder of the surchargeable contributions.
- (7) Clause 43, page 44 (lines 6 to 13), omit the definition of ***adjusted taxable income***, substitute:
adjusted taxable income of a member for a financial year means the sum of:
- (a) the member's taxable income of the year of income comprising the financial year less any amounts included in the member's assessable income of that year of income:

- (i) that were eligible termination payments for the purposes of Subdivision AA of Division 2 of Part III of the Income Tax Assessment Act (other than amounts that were such payments because of paragraph (a) of the definition of *eligible termination payment* in subsection 27A(1) of that Act);
 - (ii) that were so included under section 26AC or under subsection 26AD(2), (3) or (4) of the Income Tax Assessment Act in respect of a *bona fide* redundancy amount, an early retirement scheme amount or an invalidity amount as defined in section 159S of that Act; and
- (b) the member's surchargeable contributions for the financial year.
- (8) Clause 43, page 49 (after line 12), after the definition of *superannuation (unfunded defined benefits) provider*, insert:

surcharge (wherever occurring) means a tax.

Mr Scott (Minister for Veterans' Affairs) moved—That the amendments be agreed to.

Debate ensued.

Question—put.

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

AYES, 89

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

NOES, 43

Mr Adams	Mr M. J. Evans	Mr Latham	Mr O'Connor
Mr Albanese	Mr L. D. T. Ferguson	Dr Lawrence	Mr O'Keefe
Mr P. J. Baldwin	Mr M. J. Ferguson	Mr McClelland	Mr Price
Mr Beddall	Mr Fitzgibbon	Ms Macklin	Mr Quick
Mr Bevis	Mr E. L. Grace*	Mr McLeay*	Mr Sawford*
Mr Brereton	Mr Hatton	Mr McMullan	Mr S. F. Smith
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
Ms Ellis	Mr Jones	Mr P. F. Morris	Mr Wilton
Mr G. J. Evans	Mr Kerr	Mr Mossfield	

* Tellers

And so it was resolved in the affirmative.

18 MESSAGE FROM THE SENATE—SUPERANNUATION CONTRIBUTIONS SURCHARGE IMPOSITION BILL 1997 [SUPERANNUATION CONTRIBUTIONS TAX IMPOSITION BILL 1997]

The following message from the Senate was reported:

Message No. 214

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to impose a superannuation contributions surcharge and to declare the rate of the surcharge**, and requests the House to amend the bill as indicated by the annexed schedule.

MARGARET REID

President

The Senate

12 May 1997

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

SCHEDULE OF THE REQUESTS BY THE SENATE FOR AMENDMENTS

- (1) Title, page 1 (lines 9 to 11), omit “**surcharge**” (wherever occurring), substitute “**tax**”.
- (2) Clause 1, page 1 (line 15), omit “*Surcharge*”, substitute “*Tax*”.
- (3) Clause 5, page 3 (lines 1 to 4), omit all the words after paragraph (3)(a), substitute:
 - (b) the Commissioner has not, after taking all reasonable steps, found out the member’s tax file number; and
 - (c) the Commissioner has written to the member at the member’s last-known address telling the member that, if the member does not quote his or her tax file number, the rate of surcharge that will apply to the member for that year may be 15% of the member’s surchargeable contributions for that year;

the following provisions have effect:

- (d) if contributed amounts in respect of contributions began to be paid for or by the member to a superannuation provider before 7 May 1997 and the member's surchargeable contributions for that year exceed the surchargeable contributions threshold—the rate of surcharge that applies to the member in respect of all the contributions paid to that provider for that year is 15% of those contributions;
 - (e) if contributed amounts in respect of contributions began to be paid for or by the member to a superannuation provider before 7 May 1997 and the member's surchargeable contributions for that year do not exceed the surchargeable contributions threshold—the rate of surcharge that applies to the member in respect of all the contributions paid to that provider for that year is nil;
 - (f) if contributed amounts in respect of contributions began to be paid for or by the member to a superannuation provider on or after 7 May 1997—the rate of surcharge that applies to the member in respect of all the contributions paid to that provider for that year is 15% of those contributions.
- (4) Clause 5, page 3 (after line 4), after subclause (3), insert:
- (4) The Commissioner shall not impose surcharge in respect of a member under paragraph (3)(f) unless, in addition to the requirements in paragraph (3)(c) the Commissioner has, if the member has not complied with the request referred to in that paragraph within three months of the letter being sent, again written to the member at an address determined by the Commissioner as most appropriate to reach the member, telling the member that, if the member does not quote his or her tax file number, the rate of surcharge that will apply to the member for that year may be 15% of the member's surchargeable contributions for that year.
- (5) Page 3, after clause 5 (after line 4), insert:

5A Surchargeable contributions threshold

Surchargeable contributions threshold for the 1996-97 financial year

- (1) The *surchargeable contributions threshold* for the 1996-97 financial year is \$2,000.

Surchargeable contributions for a later financial year

- (2) The *surchargeable contributions threshold* for a financial year (the *relevant financial year*) after the 1996-97 financial year is the amount worked out using the formula:

$$\text{Previous threshold} \times \text{Indexation factor} \times \frac{\text{Current charge percentage}}{\text{Previous charge percentage}}$$

where:

previous threshold means the surchargeable contributions threshold for the financial year immediately before the relevant financial year.

indexation factor means the number worked out under subsections 9(4) and (5) of the *Superannuation Contributions Surcharge (Assessment and Collection) Act 1997* for the relevant financial year.

current charge percentage means the number that is the employer's charge percentage under the *Superannuation Guarantee (Administration) Act 1992* for the relevant financial year.

previous charge percentage means the number that is the employer's charge percentage under the *Superannuation Guarantee (Administration) Act 1992* for the financial year immediately before the relevant financial year.

On the motion of Mr Scott (Minister for Veterans' Affairs), the requested amendments were made, after debate.

19 MESSAGE FROM THE SENATE—TERMINATION PAYMENTS SURCHARGE (ASSESSMENT AND COLLECTION) BILL 1997 [TERMINATION PAYMENTS TAX (ASSESSMENT AND COLLECTION) BILL 1997]

The following message from the Senate was reported:

Message No. 215

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act relating to the assessment and collection of termination payments surcharge, and for related purposes**, and acquaints the House that the Senate has agreed to the bill with the amendments indicated by the annexed schedule, in which amendments the Senate requests the concurrence of the House of Representatives.

MARGARET REID

President

The Senate

12 May 1997

Ordered—That the amendments be considered forthwith.

SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE

- (1) Title, page 1 (line 2), omit "**surcharge**", substitute "**tax**".
- (2) Clause 1, page 1 (line 8), omit "*Surcharge*", substitute "*Tax*".
- (3) Clause 7, page 4 (line 20), after "payment", insert "or an eligible termination payment from an employee share acquisition scheme".

On the motion of Mr Scott (Minister for Veterans' Affairs), the amendments were agreed to.

20 MESSAGE FROM THE SENATE—TERMINATION PAYMENTS SURCHARGE IMPOSITION BILL 1997 [TERMINATION PAYMENTS TAX IMPOSITION BILL 1997]

The following message from the Senate was reported:

Message No. 216

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to impose a termination payments surcharge and to declare the rate of the surcharge**, and requests the House to amend the bill as indicated by the annexed schedule.

MARGARET REID

President

The Senate

12 May 1997

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

SCHEDULE OF THE REQUESTS BY THE SENATE FOR AMENDMENTS

- (1) Title, page 1 (line 2), omit “**surcharge**” (wherever occurring), substitute “**tax**”.
- (2) Clause 1, page 1 (line 5), omit “*Surcharge*”, substitute “*Tax*”.

On the motion of Mr Scott (Minister for Veterans' Affairs), the requested amendments were made.

21 MESSAGE FROM THE SENATE—SUPERANNUATION CONTRIBUTIONS SURCHARGE (CONSEQUENTIAL AMENDMENTS) BILL 1997 [SUPERANNUATION CONTRIBUTIONS TAX (CONSEQUENTIAL AMENDMENTS) BILL 1997]

The following message from the Senate was reported:

Message No. 217

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to amend various Acts in consequence of the enactment of the *Superannuation Contributions Surcharge (Assessment and Collection) Act 1997*, and for related purposes**, and acquaints the House that the Senate has agreed to the bill with the amendments indicated by the annexed schedule, in which amendments the Senate requests the concurrence of the House of Representatives.

MARGARET REID

President

The Senate

12 May 1997

Ordered—That the amendments be considered forthwith.

SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE

- (1) Title, page 1 (line 3), omit “*Surcharge*”, substitute “*Tax*”.
- (2) Clause 1, page 1 (line 9), omit “*Surcharge*”, substitute “*Tax*”.

On the motion of Mr Scott (Minister for Veterans’ Affairs), the amendments were agreed to.

22 MESSAGE FROM THE SENATE—SUPERANNUATION CONTRIBUTIONS SURCHARGE (APPLICATION TO THE COMMONWEALTH) BILL 1997 [SUPERANNUATION CONTRIBUTIONS TAX (APPLICATION TO THE COMMONWEALTH) BILL 1997]

The following message from the Senate was reported:

Message No. 218

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to provide for the notional application of superannuation contributions surcharge on the surchargeable contributions of members of non-contributory Commonwealth superannuation schemes, and for related purposes**, and acquaints the House that the Senate has agreed to the bill with the amendments indicated by the annexed schedule, in which amendments the Senate requests the concurrence of the House of Representatives.

MARGARET REID

President

The Senate

12 May 1997

Ordered—That the amendments be considered forthwith.

SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE

- (1) Title, page 1 (line 11), omit “**surcharge**”, substitute “**tax**”.
- (2) Title, page 1 (line 11), omit “**surchargeable**”, substitute “**taxable**”.
- (3) Clause 1, page 2 (line 3), omit “*Surcharge*”, substitute “*Tax*”.

On the motion of Mr Scott (Minister for Veterans’ Affairs), the amendments were agreed to.

23 MESSAGE FROM THE SENATE—SUPERANNUATION CONTRIBUTIONS SURCHARGE (APPLICATION TO THE COMMONWEALTH—REDUCTION OF BENEFITS) BILL 1997 [SUPERANNUATION CONTRIBUTIONS TAX (APPLICATION TO THE COMMONWEALTH—REDUCTION OF BENEFITS) BILL 1997]

The following message from the Senate was reported:

Message No. 219

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act relating to the reduction of the benefits payable to members of unfunded non-**

contributory Commonwealth superannuation schemes on account of superannuation contributions surcharge, and for related purposes, and acquaints the House that the Senate has agreed to the bill with the amendments indicated by the annexed schedule, in which amendments the Senate requests the concurrence of the House of Representatives.

MARGARET REID

President

The Senate

12 May 1997

Ordered—That the amendments be considered forthwith.

SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE

- (1) Title, page 1 (line 5), omit “**surcharge**”, substitute “**tax**”.
- (2) Clause 1, page 2 (line 3), omit “*Surcharge*”, substitute “*Tax*”.

On the motion of Mr Scott (Minister for Veterans’ Affairs), the amendments were agreed to.

24 MESSAGE FROM THE SENATE—RETIREMENT SAVINGS ACCOUNTS BILL 1997

The following message from the Senate was reported:

Message No. 220

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to provide for retirement savings accounts, and for related purposes**, and acquaints the House that the Senate has agreed to the bill with the amendments indicated by the annexed schedule, in which amendments the Senate requests the concurrence of the House of Representatives.

MARGARET REID

President

The Senate

12 May 1997

Ordered—That the amendments be considered forthwith.

SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE

- (1) Clause 38, page 29 (after line 6), at the end of the clause, add:
 - (3) Regulations made in accordance with paragraph (2)(i) must further the objective of ensuring that RSAs are a low-cost product.
- (2) Heading to Part 5, page 33 (line 2), at the end of the heading, add “**and employers**”.
- (3) Heading to Division 3, page 37 (line 2), at the end of the heading, add “**and applications for RSAs**”.
- (4) Page 37 (after line 30), at the end of Division 3, add:

51A Employers must provide employees with alternative options

- (1) This section sets out the procedures that an employer must go through:
 - (a) if the employer gives an application form for an RSA to an employee; or
 - (b) before an employer makes an application for an RSA on behalf of an employee.
- (2) An employer who gives an application form for an RSA to an employee must, at the same time, give the employee:
 - (a) any prescribed information about that RSA; and
 - (b) if the employee is paid by means of electronic funds transfer to a financial institution that is an RSA institution—an application form for an RSA provided by that RSA institution; and
 - (c) if there is an industry-based regulated superannuation fund that the employee is eligible to join—an application form for that industry fund; and
 - (d) if there is no industry-based regulated superannuation fund that the employee is eligible to join—an application form for a regulated superannuation fund; and
 - (e) a written notice stating that, unless the employer is currently making contributions for the benefit of the employee to another RSA or to a regulated superannuation fund, the employer may make an application for the RSA on behalf of the employee if the employee does not, within 28 days:
 - (i) make an application for the RSA, for another RSA, or to become a member of a regulated superannuation fund; or
 - (ii) give the employer a written notice electing to become the holder of the RSA, the holder of another RSA or a member of a specified regulated superannuation fund.
- (3) An employer must not make an application, on behalf of any particular employee, for an RSA unless the conditions in subsection (4) or (5) are satisfied.
- (4) The conditions in this subsection for an employer to be able to make an application, on behalf of any particular employee, for an RSA are that:
 - (a) the employer has given the employee an application form for the RSA together with the other documents specified in subsection (2); and
 - (b) the 28 day period referred to in paragraph (2)(e) has ended; and

- (c) the employee has not made an application for the RSA, for another RSA, or to become a member of a regulated superannuation fund; and
 - (d) the employee has not given the employer a written notice electing to become the holder of the RSA, the holder of another RSA or a member of a specified regulated superannuation fund; and
 - (e) the employer is not making contributions for the benefit of the employee to another RSA or to a regulated superannuation fund.
- (5) The conditions in this subsection for an employer to be able to make an application, on behalf of any particular employee, for an RSA (the *nominated RSA*) are that:
- (a) the employer has given the employee an application form for an RSA (which may be the nominated RSA or another RSA) together with the other documents specified in subsection (2); and
 - (b) the employee has given the employer a written notice electing to become the holder of the nominated RSA.
- (6) An employer who intentionally or recklessly contravenes subsection (2) or (3) is guilty of an offence punishable on conviction by a fine not exceeding 10 penalty units.
- (7) Where an employee has become the holder of an RSA as a result of:
- (a) an application that was made using an application form provided by the employee's employer in contravention of subsection (2); or
 - (b) as a result of an application that was made by the employee's employer in contravention of subsection (3);
- the RSA provider must, at the request of the employee, transfer the balance in the RSA to another RSA, or a superannuation entity, specified by the employee. The request must be made within 6 months of the RSA being opened. The balance must be transferred as soon as is practicable. No exit fees may be imposed.
- (8) An RSA provider who intentionally or recklessly contravenes subsection (7) is guilty of an offence punishable on conviction by a fine not exceeding 10 penalty units.
- (5) Clause 52, page 38 (lines 20 and 21), omit subclause (3), substitute:
- (3) Subsection (1) does not apply if the application is made by an employer on behalf of an employee and the RSA provider is satisfied, on reasonable grounds, that section 51A has been complied with.
- (6) Clause 55, page 39 (line 26), after "sections", insert "51A,".

- (7) Clause 68, page 52 (line 5), omit “and misleading”, substitute “, improper and misleading”.
- (8) Clause 68, page 52 (line 11), omit “and 73”, substitute “, 73 and 76A”.
- (9) Clause 73, page 54 (line 11), omit “or 72”, substitute “, 72 or 76A”.

Note: The heading to clause 73 (page 54, line 12) is altered by omitting “or 72” and substituting “, 72 or 76A”.

- (10) Page 56 (after line 15), after clause 76, insert:

76A Improper conduct in the provision of RSAs

- (1) An RSA provider, or an associate of an RSA provider, must not:
 - (a) supply, or offer to supply, goods or services to a person; or
 - (b) supply, or offer to supply, goods or services to a person at a particular price; or
 - (c) give or allow, or offer to give or allow, a discount, allowance, rebate or credit in relation to the supply, or the proposed supply, of goods or services to a person;

on the condition that one or more of the employees of the person will hold, or has applied or agreed to hold, an RSA provided by the RSA provider.

- (2) An RSA provider, or an associate of an RSA provider, must not refuse:
 - (a) to supply, or offer to supply, goods or services to a person; or
 - (b) to supply, or offer to supply, goods or services to a person at a particular price; or
 - (c) to give or allow, or offer to give or allow, a discount, allowance, rebate or credit in relation to the supply, or the proposed supply, of goods or services to a person;

for the reason that one or more of the employees of the person does not hold, or has not applied or agreed to hold, an RSA provided by the RSA provider.

- (3) A contravention of subsection (1) or (2) is not an offence, but it does give rise to civil liability under section 73.

- (11) Clause 168, page 129 (line 1) to page 130 (line 10), omit the clause.

On the motion of Mr Scott (Minister for Veterans' Affairs), the amendments were agreed to, after debate.

25 MESSAGE FROM THE SENATE—RETIREMENT SAVINGS ACCOUNTS (CONSEQUENTIAL AMENDMENTS) BILL 1997

The following message from the Senate was reported:

Message No. 221

Mr Speaker

The Senate returns to the House of Representatives the bill for **An Act to amend various Acts because of the enactment of the *Retirement Savings***

Accounts 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

12 May 1997

Ordered—That the amendment be considered forthwith.

SCHEDULE OF THE AMENDMENT MADE BY THE SENATE

Page 85 (after line 11), at the end of the bill, add:

Schedule 19—Amendment of the Financial Transaction Reports Act 1988

1 Subsection 3(1)

Insert:

RSA has the same meaning as in the *Retirement Savings Accounts Act 1997*.

2 After subsection 18(3)

Insert:

(3A) Subsection (3) does not apply in relation to accounts that are RSAs.

3 After subsection 18(4A)

Insert:

(4B) Subsections (2), (2A), (4) and (4A) do not apply in relation to withdrawals:

- (a) made as a result of a request under paragraph 50(1)(a) of the *Retirement Savings Accounts Act 1997*; or
- (b) made as a result of the death of the person who is the holder of the account for the purposes of the *Retirement Savings Accounts Act 1997*; or
- (c) made under section 81, 82, 87, 194 or 195 of the *Retirement Savings Accounts Act 1997*; or
- (d) that are used to make payments of insurance premiums in accordance with the terms and conditions of the account.

4 Subsection 18(8)

Omit “the account”, substitute “an account other than an RSA”.

5 Paragraph 18(8A)(a)

Omit “an account”, substitute “an account other than an RSA”.

6 At the end of section 24

Add:

- (8) This section does not apply in relation to a person (the *employer*) in relation to an account if:
- (a) the account is an RSA; and
 - (b) the employer made the application for the account on behalf of another person (the *employee*) under section 51 of the *Retirement Savings Accounts Act 1997*; and
 - (c) the employer is the employer of the employee for the purposes of the *Retirement Savings Accounts Act 1997*.

On the motion of Mr Scott (Minister for Veterans' Affairs), the amendment was agreed to, after debate.

26 MESSAGE FROM THE SENATE

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

12 May 1997—Message No. 222—Retirement Savings Accounts Supervisory Levy Bill 1996.

27 CONSTITUTIONAL CONVENTION (ELECTION) 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—*And on the amendment moved thereto by Mr Beazley (Leader of the Opposition), 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, recognising that if it is to have the necessary standing and authority, the Constitutional Convention should be based on the most fair and straightforward electoral arrangements practicable, the House:*

- (1) is of the view that the Government has exaggerated the cost differential between a postal ballot and a normal attendance ballot and considers that the elections should be made by means of a normal attendance ballot;
- (2) considers that the voting method proposed by the Government will:
 - (a) cause unnecessary confusion, and both of which will distort the results of the vote; and
 - (b) deprive many Australians of their right to vote;
- (3) is of the view that the proposed period of 1 week from the issuing of the notice of the election and the closing of the roll is undemocratic and will deny many Australians participation in the process;
- (4) considers that the Government proposals for the nomination of persons to the convention are undemocratic and will allow the Coalition and its allies to have a disproportionate influence on the process; and
- (5) is of the opinion that a Joint Select Committee should be appointed to nominate community representatives, to advise on the processes and

procedures for the Convention and to advise on the appointment of an independent Chair for the Convention”—

Debate resumed.

Mr McLeay addressing the House—

28 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.

ATTENDANCE

All Members attended (at some time during the sitting) except Mr Miles and Mr Pyne.

L. M. BARLIN

Clerk of the House of Representatives

1996-97

HOUSE OF REPRESENTATIVES
SUPPLEMENT TO VOTES AND PROCEEDINGS

No. 84

MAIN COMMITTEE**MINUTES OF PROCEEDINGS**

WEDNESDAY, 14 MAY 1997

1 The Main Committee met at 10 a.m.

2 EXCISE TARIFF AMENDMENT BILL (NO. 2) 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.

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.

3 PETROLEUM EXCISE (PRICES) 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—

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 BROADCASTING SERVICES LEGISLATION 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.

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 TELEVISION LICENCE FEES 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—

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 RADIO LICENCE FEES 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—

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.

7 DAIRY PRODUCE LEVY (NO. 1) 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.

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.

8 AUSTRALIAN ANIMAL HEALTH COUNCIL (LIVE-STOCK INDUSTRIES) FUNDING 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—

Question—put and passed—Bill read a second time.

Message from the Governor-General

Message No. 137, dated 5 March 1997, from His Excellency the Governor-General was announced recommending an appropriation for the purposes of the Bill.

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.

9 ADJOURNMENT

On the motion of Mr Scott (Minister for Veterans' Affairs), the Main Committee adjourned at 12.58 p.m.

The Deputy Speaker fixed tomorrow at 10 a.m. for the next meeting of the Main Committee.



I. C. HARRIS
Clerk of the Main Committee