

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOURNALS OF THE SENATE

No. 59

WEDNESDAY, 6 NOVEMBER 1985

1 MEETING OF SENATE: The Senate met at 10 a.m., pursuant to adjournment. The President (Senator the Honourable Douglas McClelland) took the Chair.

2 PRAYERS.

3 PETITIONS: The following 38 petitions, lodged with the Clerk by the Senators indicated, were received:

Senator Chipp, from 14 petitioners praying that laboratory experimentation upon Australian protected wildlife be prohibited.

Senator Zakharov, from 66 petitioners praying that legislation for any plant variety rights system which gives exclusive ownership rights over seeds to individuals, organisations or enterprises be not passed.

Senators Chipp, Cooney and Zakharov, from 72, 90 and 54 petitioners, respectively, praying that the Senate legislate to close the joint Australian-United States electronic communications facilities at the Watsonia Army Barracks, Victoria.

Senators Haines and Messner, from 1003 and 14 petitioners, respectively, praying that the Australian flag be not changed without the consent of the people in a referendum.

Senators Crowley and Haines, from 105 and 450 petitioners, respectively, praying that home loan interest rates be reduced.

Senators Brownhill and Robertson, from 24 and 21 petitioners, respectively, praying that the Senate act to protect society from moral pollution and its harmful effects.

Senator Chipp, from 22 petitioners praying that all members of Parliament support the Nuclear Weapons Prohibitions Bill 1985.

Senator Chipp, from 60 petitioners praying that the Senate support Senator Chipp's various legislative measures dealing with the prohibition of nuclear weapons.

Senators Brownhill and Sheil, from 48 and 118 petitioners, respectively, praying that the Senate reject certain tax proposals which are outlined in the Government's White Paper of May 1985.

Senators Sir John Carrick, Knowles and Robertson, from 48, 298 and 647 petitioners, respectively, praying that the Senate pass Senator Harradine's Bill to prohibit experiments involving the use of human embryos created by in vitro fertilization.

Senator Collard, from 11 petitioners praying that the Senate support full military co-operation between Australia and the United States for the defence security of the Australian Commonwealth.

Senators Knowles and Robertson, from 84 and 29 petitioners, respectively, praying that the assets test be repealed.

Senator Robertson, from 288 petitioners praying that the Senate not legalise the possession, sale, hire or supply of any pornographic material.

Senators Macklin and Sanders, from 105 and 25 petitioners, respectively, praying that the Senate oppose any sections of the proposed Veterans' Entitlements Bill which would have the effect of reducing veterans' benefits, including that which seeks to change the onus of proof.

Senator Macklin, from 18 petitioners praying that the Senate support the Constitution Alteration (Democratic Elections) Bill 1985.

Senators Button, Chipp, Hamer, Lewis, Robert Ray and Robertson, from 517, 507, 442, 392, 659 and 370 petitioners, respectively, praying that the Senate request the Government to remain consistent in its obligations to uphold the United Nations Convention on the Elimination of All Forms of Discrimination Against Women and take action to prevent the operation of legalised brothels in Victoria.

Senator Sanders, from 25 petitioners praying that the Senate ensure the protection of the Otway forests in Victoria and refuse any licence to export woodchips from the Otways.

Senators Brownhill and Puplick, from 376 and 233 petitioners, respectively, praying that the Senate amend the Sales Tax (Exemptions and Classifications) Amendment Bill 1985 to remove the sales tax on ice cream.

Senator Puplick, from 159 petitioners praying that the Senate take measures to reduce the interference level on the Citizens' Band Radio Service.

Senator Crichton-Browne, from 96 petitioners praying that the recurrent grant to tertiary education residential colleges be reinstated.

Senator Sanders, from 8 petitioners praying that the protection of Australian historical and environmental assets be a subject for a referendum.

Senator Vigor, from 857 petitioners praying that the further development of the Belconnen Mall, Canberra, include the development of community facilities and the retention of the present child care centre.

4 NOTICES:

Notices of Motion: Notices of Motion were given, as follows—

Senator Lewis: To move on the next day of sitting—That leave be given to introduce a Bill for an Act to amend the *Postal Services Act 1975*.

Senator Jones: To move on the next day of sitting—That the Senate—

- (a) views with contempt the flagrant and cynical destruction of democracy in the State of Queensland, brought about by the blatant gerrymandering of electoral boundaries proposed by the Queensland Government in its redistribution plans; and
- (b) notes that under these plans the National Party can expect to retain office with some 35 per cent of the vote, a situation that cannot be tolerated in a country such as Australia that aspires to the total expression of the democratic process.

Senator Brownhill: To move on the next day of sitting—That the Senate—

- (a) notes with concern the recent estimate from the Bureau of Agricultural Economics that profitability in the rural sector will this financial year slump by 26 per cent;
- (b) notes that the Australian Conciliation and Arbitration Commission has granted farm workers a 2.6 per cent wage rise, which has subsequently been followed by a 3.8 per cent national wage rise, which will mean an additional cost of \$65m-\$70m, or a loss of an estimated 5 800 jobs in the rural sector alone; and
- (c) calls on the Federal Government to realise their failure in the economic management of Australia and address itself to real attempts to reduce the deficit, and introduce policies that will bring the crippling interest rates being paid down to a realistic and affordable level, before all incentive for business is lost.

Senator Townley: To move on the next day of sitting—That the Senate—

- (a) recognising that housing is one of the most important sectors of the economy;

- (b) being fully aware of the extreme housing shortage that is developing within Australia, and the consequent high rents that are being charged;
- (c) convinced that a capital gains tax will cause people to buy expensive houses, when they can afford a house at all; and
- (d) gravely concerned with today's falling dollar and consequent high interest rates will make the chances of anyone being able to afford to build a new house quite remote,

calls upon the Government to abandon the idea of a capital gains tax and to take immediate action to show the world that it is seriously attempting to control Government spending, and so reduce the massive deficit which is one of the main factors leading to the damaging high interest rates in Australia.

Contingent Notice of Motion: Senator Mason: To move (contingent on the President proceeding to the placing of business on any day)—That so much of the Standing Orders be suspended as would prevent Senator Mason moving a motion to give precedence over all other business to the Order of the Day relating to the Commission of Inquiry (Chamberlain Convictions) Bill 1984 [1985].

Senator Mason, by leave, made a statement relating thereto.

Notice of Motion withdrawn: Senator Missen, in accordance with notice of intention given on 5 November 1985, withdrew Business of the Senate, Notice of Motion No. 1 standing in his name for the disallowance of the Freedom of Information (Miscellaneous Provisions) Regulations (Amendment).

Senator Missen, by leave, made a statement relating thereto.

5 AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION BILL 1985 AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION (TRANSITIONAL PROVISIONS) BILL 1985

ATOMIC ENERGY AMENDMENT BILL 1985:

The Minister for Resources and Energy (Senator Evans), by leave and pursuant to Notices of Motion not objected to as Formal Motions, moved the following Motions together—

That leave be given to introduce a Bill for an Act relating to the Australian Nuclear Science and Technology Organisation, and for other purposes.

That leave be given to introduce a Bill for an Act to enact certain transitional provisions in consequence of the enactment of the *Australian Nuclear Science and Technology Organisation Act 1985*.

That leave be given to introduce a Bill for an Act to amend the *Atomic Energy Act 1953*.

Questions—put and passed.

Bills presented.

Suspension of Standing Orders to deal with Bills together: Senator Evans moved—

That so much of the Standing Orders be suspended as would prevent the Questions with regard to the several stages for the passage through the Senate of all or several of the Bills being put in one motion at each stage, and the consideration of all or several of such Bills together in Committee of the Whole.

Question—put and passed.

On the motion of Senator Evans the Bills were read a first time.

Suspension of Standing Orders to prevent delay: Senator Evans, pursuant to contingent notice, moved—That so much of the Standing Orders be suspended as would prevent the Bills being passed through their remaining stages without delay.

Question—put and passed.

Senator Evans moved—That these Bills be now read a second time.

On the motion of the Leader of the Opposition in the Senate (Senator Chaney) the debate was adjourned.

Ordered—That the resumption of the debate be an Order of the Day for the next day of sitting.

6 PETROLEUM (SUBMERGED LANDS) (CASH BIDDING) AMENDMENT BILL 1985

[NO. 2]: The Minister for Resources and Energy (Senator Evans), pursuant to Notice of Motion not objected to as a Formal Motion, moved—That leave be given to introduce a Bill for an Act to amend the *Petroleum (Submerged Lands) Act 1967* to provide for the granting of exploration permits by way of cash bidding, and for related purposes.

Question—put and passed.

Bill presented, and on the motion of Senator Evans read a first time.

Suspension of Standing Orders to prevent delay: Senator Evans, pursuant to contingent notice, moved—That so much of the Standing Orders be suspended as would prevent the Bill being passed through its remaining stages without delay.

Question—put and passed.

Senator Evans moved—That this Bill be now read a second time.

On the motion of the Leader of the Opposition in the Senate (Senator Chaney) the debate was adjourned.

Ordered—That the resumption of the debate be an Order of the Day for the next day of sitting.

7 ORDER OF BUSINESS—POSTPONEMENT: The Leader of the Opposition in the Senate (Senator Chaney), by leave, moved—That Business of the Senate, Notice of Motion No. 2 standing in the name of Senator Missen for the disallowance of certain regulations, be postponed till Wednesday, 13 November 1985.

Question—put and passed.

8 TAXATION SYSTEM REFORM—MINISTERIAL STATEMENT: Order of the Day read for the adjourned debate on the motion of the Minister for Industry, Technology and Commerce (Senator Button)—That the Senate take note of the Statement.

Senator Messner moved an amendment, viz: Leave out all words after “That”, insert “the Senate, while welcoming the promised reductions in marginal taxation rates, believes that the tax package presented by the Treasurer falls well short of the fundamental and lasting reform of our taxation system so frequently promised by the Government, and more specifically, the Senate—

- (a) condemns the proposed introduction of the new capital gains tax;
- (b) notes that under the Government’s proposals the share of revenue carried by personal income tax will continue to rise;
- (c) condemns the indiscriminate nature of the attack on fringe benefits and entertainment expenses;
- (d) expresses grave concern over the effect on enterprise, investment and employment due to the additional cost burdens on business arising from the capital gains tax, the higher rate of company tax, the fringe benefits tax and the loss of deductions for legitimate entertainment expenses;
- (e) regrets that the package will have an adverse and discriminatory impact upon rural Australia;
- (f) notes the particularly discriminatory nature of the attack on the deductibility of farm losses against non-farm income;
- (g) condemns the proposed foreign tax credit system as likely to discourage investment by Australian companies in our region; and
- (h) while supporting the elimination of double taxation on dividends, expresses serious reservations about the proposed system of imputation which may cause serious cash flow difficulties for business and may produce only benefits of a very restricted kind for share holders”.

Debate ensued.

Senator Watson addressing the Chair—

And it being 2 p.m.—

- 9 **MINISTERIAL ARRANGEMENTS:** The Leader of the Government (Senator Button), by leave, informed the Senate that during the absence overseas of Mr Hayden, Senator Evans would act as Minister for Foreign Affairs.

10 QUESTIONS.

- 11 **URGENCY MOTION:** The President informed the Senate that he had received a letter from Senator Durack advising that this day he intended to move—That in the opinion of the Senate the following is a matter of urgency: “The need to strengthen Australia’s alliance with the United States through an effective ANZUS Treaty and the maintenance of joint defence facilities”.

And at least 4 Senators having risen in support of the motion—

Senator Durack thereupon moved the motion.

Debate ensued.

And the debate having reached the limit of 2 hours allowed by Standing Order 64, the business of the day was called on.

Proposed suspension of Standing Orders: Senator Durack moved—That so much of the Standing Orders be suspended as would prevent the Question for the matter of urgency being put forthwith.

Question—put.

The Senate divided—

AYES, 38

Senators—

Archer	Guilfoyle,	Mason	Siddons
Baume, Michael	Dame Margaret	Messner	Teague
Baume, Peter	Hamer	Missen	Townley
Boswell	Hill	Parer	Vallentine
Brownhill	Jessop	Puplick	Vanstone
Carrick, Sir John	Kilgariff (Teller)	Rae, Peter	Vigor
Chipp	Knowles	Reid	Walters
Collard	Lewis	Sanders	Watson
Crichton-Browne	MacGibbon	Sheil	Withers
Durack	Macklin	Short	

NOES, 29

Senators—

Aulich	Cooney	Jones	Ryan
Black	Devlin	McClelland	Sibraa
Bolkus	Elstob	McIntosh	Tate
Button	Evans	McKiernan	Walsh
Childs	Foreman	Maguire	Zakharov
Coates	Georges	Morris	
Colston	Gietzelt	Ray, Robert	
Cook	Giles	Robertson (Teller)	

The President announced the result of the Division and stated that, there not being an absolute majority of the whole number of Senators in favour of the motion, as required by Standing Order 448, the motion was not carried.

Leave refused: The Leader of the Australian Democrats (Senator Chipp) sought leave to give a Notice of Motion.

Objection being raised, leave not granted.

Pursuant to Sessional Order, consideration of Committee Reports was called on.

- 12 **FINANCE AND GOVERNMENT OPERATIONS—STANDING COMMITTEE—ALTERATIONS TO THE LIST OF STATUTORY AUTHORITIES BETWEEN 1 OCTOBER 1984 AND 30 SEPTEMBER 1985—REPORT:** Order of the Day read

for the adjourned debate on the motion of Senator Coates—That the Senate take note of the Report.

Debate resumed.

Question—put and passed.

- 13 **ORDER OF BUSINESS—RE-ARRANGEMENT:** The Minister for Finance (Senator Walsh) moved—That consideration of Committee Reports pursuant to Sessional Order be not further proceeded with this day.
Question—put and passed.

- 14 **SCRUTINY OF BILLS—STANDING COMMITTEE—14TH REPORT AND 13TH ALERT DIGEST:** The Chairman of the Standing Committee for the Scrutiny of Bills (Senator Tate) tabled the following Report and Paper:
14th Report, dated 6 November 1985.
Alert Digest No. 13, dated 6 November 1985.
Ordered—That the Report be printed.

- 15 **PAPERS:** The following Papers were tabled:
Australian National University Act—Statute No. 184—Vice-Chancellorship Amendment No. 6.
Export Control Act—Export Control (Orders) Regulations—Orders 1985—
No. 9—Dairy Produce (Amendment).
No. 10—Export Meat (Amendment).
No. 11—Game, Poultry and Rabbit Meat (Amendment).
Fisheries Act—Notice No. 153—Prohibition relating to the taking of scallops in Bass Strait, dated 21 October 1985.

- 16 **ESTIMATES COMMITTEE B—ADDITIONAL INFORMATION:** The Chairman of Estimates Committee B (Senator Giles), by leave, tabled additional information received by the Committee.
Ordered—That the additional information be incorporated in the Estimates Committee's *Hansard*.

- 17 **TAXATION SYSTEM REFORM—MINISTERIAL STATEMENT:** Order of the Day read for the adjourned debate on the motion of the Minister for Industry, Technology and Commerce (Senator Button)—That the Senate take note of the Statement—*And on the amendment moved thereto by Senator Messner, viz:* Leave out all words after "That", insert "the Senate, while welcoming the promised reductions in marginal taxation rates, believes that the tax package presented by the Treasurer falls well short of the fundamental and lasting reform of our taxation system so frequently promised by the Government, and more specifically, the Senate—
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 - (b) notes that under the Government's proposals the share of revenue carried by personal income tax will continue to rise;
 - (c) condemns the indiscriminate nature of the attack on fringe benefits and entertainment expenses;
 - (d) expresses grave concern over the effect on enterprise, investment and employment due to the additional cost burdens on business arising from the capital gains tax, the higher rate of company tax, the fringe benefits tax and the loss of deductions for legitimate entertainment expenses;
 - (e) regrets that the package will have an adverse and discriminatory impact upon rural Australia;
 - (f) notes the particularly discriminatory nature of the attack on the deductibility of farm losses against non-farm income;
 - (g) condemns the proposed foreign tax credit system as likely to discourage investment by Australian companies in our region; and
 - (h) while supporting the elimination of double taxation on dividends, expresses serious reservations about the proposed system of imputation which may

cause serious cash flow difficulties for business and may produce only benefits of a very restricted kind for share holders”.

Debate resumed.

Ordered—That the debate be adjourned till the next day of sitting, and that Senator Cook have leave to continue his speech on the resumption of the debate.

18 **ADJOURNMENT:** The Senate adjourned at 5.30 p.m. till tomorrow at 10 a.m.

19 **ATTENDANCE:** Present, all Senators except Senators Bjelke-Petersen, Coleman (on leave), Grimes, Haines and Reynolds.

A. R. CUMMING THOM,
Clerk of the Senate