



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**TAXATION LAWS  
AMENDMENT BILL (NO. 3) 2003**

**Consideration of Senate Message**

**SPEECH**

**Wednesday, 17 September 2003**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b>	Wednesday, 17 September 2003	<b>Source</b>	House
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<b>Questioner</b>		<b>Responder</b>	
<b>Speaker</b>	Cox, David, MP	<b>Question No.</b>	

**Mr COX** (Kingston) (5.39 pm)—I thank the Parliamentary Secretary to the Minister for Finance and Administration for his quiet acquiescence to our amendments to the Taxation Laws Amendment Bill (No. 3) 2003. The amendment to the gift provisions is one which I think will be maintained. I understand, from the limited extent to which I have been able to follow the Senate debate, that the Democrats will also support our—

**Mr Slipper**—It is always a hard debate to follow.

**Mr COX**—It is always a hard debate to follow in the Senate, but I understand that the Democrats will support our amendments to Taxation Laws Amendment Bill (No. 7) 2003 to take out the government's proposal to provide named organisations deductible gift recipient status by regulation. The reason we are doing that is that we are concerned, in light of the current debate about the draft bill on charities, the government will, at least in respect of organisations that receive deductible gift recipient status by being named, impose conditions on them in the regulatory process, which will have the effect of silencing them and stopping them criticising government policy.

**Mr Slipper**—Regulations can always be disallowed.

**Mr COX**—Regulations can always be disallowed but, in the process of disallowing regulations that have obnoxious conditions attached to them, we would also have to disallow deductible gift recipient status for those organisations. So we will be maintaining our opposition to that regulatory process. The amendments to Taxation Laws Amendment Bill (No. 7) 2003 have, I understand, been redrawn. I believe that they will not have the unintended consequences that the amendments that we moved in this House would have had in upsetting other aspects of the bill. I think it will be quite safe for the Senate to pass those amendments to Taxation Laws Amendment Bill (No. 7).

I am very pleased that the government has accepted our amendments in relation to the infrastructure proposal, to preserve the integrity of the petroleum resource rent tax. We have expressed considerable concerns about that measure—partly because the government has been unable to provide us with satisfactory costings. The government has been unable to tell us what the cost per field will be, how many fields would be affected by it and how often there would be fields that would be affected by it. We were unable to get any satisfactory information in the course of a Senate Economics Legislation Committee hearing on that matter.

I have made further suggestions in the second reading debate as to the sort of information the Treasury or the Australian Taxation Office could perhaps provide which would shed some light on that matter. That information has not been forthcoming. We still have a fundamental concern about that measure—that is, it is not appropriate to bring forward deductions for expenditure that has not been incurred by some years or in fact, in relation to this measure, possibly decades. That would be an enormous tax concession for PRRT payers, and it is not one that is justified. We are concerned that, in terms of the final dismantling of those platforms, it would reduce the financial capacity of those companies to properly dismantle them and remediate those fields when they actually come to do it. And, having no tax deductions available at that point, they would no doubt at that point seek to defer that remediation process. We think it is bad policy, we think it is costly and we think it is uncoded. (*Extension of time granted*)

I have given the Australian Petroleum Production and Exploration Association an undertaking that the opposition will have a look at those measures again when they are brought back in the package of PRRT changes that the government is apparently planning to bring forward. APPEA have indicated that that is entirely satisfactory to them. This particular measure is not time critical as far as any particular project is concerned at the moment. In fact, they are unable to tell us when any of their members would want to access this sort of measure. So, if it gives the parliamentary secretary comfort, I can reassure him that we will examine this measure when the government brings it forward in that context.

**The DEPUTY SPEAKER (Ms Gambaro)**—The question is that the amendments be agreed to.

Question agreed to.