



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

TAX LAWS AMENDMENT (TEMPORARY FLOOD AND CYCLONE RECONSTRUCTION LEVY) BILL 2011

INCOME TAX RATES AMENDMENT (TEMPORARY FLOOD AND CYCLONE RECONSTRUCTION LEVY) BILL 2011

In Committee

SPEECH

Monday, 21 March 2011

BY AUTHORITY OF THE SENATE

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Questioner
Speaker Xenophon, Sen Nick

Source Senate
Proof No
Responder
Question No.

Senator XENOPHON (South Australia) (8.53 pm)—I do not know if I should be getting a penalty rate for assisting the government like this.

Senator Sherry—We'll give you a penalty; you started this!

Senator XENOPHON—Yes, I started this. The position is this: the previous natural disaster relief and recovery arrangements—the arrangements for a number of years under both this government and the previous government—have been undertaken through a determination. That is how it has been done.

Senator Ian Macdonald—A determination made by who?

Senator XENOPHON—A determination made by the Attorney-General or the appropriate minister.

Senator Ian Macdonald—How do you know that he is going to do it in this instance?

Senator XENOPHON—Firstly, the document has been tabled, so this is the new determination. This determination replaces or supplants the previous determination of 2007. It has been tabled.

Senator Ian Macdonald—They can do another one next week.

Senator XENOPHON—The government could also change the legislation next week, next sitting session or after 1 July.

Senator Ian Macdonald—It would have to come into the chamber.

Senator XENOPHON—Yes, but—

The TEMPORARY CHAIRMAN (Sen-ator Hurley)—Senator Macdonald, if you have a question, you need to ask it properly.

Senator Ian Macdonald—I am sorry; I was trying to expedite things.

Senator XENOPHON—I know that interjections are disorderly, but they were helpful interjections from Senator Macdonald.

Senator Nash—Always.

Senator XENOPHON—I do not know about 'always'. The position is this: I considered that, but I did not think that it was necessary to incorporate it as a piece of legislation given that this government and previous governments have worked on the NDRRA by determination for a number of years—for many years. It goes back to post Cyclone Tracey in terms of how these determinations operated. There will be a series of hurdles, safeguards and transparency arrangements. If those were to change, they would be the subject of appropriate scrutiny through this parliament. I am satisfied with the arrangements because I think that the Commonwealth knows that these arrangements protect Commonwealth taxpayers in a reasonable and prudential way. It is a quantum leap forward in terms of transparency and accountability arrangements and requiring states and territories to do the right thing when it comes to insurance arrangements. So I am satisfied.

There is nothing to stop the government from trying to change it in three months or six months. The parliament will change in six months time. For the government to capriciously change them would carry with it some considerable risks for the government. They know that. But the government has done the right thing in terms of making a significant improvement in the arrangements to deal with natural disasters and relief and recovery arrangements. Even if this were set in legislation, you cannot bind a parliament; one parliament cannot bind another. I have simply taken the approach that these determinations have been dealt with previously in this way.

I was happy for that to continue. I accept in good faith that we have some pretty good changes here. I expect that those changes will be with us for some considerable time—at least until there is a review by the Auditor-General in three years time. If the Auditor-General makes recommendations to improve or alter the arrangements then that can be the subject of further scrutiny and debate at that time.