

Tax

debate continues

for first sittings of 2000

A number of pieces of legislation were introduced into the House in December 1999 and will be considered by the House in this first period of sittings for 2000. While reform of Australia's taxation system continues to feature, there are also legislative proposals in areas including health, broadcasting and telecommunications, and film and literature classification.

Business Taxation

The first stage of the Government's response to the Ralph review of business taxation saw the passage of six bills through the Parliament at the end of November 1999. Two further pieces of legislation, *New Business Tax System (Miscellaneous) Bill 1999* and *New Business Tax System (Venture Capital Deficit Tax) Bill 1999*, were introduced into the Parliament by the Treasurer on 9 December 1999.

The first of these bills deals with a range of matters, including provision for excess imputation credits to be refunded to Australian individuals or complying super funds or similar entities. Until now, they could not use those credits because their tax liability was insufficient. The bill also provides for removal of the intercorporate dividend rebate on unfranked dividends and granting exemption to dividends paid by pooled development funds to Australian super funds and similar entities. The second piece of legislation imposes a tax on a pooled development fund if it over-allocates venture capital franking rebates to shareholders.

Broadcasting and Telecommunications

A new broadcasting licence regime for international broadcasting services transmitted from Australia is the aim of the *Broadcasting Services Amendment Bill (No. 4) 1999*, which was introduced in December 1999. In his second reading speech, the Hon Peter McGauran MP, the Minister representing the Minister for Communications, Information Technology and the Arts (pictured on the right), noted:

Under the new licensing scheme, all international shortwave radio services transmitted from Australia, and all international satellite radio and television broadcasting services originating in and transmitted from Australia, will be required to obtain an international broadcasting licence from the ABA. The ABA will refer applications for licences to the Minister for Foreign Affairs to make an assessment of whether the proposed service would be contrary to the national interest.

Also before the House are the *Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999* and the *Telecommunications (Numbering Charges) Amendment Bill 1999*. The first of these bills proposes minor administration changes to the National Relay Service (NRS) funding arrangements. The aim is to facilitate the collection of the NRS levy from eligible carriers, and subsequent payment to the NRS provider, so that it occurs within a period that meets both NRS contractual obligations and legislative requirements. The proposals contained in the second piece of legislation are aimed at improving the efficiency of the Australian Communications



Authority in its administration of the *Telecommunications (Numbering Charges) Act 1997*, as well as providing some carriage service providers with some administrative efficiencies.

Health

Three bills in the health-related area are awaiting consideration by the House. *Health Legislation Amendment Bill (No. 4) 1999* together with *Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999* deal with arrangements for the collection of pathology specimens for the performance of pathology services eligible for Medicare benefits. In addition, the first bill contains a number of other measures, including clarification of the rules relating to temporary resident doctors and overseas trained doctors and the circumstances in which they can access Medicare.

The third bill, *Medicare Levy Amendment (CPI Indexation) Bill 1999*, proposes to increase the Medicare levy low-income thresholds in line with increases in the Consumer Price Index, and will apply to the 1999-2000 year of income and later years of income.

Censorship Classification Changes

In introducing the *Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 1999*, the Attorney-General, the Hon Daryl Williams AM QC MP (pictured top), indicated that the bill will give effect to the Government's decision to abolish the X classification and introduce a new NVE, or non-violent erotica, classification. While noting that the creation of the new category does not mean the material contained in it has Government endorsement, and that some members of the Australian community would find the material offensive, Mr Williams said "there were not sufficient grounds, as a matter of public policy, to deny adults generally the freedom to access non-violent, sexually explicit videos if they so wished".

The legislation also proposes a number of other amendments to existing legislation, including the expansion of exemptions from fees and charges for the provision of Office of Film and Literature Classification services in providing classification services.

Where can I get the details?

- The progress of bills can be checked from the Daily Bills List on the Internet at www.aph.gov.au/parlinfo/billsnet/blist.pdf
- The text of bills and the explanatory memoranda which explain them are available on the Internet at www.aph.gov.au/parlinfo/billsnet/bills.htm
- The debates on the legislation can be found on the Internet at www.aph.gov.au/hansard