

1934-35-36.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,
CANBERRA.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

No. 95.

TUESDAY, 5TH MAY, 1936.

1. The House met, at three o'clock p.m., pursuant to adjournment. Mr. Speaker (the Honorable G. J. Bell) took the Chair, and read Prayers.
2. MESSAGE FROM THE GOVERNOR-GENERAL.—ASSENT TO BILL.—The following Message from His Excellency the Governor-General was received, and was read by Mr. Speaker :—

GOWRIE,

Governor-General.

Message No. 80.

A Proposed Law intituled "*Flour Tax Assessment Act 1936*" as finally passed by the Senate and the House of Representatives of the Commonwealth, having been presented to the Governor-General for the Royal Assent, His Excellency has, in the name and on behalf of His Majesty, assented to the said Law.

Government House,
Canberra, 1st May, 1936.

3. PAPERS.—The following Papers were presented, by command of His Excellency the Governor-General—

Nauru—Ordinances of 1935—
No. 1—Licences Amendment.
No. 2—Native Co-operative Societies.
No. 3—Nauru Antiquities.
No. 4—Criminal Code Amendment.
No. 5—Laws Repeal and Adopting.
No. 6—Aliens.

Severally ordered to lie on the Table.

The following Papers were presented, pursuant to Statute—

Land Tax Assessment Act—Applications for relief from taxation dealt with during the year 1935.

Public Service Act—

Appointment of R. W. Boswell, N. J. Lake and E. H. Palfreyman, Postmaster-General's Department.

Regulations Amended—Statutory Rules 1936, No. 55.

4. PUBLIC SERVICE BILL (1936).—Mr. Hunter (Assistant Minister) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Commonwealth Public Service Act 1922-1934*.
Question—put and passed.
Mr. Hunter then brought up the Bill accordingly, and moved, That it be now read a first time.
Question—put and passed. Bill read a first time.
Ordered: That the second reading be made an Order of the Day for the next sitting.
5. INCOME TAX ASSESSMENT BILL (1935).—The Order of the Day having been read for the further consideration of this Bill in Committee of the whole House. Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

5th May, 1936.

(In the Committee.)

Clause 79—

Debate resumed on the amendment moved by Mr. Blackburn, viz. :—That after paragraph (b) the following new paragraph be inserted :—

“(ba) Such sum (not exceeding in any case fifty pounds) as the Commissioner is satisfied has been actually paid by the taxpayer during the year of income to or on behalf of any parent, grandparent, brother or sister of the taxpayer or of the spouse of the taxpayer :

Provided that the Commissioner is satisfied that such parent, grandparent, brother or sister is a resident and is wholly maintained by the taxpayer ;”

Question—That the amendment be agreed to—put.

The Committee divided (The Chairman, Mr. Prowse, in the Chair)—

Ayes, 25.

Mr. Baker	Mr. Makin
Mr. Barnard	Mr. W. Maloney
Mr. Beasley	Mr. Martens
Mr. Blackburn	Mr. Mulcahy
Mr. Brennan	Mr. Riordan
Mr. Clark	Mr. Rosevear
Mr. Curtin	Mr. Scullin
Mr. Drakeford	Mr. Ward
Mr. Forde	Mr. D. O. Watkins
Mr. Frost	
Mr. Garden	<i>Tellers:</i>
Mr. Holloway	
Mr. James	Mr. Gander
Mr. G. W. Mahoney	Mr. George Lawson

Noes, 36.

Mr. Aubrey Abbott	Sir Charles Marr
Mr. A. G. Cameron	Mr. McCall
Sir Donald Cameron	Mr. McClelland
Mr. Casey	Mr. Nairn
Mr. Bernard Corser	Mr. Nock
Mr. Fiske	Mr. Parkhill
Mr. Josiah Francis	Mr. Thomas Paterson
Mr. Gregory	Mr. Perkins
Sir Littleton Groom	Mr. Price
Sir Henry Gullett	Mr. Scholfield
Mr. E. J. Harrison	Mr. Stacey
Mr. Hawker	Sir Frederick Stewart
Mr. Holt	Mr. Street
Mr. Hughes	Mr. Thorby
Mr. Hunter	Mr. White
Mr. Jennings	<i>Tellers:</i>
Mr. Lane	
Mr. John Lawson	Mr. Gardner
Mr. Lyons	Mr. McEwen

And so it was negatived.

Mr. James moved, as an amendment, That after paragraph (b) the following new paragraph be inserted :—

“(bb) The sum of fifty pounds in respect of each child residing with the taxpayer who has through no fault of his own been unemployed and has not earned income during the year in respect of which income tax is payable :

Provided that where such child is employed for part of the year or earns an equivalent income for such part of the year, the Commissioner shall make such proportionate concessional deduction as is reasonable in the circumstances ;”

Debate continued.

Question—That the amendment be agreed to—put.

The Committee divided (The Chairman, Mr. Prowse, in the Chair)—

Ayes, 23.

Mr. Baker	Mr. W. Maloney
Mr. Barnard	Mr. Martens
Mr. Beasley	Mr. Mulcahy
Mr. Blackburn	Mr. Riordan
Mr. Brennan	Mr. Rosevear
Mr. Clark	Mr. Scullin
Mr. Curtin	Mr. Ward
Mr. Drakeford	Mr. D. O. Watkins
Mr. Garden	
Mr. Holloway	<i>Tellers:</i>
Mr. James	
Mr. G. W. Mahoney	Mr. Gander
Mr. Makin	Mr. George Lawson

Noes, 35.

Mr. Aubrey Abbott	Mr. McCall
Mr. A. G. Cameron	Mr. McClelland
Sir Donald Cameron	Mr. Nairn
Mr. Casey	Mr. Nock
Mr. Bernard Corser	Mr. Parkhill
Mr. Fiske	Mr. Thomas Paterson
Mr. Josiah Francis	Mr. Perkins
Mr. Gregory	Mr. Price
Sir Littleton Groom	Mr. Scholfield
Sir Henry Gullett	Mr. Stacey
Mr. E. J. Harrison	Sir Frederick Stewart
Mr. Hawker	Mr. Street
Mr. Holt	Mr. Thorby
Mr. Hughes	Mr. White
Mr. Hunter	
Mr. Jennings	<i>Tellers:</i>
Mr. Lane	
Mr. John Lawson	Mr. Gardner
Sir Charles Marr	Mr. McEwen

And so it was negatived.

Mr. E. J. Harrison moved, as an amendment, That after “ practitioner,” (page 31, line 10) the word “ dentist ” be inserted.

Debate continued.

Amendment negatived.

Debate continued.

Clause agreed to.

Clause 80 debated and agreed to.

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Clause 81—

On the motion of Mr. Casey (Treasurer), the following amendments were made :—

Page 32, line 27, omit " or a non-resident "

Page 32, lines 42-43, omit " or non-resident "

Clause, as amended, agreed to.

Clause 82 agreed to.

Clause 83 debated and agreed to.

Clause 84—

Mr. Hawker moved, as an amendment, That the clause be amended by adding the following proviso :—

" Provided that where a lease of land from the Crown used for primary production assigned or surrendered was acquired by the taxpayer before the sixth year of income in which the lease is assigned or surrendered the amount of net premium (or if in respect of the transaction there are more net premiums than one—the sum of the net premiums) to be included as assessable income shall not be greater than the total of the amounts allowed to the taxpayer under this Act and the previous Acts in respect of the lease "

Debate ensued.

Question—That the amendment be agreed to—put.

The Committee divided (The Chairman, Mr. Prowse, in the Chair)—

Ayes, 32.

Noes, 19.

Mr. Aubrey Abbott	Mr. G. W. Mahoney
Mr. Baker	Mr. Makin
Mr. Barnard	Mr. Martens
Mr. Beasley	Mr. McEwen
Mr. Blackburn	Mr. Mulcahy
Mr. Brennan	Mr. Nairn
Mr. A. G. Cameron	Mr. Price
Sir Donald Cameron	Mr. Riordan
Mr. Drakeford	Mr. Scholfield
Mr. Fiske	Mr. Stacey
Mr. Forde	Sir Frederick Stewart
Mr. Josiah Francis	Mr. Street
Mr. Frost	Mr. D. O. Watkins
Mr. Gregory	
Sir Littleton Groom	<i>Tellers:</i>
Mr. Hawker	Mr. Gander
Mr. Holloway	Mr. George Lawson

Mr. Casey	Mr. McCall
Mr. Bernard Corser	Mr. McClelland
Sir Henry Gullett	Mr. Noek
Mr. E. J. Harrison	Mr. Perkins
Mr. Holt	Mr. Thorby
Mr. Hughes	Mr. White
Mr. Hunter	
Mr. Jennings	<i>Tellers:</i>
Mr. Lane	
Mr. John Lawson	Mr. Gardner
Sir Charles Marr	Mr. Thompson

And so it was resolved in the affirmative.

Clause, as amended, agreed to.

Clauses 85 and 86 agreed to.

Clause 87—

On the motion of Mr. Casey, the following amendments were made, after debate :—

Page 35, lines 41-44, omit " Where improvements, not subject to tenant rights, have been made on leased land by a lessee which he is required to make under the terms of the lease, or which are made with the written consent of the lessor, the following provisions shall apply :—", insert " Where improvements, not subject to tenant rights, have been made upon any land by any person as consideration for the grant to him of a lease of that land, or by a lessee of the land who was required to make them under the provisions of the lease, or who made them with the written consent of the lessor, the following provisions shall apply :—".

Page 36, line 17, after " apply " insert " where the agreement under which improvements were made as consideration for the grant of a lease was entered into before the commencement of this Act or "

Page 36, line 19, omit " the commencement of this Act ", insert " such commencement "

Clause, as amended, agreed to.

Clause 88—

On the motion of Mr. Casey, the following amendment was made :—

Pages 36-37, omit sub-clauses (1.) and (2.), insert the following sub-clauses :—

" (1.) Where a taxpayer has paid any premium in respect of land, premises or machinery used for the purpose of producing assessable income, and in the year of income—

(a) he is the lessee of the land, premises or machinery ; or

(b) in the case of a premium paid for the surrender of the lease, he would have been the lessee had the lease been transferred to him and he had not been entitled to the reversion,

a proportionate part of the amount of that premium, arrived at by distributing that amount proportionately over the period of the lease unexpired at the date when the premium was paid, shall be an allowable deduction.

" (2.) Where a taxpayer, who in the year of income is a lessee of land used for the purpose of producing assessable income has, either before or after the commencement of the lease, incurred expenditure in making improvements not subject to tenant rights on that land, and such improvements—

(a) have, under an agreement entered into after the commencement of this Act, been made as consideration for the grant to him of that lease ;

(b) are improvements which he was required to make under the provisions of that lease ;

or

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(c) have been made with the written consent of the lessor given after the commencement of this Act,

a proportionate part of the amount of that expenditure arrived at by distributing that amount proportionately over the period of the lease unexpired at the date when the expenditure was incurred, shall be an allowable deduction. In calculating the deduction under this sub-section, expenditure in excess of the amount, if any, specified in the agreement for the lease, or in the lease, or in the lessor's consent, shall not be taken into account."

Clause, as amended, agreed to.

Clauses 89 to 101 agreed to.

Clause 102 omitted.

Clauses 103 to 118 agreed to.

Clause 119 debated and agreed to.

Clause 120 agreed to.

Clause 121—

On the motion of Mr. Casey, the following amendment was made:—

Page 46, line 34, omit "nineteen of this Division"; insert "eighteen of this Act".

Clause, as amended, agreed to.

Clause 122 agreed to.

Clause 123—

Mr. James moved, as an amendment, That the words "(other than coal mining)" (page 47, line 15) be omitted.

Debate ensued.

Amendment negatived.

Clause agreed to.

Clauses 124 to 136 agreed to.

Clause 137—

On the motion of Mr. Casey, the following amendment was made:—

Page 49, lines 34–35, omit "the taxable income disclosed in respect of the business is," insert "the business produces either no taxable income or".

Clause, as amended, agreed to.

Clause 138 agreed to.

Clause 139 debated and agreed to.

Clauses 140 to 145 agreed to.

Clause 146 debated and agreed to.

Clauses 147 to 149 agreed to.

Clause 150 debated and agreed to.

Clauses 151 to 159 agreed to.

Clause 160 debated and agreed to.

Clauses 161 to 165 agreed to.

Clause 166 debated and agreed to.

Clauses 167 to 170 agreed to.

Clause 171 debated and agreed to.

Clauses 172 to 182 agreed to.

Clause 183 postponed.

Clauses 184 and 185 agreed to.

Clause 186 debated and agreed to.

Clauses 187 to 190 agreed to.

Clause 191 debated and agreed to.

Clauses 192 and 193 agreed to.

Clause 194—

On the motion of Mr. Casey, the following amendments were made:—

Page 62, line 27, after "shall" insert "subject to this section,".

Page 62, lines 29–30, omit "other than decisions to remit additional tax or any part thereof,".

Page 62, at the end of the clause add the following sub-clause:—

"(2.) The Board shall not have power to review decisions of the Commissioner relating to the remission of additional tax except decisions relating to the remission of additional tax imposed by section two hundred and twenty-seven of this Act where the additional tax payable, after the making by the Commissioner of his decision, exceeds—

(a) in any case to which sub-section (1.) of that section applies—the greater of the following amounts, namely, the sum of One pound or an amount calculated, in respect of the period commencing on the last day allowed for furnishing the return or information and ending on the day upon which the return or information is furnished or the day upon which the assessment is made whichever first happens, at the rate of ten per centum per annum of the tax assessable to the taxpayer; or

(b) in any case to which sub-section (2.) of that section applies—the greater of the following amounts, namely, the sum of One pound or an amount calculated, in respect of the period commencing on the last day allowed for furnishing the return and ending on the day upon which the assessment in respect of the omitted income or excessive deduction is made, at the rate of ten per centum per annum of the difference between the tax properly payable by the taxpayer and the tax that would be payable if it were assessed upon the basis of the return furnished by him."

Clause, as amended, agreed to.

Clauses 195 to 201 agreed to.

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Clause 202 debated and agreed to.

Clauses 203 to 211 agreed to.

Clause 212—

On the motion of Mr. Casey, the following amendments were made :—

Page 65, line 3, omit " airplane or airship ", insert " or aircraft ".

Page 65, line 6, omit " airplane or airship ", insert " or aircraft ".

Page 65, line 9, omit " airplane or airship ", insert " or aircraft ".

Clause, as amended, agreed to.

Clause 213—

On the motion of Mr. Casey, the following amendments were made :—

Page 65, line 16, omit " airplane or airship ", insert " or aircraft ".

Page 65, line 18, omit " airplane or airship ", insert " or aircraft ".

Page 65, line 23, omit " airplane or airship ", insert " or aircraft ".

Page 65, lines 23-24, omit " airplane or airship ", insert " or aircraft ".

Clause, as amended, agreed to.

Clauses 214 to 218 agreed to.

Clause 219—

On the motion of Mr. Casey, the following amendments were made :—

Page 68, line 8, after " In " insert " the foregoing provisions of ".

Page 68, lines 10-11, omit " the government, and any department of the government of ", insert " the Commonwealth, a State ".

Page 68, at the end of the clause add the following sub-clause :—

" (7.) Any notice to be given under this section to the Commonwealth or a State may be served upon such person as is prescribed, and any notice so served shall be deemed to have been served upon the Commonwealth or a State, as the case may be."

Clause, as amended, agreed to.

Clauses 220 to 255 agreed to.

Clause 256—

Mr. Hawker moved, as an amendment, That the following paragraph be added to sub-clause (1.) :—

" (d) he is hereby indemnified for all payments which he makes in pursuance of this Act, or by requirements of the Commissioner ; "

Debate ensued.

Amendment withdrawn, by leave.

Clause agreed to.

Clause 257 agreed to.

Clause 258—

On the motion of Mr. Casey, the clause was omitted, and the following clause inserted in place thereof :—

258. Where any income of any person out of Australia is paid into the account of that person with a banker, the Commissioner may, by notice in writing to the banker, appoint him to be the person's agent in respect of the money so paid so long as the banker is indebted in respect thereof, and thereupon the banker shall accordingly be that person's agent.

Clauses 259 to 265 agreed to.

Clause 266 debated and agreed to.

Clause 267 agreed to.

Postponed clause 183—

Progress to be reported, and leave asked to sit again.

The House resumed ; Mr. Prowse reported accordingly.

Resolved—That the House will, at the next sitting, again resolve itself into the said Committee.

6. ADJOURNMENT.—Mr. Parkhill (Minister for Defence) moved, That the House do now adjourn.

Question—put and passed.

And then the House, at seven minutes past eleven o'clock p.m., adjourned until to-morrow at half-past two o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—Mr. Blain, Mr. Thomas Collins, Mr. J. V. Fairbairn, Mr. Albert Green*, Mr. Roland Green, Mr. E. F. Harrison*, Mr. Hutchinson, Mr. Lazzarini, Mr. McBride, Mr. Menzies*, and Mr. Earle Page*.

* On leave.

E. W. PARRIS,
Clerk of the House of Representatives.