

1944.

## THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

## VOTES AND PROCEEDINGS

OF THE

## HOUSE OF REPRESENTATIVES.

No. 10.

THURSDAY, 7TH SEPTEMBER, 1944.

1. The House met, at half-past two o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable J. S. Rosevear) took the Chair, and read Prayers.
2. LATE G. J. F. ELLIOTT, ROYAL AUSTRALIAN NAVY—MINISTERIAL STATEMENT.—Mr. Makin (Minister for the Navy), by leave, made a Ministerial Statement with reference to allegations made by Mr. F. L. Elliott, of Albany, Western Australia, against the medical services of the Royal Australian Navy, in connexion with the treatment given to his son, G. J. F. Elliott, during an illness.
3. PAPERS.—The following Paper was presented, by command of His Excellency the Administrator—  
Monetary and Financial Conference of the United Nations, held at Bretton Woods, U.S.A., July, 1944—Documents.  
Ordered to lie on the Table.

The following Papers were presented, pursuant to Statute—

National Security Act—

National Security (Economic Organization) Regulations—Order—Economic organization (Interest rates).

National Security (Rationing) Regulations—Orders—Nos. 53-55.

4. MESSAGES FROM THE ADMINISTRATOR.—ESTIMATES 1944-45.—The following Messages from His Excellency the Administrator of the Government of the Commonwealth were presented, and were read by Mr. Speaker :—

WINSTON DUGAN,

*Administrator.*

*Message No. 1.*

In accordance with the requirements of section fifty-six of the Constitution of the Commonwealth of Australia, the Administrator of the Government of the Commonwealth of Australia transmits to the House of Representatives Estimates of Revenue and Expenditure for the year ending the thirtieth day of June, One thousand nine hundred and forty-five, and recommends an appropriation of the Consolidated Revenue Fund accordingly.

Canberra, 7th September, 1944.

WINSTON DUGAN,

*Administrator.*

*Message No. 2.*

In accordance with the requirements of section fifty-six of the Constitution of the Commonwealth of Australia, the Administrator of the Government of the Commonwealth of Australia transmits to the House of Representatives Estimates of Expenditure for Additions, New Works, Buildings, &c., for the year ending the thirtieth day of June, One thousand nine hundred and forty-five, and recommends an appropriation of the Consolidated Revenue Fund accordingly.

Canberra, 7th September, 1944.

Severally ordered to lie on the Table, and, together with the accompanying Estimates, to be printed and referred to the Committee of Supply forthwith.

5. SUPPLY—BUDGET STATEMENT.—The Order of the Day having been read for going into the Committee of Supply—

Question—That Mr. Speaker do now leave the Chair—put and passed.

Whereupon Mr. Speaker left the Chair, and the House resolved itself into the Committee of Supply.

*(In the Committee.)*

Mr. Chifley (Treasurer) delivered the Budget Speech and then moved, That the first item in the Estimates, under Division No. 1—The Senate—namely—

Salaries and allowances	..	..	..	£8,480
-------------------------	----	----	----	--------

be agreed to.

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

The House resumed ; Mr. Riordan reported accordingly.

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

7th September, 1944.

6. PAPER.—Mr. Chifley (Treasurer) presented, by command of His Excellency the Administrator—  
The Budget, 1944–45—Papers presented by the Honorable J. B. Chifley, M.P., for the information  
of honorable Members on the occasion of the Budget of 1944–45.  
Ordered to lie on the Table, and to be printed.
7. POSTPONEMENT OF ORDERS OF THE DAY.—Ordered—That Orders of the Day Nos. 2 to 6 be postponed  
until after the Notices of Motion, Government Business.
8. INCOME TAX ASSESSMENT BILL (NO. 2) 1944.—Mr. Chifley (Treasurer) moved, pursuant to notice,  
That he have leave to bring in a Bill for an Act to amend the *Income Tax Assessment Act* 1936–1943,  
as amended by the *Income Tax Assessment Act* 1944.  
Question—put and passed.  
Mr. Chifley 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.  
Mr. Chifley moved, by leave, That the Bill be now read a second time.  
Mr. Menzies (Leader of the Opposition) moved, That the debate be now adjourned.  
Question—That the debate be now adjourned—put and passed.  
Ordered—That the resumption of the debate be made an Order of the Day for the next sitting.
9. WAR-TIME (COMPANY) TAX ASSESSMENT BILL 1944.—Mr. Chifley (Treasurer) moved, pursuant to  
notice, That he have leave to bring in a Bill for an Act to amend the *War-time (Company) Tax  
Assessment Act* 1940–1943.  
Question—put and passed.
10. SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) BILL 1944.—Mr. Chifley (Treasurer) moved, pursuant  
to notice, That he have leave to bring in a Bill for an Act to amend the *Sales Tax (Exemptions and  
Classifications) Act* 1935–1943.  
Question—put and passed.  
Mr. Chifley 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.  
Mr. Chifley moved, by leave, That the Bill be now read a second time.  
Mr. Harrison moved, That the debate be now adjourned.  
Question—That the debate be now adjourned—put and passed.  
Ordered—That the resumption of the debate be made an Order of the Day for the next sitting.
11. WAYS AND MEANS—INCOME TAX.—The Order of the Day having been read for going into the Committee  
of Ways and Means—  
Question—That Mr. Speaker do now leave the Chair—put and passed.  
Whereupon Mr. Speaker left the Chair, and the House resolved itself into the Committee of Ways and  
Means.

(In the Committee).

Mr. Chifley (Treasurer) moved—

1. That a tax be imposed upon incomes at the following rates:—

*Division A.—Rate of Tax in Respect of Taxable Income Derived from Personal Exertion.*

If the taxable income does not exceed £300, the rate of tax for every pound of taxable income up to and including £100 be 6 pence, and the rate of tax for every pound of taxable income in excess of £100 be 30.165 pence increasing uniformly by .165 of one penny for every pound by which the taxable income exceeds £101.

If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every pound of taxable income up to and including £300 be 44 pence and the rate of tax for every pound of taxable income in excess of £300 be 96.01 pence increasing uniformly by .01 of one penny for every pound by which the taxable income exceeds £301.

If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every pound of taxable income up to and including £1,000 be 85.3 pence and the rate of tax for every pound of taxable income in excess of £1,000 be 110.033 pence increasing uniformly by .033 of one penny for every pound by which the taxable income exceeds £1,001.

If the taxable income exceeds £2,000 but does not exceed £3,000 the rate of tax for every pound of taxable income up to and including £2,000 be 114.15 pence and the rate of tax for every pound of taxable income in excess of £2,000 be 176.015 pence increasing uniformly by .015 of one penny for every pound by which the taxable income exceeds £2,001.

If the taxable income exceeds £3,000 but does not exceed £5,000 the rate of tax for every pound of taxable income up to and including £3,000 be 139.76 pence and the rate of tax for every pound of taxable income in excess of £3,000 be 206.004 pence increasing uniformly by .004 of one penny for every pound by which the taxable income exceeds £3,001.

If the taxable income exceeds £5,000 the rate of tax for every pound of taxable income up to and including £5,000 be 169.46 pence and the rate of tax for every pound of taxable income in excess of £5,000 be 222 pence.

7th September, 1944.

*Division B.—Rate of Tax in Respect of Taxable Income Derived from Property.*

If the taxable income does not exceed £200 the rate of tax for every pound of taxable income up to and including £100 be 6 pence and the rate of tax for every pound of taxable income in excess of £100 be 30.165 pence increasing uniformly by .165 of one penny for every pound by which the taxable income exceeds £101.

If the taxable income exceeds £200 but does not exceed £300 the rate of tax for every pound of taxable income up to and including £200 be 26.25 pence and the rate of tax for every pound of taxable income in excess of £200 be 75.74 pence increasing uniformly by .24 of one penny for every pound by which the taxable income exceeds £201.

If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every pound of taxable income up to and including £300 be 50.6 pence and the rate of tax for every pound of taxable income in excess of £300 be 123.51 pence increasing uniformly by .01 of one penny for every pound by which the taxable income exceeds £301.

If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every pound of taxable income up to and including £1,000 be 106.55 pence and the rate of tax for every pound of taxable income in excess of £1,000 be 137.534 pence increasing uniformly by .034 of one penny for every pound by which the taxable income exceeds £1,001.

If the taxable income exceeds £2,000 but does not exceed £5,000 the rate of tax for every pound of taxable income up to and including £2,000 be 139.025 pence and the rate of tax for every pound of taxable income in excess of £2,000 be 205.50275 pence increasing uniformly by .00275 of one penny for every pound by which the taxable income exceeds £2,001.

If the taxable income exceeds £5,000 the rate of tax for every pound of taxable income up to and including £5,000 be 183.86 pence and the rate of tax for every pound of taxable income in excess of £5,000 be 222 pence.

*Division C.—Rates of Tax in Respect of Taxable Income Derived Partly from Personal Exertion and Partly from Property.*

(a) For every pound of taxable income derived from personal exertion, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Division A if the total taxable income of the taxpayer were derived exclusively from personal exertion, by the amount of the total taxable income.

(b) For every pound of taxable income derived from property, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Division B if the total taxable income of the taxpayer were derived exclusively from property, by the amount of the total taxable income.

*Division D.—Rates of Tax by Reference to an Average Income.*

(a) For every pound of taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936-1944* applies, the rate of tax shall be ascertained by dividing the tax that would be payable under Division A upon a taxable income from personal exertion equal to his average income, by that average income.

(b) For every pound of taxable income derived by him from property the rate of tax shall be ascertained by dividing the tax that would be payable under Division B upon a taxable income from property equal to his average income, by that average income.

*Division E.—Rate of Tax by Reference to a Notional Income.*

(a) For every pound of the actual taxable income from personal exertion of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1944*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under Division A upon a taxable income from personal exertion equal to his notional income, by that notional income.

(b) For every pound of the actual taxable income from property of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1944*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under Division B upon a taxable income from property equal to his notional income, by that notional income.

*Division F.—Rates of Tax Payable by a Trustee.*

For every pound of the taxable income in respect of which a trustee is liable, pursuant to either section ninety-eight or section ninety-nine of the *Income Tax Assessment Act 1936-1944*, to be assessed and to pay tax, the rate of tax shall be the rate which would be payable under Division A, B, C, D or E, as the case requires, if one individual were liable to be assessed and to pay tax on that taxable income.

7th September, 1944.

*Division G.—Rates of Tax Payable by a Company.*

(a) Subject to the last preceding Division, for every pound of the taxable income of a company the rate of tax shall be—

- (i) in the case of a company which is not a life assurance company—Seventy-two pence ;
- (ii) in the case of a company which is a mutual life assurance company—Sixty pence ; or
- (iii) in the case of a life assurance company, other than a mutual life assurance company—
  - (1) in respect of the mutual income of the company as defined in sub-section (1A.) of section one hundred and sixty c of the *Income Tax Assessment Act 1936-1944*—Sixty pence ; and
  - (2) in respect of the remainder of the taxable income of the company—Seventy-two pence.

(b) Subject to the last preceding Division, for every pound of that portion of the taxable income of a company which has not been distributed as dividends on which the company is liable, pursuant to Part IIIA. of the *Income Tax Assessment Act 1936-1944*, to pay further tax, the rate of tax shall be Twenty-four pence.

(c) For every pound of interest in respect of which a company is liable, pursuant to sub-section (1.) of section one hundred and twenty-five of the *Income Tax Assessment Act 1936-1944*, to pay income tax, the rate of tax shall be Seventy-two pence.

*Division H.—Tax Payable on Certain Incomes of less than £113.*

Where, apart from this Division, the amount of income tax payable under Division A, B, C, D, E or F, in respect of a taxable income of less than One hundred and thirteen pounds would, after deducting all rebates to which a taxpayer is entitled in his assessment, be greater than fifty per centum of the amount by which the taxable income exceeds One hundred and four pounds, the income tax payable in respect of that taxable income shall be fifty per centum of the amount by which the taxable income exceeds One hundred and four pounds.

*Division I.—Tax Payable Where Amount Would Otherwise be Less than Ten Shillings.*

Where, apart from this Division, the amount of income tax which a person would be liable to pay under Division A, B, C, D, E, F or H, after deducting all rebates to which he is entitled in his assessment, is less than Ten shillings, the income tax payable by that person shall be Ten shillings.

*Division J.—Tax Payable where Amount would otherwise include Odd Pence.*

Where, apart from this Division, the income tax which a person would be liable to pay under the preceding Divisions, before deducting any rebate to which he is entitled in his assessment, leaves an amount of pence remaining when expressed in pounds and shillings—

- (a) if the remaining pence do not exceed six—the income tax payable by that person shall be the amount so expressed in pounds and shillings ; or
- (b) if the remaining pence exceed six—the income tax payable by that person shall be the amount so expressed in pounds and shillings plus One shilling.

2. That, in addition to any income tax payable under the preceding provisions of this Resolution, there be payable upon the taxable income in excess of Five thousand pounds derived by a company a super-tax at the rate of Twelve pence for every pound of that excess :

Provided that this paragraph shall not apply—

- (a) to the assessment of a company as a trustee ;
- (b) to the income of a company to which section fourteen of the *War-time (Company) Tax Assessment Act 1940-1944* provides that that Act shall not apply ; or
- (c) to the mutual income, as defined in sub-section (1A.) of section one hundred and sixty c of the *Income Tax Assessment Act 1936-1944* of a life assurance company.

3. That tax in accordance with the preceding provisions of this Resolution be levied and paid for the financial year which commenced on the first day of July, One thousand nine hundred and forty-four, upon the taxable income derived during the year of income as defined by section six of the *Income Tax Assessment Act 1936-1944*.

4. That, until the commencement of the Act for the levying and payment of income tax for the financial year beginning on the first day of July, One thousand nine hundred and forty-five, the foregoing provisions of this Resolution also apply for all financial years subsequent to that which commenced on the first day of July, One thousand nine hundred and forty-four.

5.—(1.) That, in addition to the income tax payable under paragraph 1 of this Resolution, income tax, at the rates specified in Divisions A to F (inclusive) of that paragraph, be imposed, and be levied and paid, for the financial year which commenced on the first day of July, One thousand nine hundred and forty-four, upon the taxable income derived by any person, other than a company (except a company in the capacity of a trustee), during the year of income as defined by section one hundred and sixty AF of the *Income Tax Assessment Act 1936-1944*.

7th September, 1944.

(2.) That the provisions of Divisions H and J of paragraph 1 of this Resolution apply in relation to income tax under this paragraph in the same manner as they apply in relation to income tax under that paragraph.

(3.) That, where, apart from this sub-paragraph, the amount of income tax which a person would be liable to pay under this paragraph, after deducting all rebates (other than the rebate under Division 18 of Part III. of the *Income Tax Assessment Act 1936-1944*) to which he is entitled in his assessment, is less than Ten shillings, the income tax payable by that person be Ten shillings.

6. That provisional tax be imposed, and be payable in accordance with the provisions of the *Income Tax Assessment Act 1936-1944*, in respect of the income of the financial year ending on the thirtieth day of June, One thousand nine hundred and forty-five, or the accounting period (if any) adopted under that Act in lieu of that financial year.

7. That, in this Resolution—

“the *Income Tax Assessment Act 1936-1944*” mean the *Income Tax Assessment Act 1936-1943*, as amended by the *Income Tax Assessment Act 1944* and as proposed to be amended by the *Income Tax Assessment Bill (No. 2) 1944*;

“the *War-time (Company) Tax Assessment Act 1940-1944*” mean the *War-time (Company) Tax Assessment Act 1940-1943*, as proposed to be amended by the *War-time (Company) Tax Assessment Bill 1944*.

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

The House resumed; Mr. Riordan reported accordingly.

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

12. UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION BILL 1944.—The Order of the Day having been read for the second reading—Mr. Evatt (Minister for External Affairs) moved, That the Bill be now read a second time.

Mr. Holt moved, That the debate be now adjourned.

Question—That the debate be now adjourned—put and passed.

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

13. ERECTION OF HOSTEL, CANBERRA—APPROVAL OF WORK.—The Order of the Day having been read for the resumption of the debate on the following motion of Mr. Frost (Minister for Repatriation):—That, in accordance with the provisions of the *Commonwealth Public Works Committee Act 1913-1936*, it is expedient to carry out the following proposed work, which was referred to the Parliamentary Standing Committee on Public Works, and on which the Committee has duly reported to the House the result of its investigations, namely:—Erection of a Hostel at Canberra, Australian Capital Territory—

Question—put and passed.

14. THE WAR—MINISTERIAL STATEMENT—PRINTING OF PAPER.—The Order of the Day having been read for the resumption of the debate on the following motion of Mr. Curtin (Prime Minister), That the Paper [*presented on the 30th August, 1944*], viz. :—

The War—Ministerial Statement, 30th August, 1944—

be printed—

Question—put and passed.

15. STATUTORY DECLARATIONS BILL 1944.—The Order of the Day having been read for the second reading—Mr. Curtin (Prime Minister) moved, That the Bill be now read a second time.

Question—put and passed.—Bill read a second time.

Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(*In the Committee.*)

Bill, by leave, taken as a whole, and agreed to.

Bill to be reported without amendment.

The House resumed; Mr. Ryan reported accordingly.

On the motion of Mr. Curtin, the House adopted the Report, and, by leave, the Bill was read a third time.

16. ADJOURNMENT.—Mr. Curtin (Prime Minister) moved, That the House do now adjourn.

Debate ensued.

Question—put and passed.

And then the House, at fifteen minutes past five o'clock p.m., adjourned until to-morrow at half-past ten o'clock a.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except Mr. Anthony, Mr. Barnard, Mr. Blain\*, Mr. Brennan, Mr. Drakeford, Mr. Falstein, Mr. Frost, Mr. Holloway, Mr. Lazzarini, and Dame Enid Lyons.

\* On leave.

F. C. GREEN,

*Clerk of the House of Representatives.*