

1954.

## THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

VOTES AND PROCEEDINGS  
OF THE  
HOUSE OF REPRESENTATIVES.

No. 14.

THURSDAY, 2ND SEPTEMBER, 1954.

1. The House met, at half-past ten o'clock a.m., pursuant to adjournment.—Mr. Speaker (the Honorable A. G. Cameron) took the Chair, and read Prayers.
2. PAPER.—The following Paper was presented, pursuant to Statute—  
Public Service Act—Appointments—Repatriation Department—J. P. Higgin, C. Radeski.
3. MESSAGE FROM THE GOVERNOR-GENERAL—AUDIT BILL 1954.—Mr. Speaker announced the receipt of the following Message from His Excellency the Governor-General :—

W. J. SLIM,  
*Governor-General.*

*Message No. 6.*

In accordance with the requirements of section fifty-six of the Constitution of the Commonwealth of Australia, the Governor-General recommends to the House of Representatives that an appropriation of revenue be made for the purposes of a Bill for an Act to amend the *Audit Act 1901-1953*.

Canberra, 10th August, 1954.

Ordered—That the Message be taken into consideration, in Committee of the whole House, forthwith. Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

*(In the Committee.)*

Sir Eric Harrison (Vice-President of the Executive Council) moved, That it is expedient that an appropriation of revenue be made for the purposes of a Bill for an Act to amend the *Audit Act 1901-1953*.

Question—put and passed.  
Resolution to be reported.

The House resumed ; Mr. Adermann reported accordingly.

Sir Eric Harrison moved, pursuant to contingent notice, That so much of the Standing Orders be suspended as would prevent the remaining stages being passed without delay.

Question—put and passed.

On the motion of Sir Eric Harrison, the Resolution reported from the Committee was adopted by the House.

Ordered—That Sir Eric Harrison and Sir Arthur Fadden do prepare and bring in a Bill to carry out the foregoing Resolution.

Sir Eric Harrison 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.

Sir Eric Harrison moved, That the Bill be now read a second time.

Debate adjourned (Mr. Calwell), and the resumption of the debate made an Order of the Day for the next sitting.

4. WAYS AND MEANS [“ GRIEVANCE DAY ” AND INCOME TAX AND SOCIAL SERVICES CONTRIBUTION].—Pursuant to the provisions of Standing Order No. 291, the Order of the Day having been read for going into the Committee of Ways and Means—  
Question—That the 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.)*

Sir Arthur Fadden (Treasurer) moved—

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION.

*Interpretation.*

- 1.—(1.) That, in this Resolution—  
“ co-operative company ” have the same meaning as in Division 9 of Part III. of the Assessment Act ;  
“ life assurance company ” have the same meaning as in Division 8 of Part III. of the Assessment Act ;

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“mutual income”, in relation to a life assurance company (other than a mutual life assurance company), mean—

(a) so much of that part of the taxable income of the company which has been derived from its life assurance business as bears the same proportion to that part of the taxable income as the amount of the profits divided for the same year of income among the life assurance policy holders of the company bears to the total profits divided among those policy holders and the shareholders of the company in respect of the company's life assurance business for the same year of income; or

(b) where no profits in respect of the company's life assurance business are divided for the year of income but, by virtue of the company's memorandum or articles of association, any profits to be divided among the life assurance policy holders of the company are required to be a certain proportion of the total profits to be divided—that proportion of that part of the taxable income of the company which has been derived from its life assurance business;

“mutual life assurance company” have the same meaning as in Division 8 of Part III. of the Assessment Act;

“non-profit company” mean a company which is not carried on for the purposes of profit or gain to its individual members and is, by the terms of the memorandum or articles of association, rules or other document constituting the company or governing its activities, prohibited from making any distribution, whether in money, property or otherwise, to its members;

“private company” have the same meaning as in Division 7 of Part III. of the Assessment Act;

“the Assessment Act” mean the *Income Tax and Social Services Contribution Assessment Act 1936–1953* as proposed to be amended by the *Income Tax and Social Services Contribution Assessment Bill 1954*.

(2.) That a reference in this Resolution to taxable income be read as a reference to taxable income of the year of income.

*Incorporation.*

2. That the Assessment Act be incorporated and read as one with the Act passed to give effect to this Resolution.

*Imposition of Income Tax and Social Services Contribution.*

3.—(1.) That a tax by the name of income tax and social services contribution be imposed at the rates declared in this Resolution.

(2.) That, notwithstanding anything contained in this Resolution, income tax and social services contribution be not imposed upon a taxable income which does not exceed One hundred and four pounds derived by—

- (a) a person who is not a company;
- (b) a company in the capacity of a trustee; or
- (c) a non-profit company.

*Rates of Income Tax and Social Services Contribution Payable by Persons other than Companies.*

4.—(1.) That the rates of income tax and social services contribution payable by a person other than a company be as set out in the First Schedule to this Resolution.

(2.) That the rates of income tax and social services contribution in respect of a taxable income to which Division 16 of Part III. of the Assessment Act applies be as set out in the Second Schedule to this Resolution.

(3.) That the rate of income tax and social services contribution in respect of a taxable income in any case where section eighty-six or section one hundred and fifty-eight D of the Assessment Act applies be as set out in the Third Schedule to this Resolution.

(4.) That the rate of income tax and social services contribution payable by a trustee be as set out in the Fourth Schedule to this Resolution.

*Limitation of Tax and Contribution Payable by Aged Persons.*

5.—(1.) That this paragraph apply to a taxpayer who—

- (a) being a man, has attained the age of sixty-five years, or, being a woman, has attained the age of sixty years, on or before the last day of the year of income; and
- (b) is a resident of Australia during the whole of the year of income,

but do not apply to a taxpayer in the capacity of a trustee.

(2.) That where the net income of a taxpayer to whom this paragraph applies does not exceed Four hundred and fifteen pounds, the maximum amount of income tax and social services contribution payable by him be nine-twentieths of the amount by which his net income exceeds Three hundred and seventy-five pounds, or, if his net income does not exceed Three hundred and seventy-five pounds, no income tax and social services contribution be payable by him.

(3.) That where the net income of a taxpayer to whom this paragraph applies does not exceed Nine hundred and seventy-five pounds and during the year of income the taxpayer contributes to the maintenance of—

- (a) his wife, being a person who is a resident of Australia during the whole of the year of income and has attained the age of sixty years on or before the last day of that year; or
- (b) her husband, being a person who is a resident of Australia during the whole of the year of income and has attained the age of sixty-five years on or before that day,

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the maximum amount of income tax and social services contribution payable by the taxpayer be nine-twentieths of the amount by which the sum of the net incomes of the taxpayer and his or her spouse exceeds Seven hundred and fifty pounds, or, if the sum of those net incomes does not exceed Seven hundred and fifty pounds, no income tax and social services contribution be payable by the taxpayer.

(4.) That, for the purposes of this paragraph, the net income of a person be ascertained by deducting from the gross income of that person all expenses (not being expenses of a capital, private or domestic nature) incurred in deriving that gross income.

*Minimum Tax and Contribution.*

6. That where, but for this paragraph, the amount of income tax and social services contribution which a person would be liable to pay under the preceding provisions of this Resolution, after deducting all rebates to which he is entitled in his assessment, is less than Ten shillings, the income tax and social services contribution payable by that person be Ten shillings.

*Rates of Income Tax and Social Services Contribution Payable by a Company.*

7.—(1.) That the rates of income tax and social services contribution payable by a company, other than a company in the capacity of a trustee, be as set out in the Fifth Schedule to this Resolution.

(2.) That where the taxable income of a non-profit company does not exceed Two hundred and eight pounds, the maximum amount of income tax and social services contribution payable by the company be one-half of the amount by which the taxable income exceeds One hundred and four pounds.

*Elimination of Pence.*

8. That where the amount of the income tax and social services contribution which a person would be liable to pay under the preceding provisions of this Resolution, before deducting any rebate or credit to which he is entitled in his assessment, is an amount of pounds, shillings and pence or shillings and pence—

- (a) if the pence do not exceed six—the amount be deemed to be reduced by the amount of the pence ; and
- (b) if the pence exceed six—the amount be deemed to be increased by treating the pence as One shilling.

*Tax and Contribution where Amount to be Collected or Refunded would not exceed Two shillings.*

9.—(1.) That, notwithstanding anything contained in the preceding provisions of this Resolution, where a person has, in accordance with section two hundred and twenty-one of the Assessment Act, forwarded to the Commissioner a tax stamps sheet or group certificate issued to him in respect of deductions made in a year from his salary or wages, and the difference between the available deductions and the income tax and social services contribution which would, but for this sub-paragraph, be payable by that person in respect of the taxable income derived by him in that year is not more than Two shillings, the income tax and social services contribution payable by that person in respect of that taxable income be an amount equal to the available deductions.

(2.) That the last preceding sub-paragraph do not apply—

- (a) in relation to a person who is liable to pay provisional tax and contribution in respect of his income of the year immediately succeeding the year referred to in that sub-paragraph ; or
- (b) in any case in which the amount of income tax and social services contribution which would, but for this paragraph, be payable is Ten shillings and the available deductions exceed Ten shillings.

(3.) That, in this paragraph, “the available deductions” mean the sum of the amount represented by the face value of the tax stamps duly affixed to a tax stamps sheet referred to in sub-paragraph (1.) of this paragraph and the amount of the deductions specified in a group certificate so referred to.

*Levy of Income Tax and Social Services Contribution.*

10.—(1.) That the income tax and social services contribution imposed in pursuance of 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 fifty-four.

(2.) That, until the commencement of the Act for the levying and payment of income tax and social services contribution for the financial year commencing on the first day of July, One thousand nine hundred and fifty-five, the Act passed to give effect to the preceding 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 fifty-four.

*Provisional Tax and Contribution.*

11. That provisional tax and contribution be imposed and be payable, in accordance with the provisions of the Assessment Act, in respect of the income of the year of income ending on the thirtieth day of June, One thousand nine hundred and fifty-five.

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## THE SCHEDULES.

## FIRST SCHEDULE.

## GENERAL RATES OF TAX AND CONTRIBUTION PAYABLE BY PERSONS OTHER THAN COMPANIES.

The rate of income tax and social services contribution for every £1 of each part of the taxable income specified in the first column of the following table is the rate set out in the second column of that table opposite to the reference to that part of the taxable income :—

First Column. Parts of Taxable Income.	Second Column. Rates.
The part of the taxable income which—	
does not exceed £100 . . . . .	One penny
exceeds £100 but does not exceed £150 . . . . .	3 pence
exceeds £150 but does not exceed £200 . . . . .	7 pence
exceeds £200 but does not exceed £250 . . . . .	11 pence
exceeds £250 but does not exceed £300 . . . . .	15 pence
exceeds £300 but does not exceed £400 . . . . .	20 pence
exceeds £400 but does not exceed £500 . . . . .	26 pence
exceeds £500 but does not exceed £600 . . . . .	30 pence
exceeds £600 but does not exceed £700 . . . . .	34 pence
exceeds £700 but does not exceed £800 . . . . .	38 pence
exceeds £800 but does not exceed £900 . . . . .	42 pence
exceeds £900 but does not exceed £1,000 . . . . .	46 pence
exceeds £1,000 but does not exceed £1,200 . . . . .	52 pence
exceeds £1,200 but does not exceed £1,400 . . . . .	59 pence
exceeds £1,400 but does not exceed £1,600 . . . . .	65 pence
exceeds £1,600 but does not exceed £1,800 . . . . .	71 pence
exceeds £1,800 but does not exceed £2,000 . . . . .	77 pence
exceeds £2,000 but does not exceed £2,400 . . . . .	85 pence
exceeds £2,400 but does not exceed £2,800 . . . . .	92 pence
exceeds £2,800 but does not exceed £3,200 . . . . .	99 pence
exceeds £3,200 but does not exceed £3,600 . . . . .	105 pence
exceeds £3,600 but does not exceed £4,000 . . . . .	111 pence
exceeds £4,000 but does not exceed £4,400 . . . . .	117 pence
exceeds £4,400 but does not exceed £5,000 . . . . .	124 pence
exceeds £5,000 but does not exceed £6,000 . . . . .	132 pence
exceeds £6,000 but does not exceed £8,000 . . . . .	139 pence
exceeds £8,000 but does not exceed £10,000 . . . . .	145 pence
exceeds £10,000 but does not exceed £16,000 . . . . .	152 pence
exceeds £16,000 . . . . .	160 pence

## SECOND SCHEDULE.

## RATES OF TAX AND CONTRIBUTION BY REFERENCE TO AN AVERAGE INCOME.

In the case of a taxpayer to whose income Division 16 of Part III. of the Assessment Act applies, the rates of income tax and social services contribution are—

(a) for every £1 of that part of the taxable income which does not exceed £4,000—

(i) the rate ascertained by applying the rates set forth in the First Schedule to a taxable income equal to his average income and dividing the resultant amount by a number equal to the number of whole pounds in that average income ; or

(ii) 71.775 pence,  
whichever is the less ; and

(b) for every £1 of the remainder (if any) of the taxable income, the rate ascertained by deducting the amount of £1,196 5s. 0d. from the tax and contribution which would be payable if the rates set forth in the First Schedule were applied to the total taxable income and dividing the resultant amount by a number equal to the number of whole pounds in that remainder.

## THIRD SCHEDULE.

## RATE OF TAX AND CONTRIBUTION BY REFERENCE TO A NOTIONAL INCOME.

For every £1 of the taxable income of a taxpayer deriving a notional income, as specified by section eighty-six or section one hundred and fifty-eight D of the Assessment Act, the rate of income tax and social services contribution is the rate ascertained by dividing the tax and contribution which would be payable under the First Schedule upon a taxable income equal to his notional income by a number equal to the number of whole pounds in that notional income.

## FOURTH SCHEDULE.

## RATE OF TAX AND CONTRIBUTION PAYABLE BY A TRUSTEE.

For every £1 of the taxable income in respect of which a trustee is liable, in pursuance of either section ninety-eight or section ninety-nine of the Assessment Act, to be assessed and to pay tax and contribution, the rate of income tax and social services contribution is the rate which would be payable under the First, Second or Third Schedule, as the case requires, if one individual were liable to be assessed and to pay tax and contribution on that taxable income.

## FIFTH SCHEDULE.

## RATES OF TAX AND CONTRIBUTION PAYABLE BY A COMPANY OTHER THAN A COMPANY IN THE CAPACITY OF TRUSTEE.

1. In the case of a company (not being a private company, a co-operative company, a non-profit company or a life assurance company) which is a resident, the rates of income tax and social services contribution are—

(a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Six shillings ; and

(b) for every £1 of the remainder of the taxable income—Seven shillings.

2. In the case of a company (not being a private company, a co-operative company, a non-profit company or a life assurance company) which is a non-resident, the rates of income tax and social services contribution are—

(a) for every £1 of so much of the taxable income consisting of dividends as does not exceed Five thousand pounds—Five shillings ;

(b) for every £1 of so much of the taxable income not consisting of dividends as does not exceed the amount (if any) by which the taxable income consisting of dividends is less than Five thousand pounds—Six shillings ; and

(c) for every £1 of the part of the taxable income to which neither of the preceding sub-paragraphs of this paragraph applies—Seven shillings.

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3. In the case of a company which is a private company, the rates of income tax and social services contribution are—
- (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Four shillings ;
  - (b) for every £1 of the remainder of the taxable income—Six shillings ; and
  - (c) for every £1 of the undistributed amount in respect of which the company is liable under section one hundred and four of the Assessment Act to pay additional tax—Ten shillings.
4. In the case of a company (not being a private company or a life assurance company) which is a co-operative company or a non-profit company, the rates of income tax and social services contribution are—
- (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Five shillings ; and
  - (b) for every £1 of the remainder of the taxable income—Seven shillings.
5. In the case of a company (not being a private company) which is a mutual life assurance company, the rates of income tax and social services contribution are—
- (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Four shillings ; and
  - (b) for every £1 of the remainder of the taxable income—Six shillings.
6. In the case of a company (not being a private company) which is a life assurance company other than a mutual life assurance company, the rates of income tax and social services contribution are—
- (a) for every £1 of so much of the mutual income as does not exceed Five thousand pounds—Four shillings ;
  - (b) for every £1 of the remainder of the mutual income—Six shillings ;
  - (c) if the company is a non-resident, for every £1 of so much of the taxable income, other than the mutual income, consisting of dividends as does not exceed the amount (if any) by which the mutual income is less than Five thousand pounds—Five shillings ;
  - (d) for every £1 of so much of the taxable income, other than the amounts of income to which the preceding sub-paragraphs of this paragraph apply, as does not exceed the amount (if any) by which the total of those amounts is less than Five thousand pounds—Six shillings ; and
  - (e) for every £1 of the part of the taxable income to which none of the preceding sub-paragraphs of this paragraph applies—Seven shillings.
7. For every £1 of interest in respect of which a company is liable, in pursuance of sub-section (1.) of section one hundred and twenty-five of the Assessment Act, to pay income tax and social services contribution, the rate of income tax and social services contribution is Seven shillings.

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

The House resumed ; Mr. Adermann reported accordingly.

Resolved—That the House will, at a later hour this day, again resolve itself into the said Committee.

5. INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT BILL 1954.—Sir Arthur Fadden (Treasurer), pursuant to leave given on the 25th August, brought up a Bill intituled "*A Bill for an Act to amend the 'Income Tax and Social Services Contribution Assessment Act 1936-1953'*", and moved, That it be now read a first time.

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

Sir Arthur Fadden moved, by leave, That the Bill be now read a second time.

Debate adjourned (Mr. A. D. Fraser), and the resumption of the debate made an Order of the Day for the next sitting.

6. SUPPLY—BUDGET DEBATE.—The House, according to Order, resolved itself into the Committee of Supply.

(In the Committee.)

General debate resumed on the question, That the first item in the Estimates, under Division No. 1—Senate—namely—

Salaries and allowances . . . . . £20,000

be agreed to, and on the Amendment moved thereto by Mr. Calvell, viz. :—That the first item be reduced by £1.

Mr. Pollard moved, That Mr. Griffiths be granted an extension of time.

Question—put.

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

**AYES, 33.**

Mr. Anderson	Mr. Coutts	Mr. Greenup	Mr. Makin	Mr. Stewart
Mr. Barnard	Mr. Crean	Mr. Griffiths	Mr. McLeod	Mr. Thompson
Mr. Bird	Mr. Curtin	Mr. Haylen	Mr. Minogue	Mr. Webb
Mr. W. M. Bourke	Mr. Edmonds	Mr. Joshua	Mr. Morgan	
Mr. Bryson	Mr. A. D. Fraser	Mr. Keon	Mr. Pollard	<i>Tellers :</i>
Mr. T. P. Burke	Mr. Fuller	Mr. Lawson	Mr. Riordan	Mr. Daly
Mr. Costa	Mr. Galvin	Mr. Lemmon	Mr. Russell	Mr. Duthie

**NOES, 50.**

Mr. Allan	Mr. Cramer	Mr. Hasluck	Mr. Mackinnon	Mr. Townley
Mr. Anthony	Mr. Davis	Mr. Haworth	Sir P. McBride	Mr. Turner
Mr. Bate	Mr. Dean	Mr. Howse	Mr. McColm	Mr. Wentworth
Mr. Beale	Mr. Downer	Mr. Hulme	Mr. McLeay	Mr. Wheeler
Mr. Bland	Mr. Drury	Mr. Jack	Mr. McMahon	Mr. Wight
Mr. Bostock	Mr. Failes	Mr. Joske	Mr. Osborne	
Mr. Bowden	Mr. Fairhall	Mr. Kent Hughes	Sir E. Page	<i>Tellers :</i>
Mr. Brand	Mr. Falkinder	Mr. Lawrence	Mr. Pearce	Mr. Davidson
Mr. Brimblecombe	Mr. Francis	Mr. Leslie	Mr. Swartz	Mr. Gullett
Mr. Brown	Mr. Hamilton	Mr. Lindsay	Mr. Timson	
Mr. D. A. Cameron	Sir E. Harrison	Mr. Lucock		

And so it was negatived.

*Point of Order.*—Mr. Pollard raised a Point of Order that certain honorable Members had entered the Chamber after the Chair had directed the doors to be locked, and had voted in the division.

*Chairman's Ruling.*—The Chairman ruled that any Member who was inside the locked doors before the declaration of the question was entitled to vote.

Debate continued.

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

The House resumed ; Mr. Adermann reported accordingly.

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

7. ADJOURNMENT.—Sir Eric Harrison (Vice-President of the Executive Council) moved, That the House do now adjourn.

Question—put and passed.

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

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MEMBERS PRESENT.—All Members were present (at some time during the sitting) except Mr. Beazley\*, Mr. Casey, Mr. Chambers, Mr. Davies, Mr. Drakeford\*, Mr. Evatt, Mr. Fairbairn, Mr. Freeth, Mr. E. James Harrison, Mr. Holt, Mr. James, Mr. Mullens, Mr. Opperman, Mr. Robertson and Mr. Watkins.

\* On leave.

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F. C. GREEN,  
*Clerk of the House of Representatives.*