

1923-24.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

No. 123.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

WEDNESDAY, 1ST OCTOBER, 1924.

1. The House met, at three o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Right Honorable W. A. Watt) took the Chair, and read Prayers.
2. PAPER.—The following Paper was presented, by command of His Excellency the Governor-General—
Canada—Application of British Preferential Tariff and Intermediate Tariff to Canada—Report on proposal by the Tariff Board.
Ordered to lie on the Table.
3. PUBLIC WORKS COMMITTEE—REFERENCE OF WORK—AIR FORCE STATION (No. 2), RICHMOND (N.S.W.).
—Mr. Hill (Minister for Works and Railways) moved, pursuant to notice, That, in accordance with the provisions of the *Commonwealth Public Works Committee Act 1913-21*, the following work be referred to the Parliamentary Standing Committee on Public Works, for its investigation and report thereon, viz. :—Establishment of the Royal Australian Air Force Station (No. 2) at Richmond, New South Wales.
Mr. Hill having laid on the Table plans, &c., in connexion with the proposed work—
Question—put and passed.
4. POSTPONEMENT OF BUSINESS.—Ordered—That Orders of the Day, Nos. 1 to 9, be postponed until after Order of the Day, No. 10, Government Business.
5. WAYS AND MEANS.—LESSEE TAX BILL.—The House, according to order, resolved itself into the Committee of Ways and Means.

(*In the Committee.*)

Mr. Earle Page (Treasurer) moved—

1. That a tax, at the rate declared in this resolution, be imposed on every person who, being a lessee, receives, in the financial year commencing on the first day of July One thousand nine hundred and twenty-three, or in any subsequent financial year, any payment for, upon or in consideration of, the assignment or transfer of a lease to any other person after deducting therefrom—

- (a) the part (if any) of such amount which, in the opinion of the Commissioner of Taxation, is properly attributable to the transfer to him of any tangible assets belonging to the lessee (not including the unexpired portion of the lease assigned or transferred); and
- (b) so much of any fine, premium or foregift paid by the lessee or any amount paid by the lessee for the assessment or transfer of the lease as is properly attributable to the period of the lease unexpired at the time of the assignment or transfer by the lessee.

2. That the rate of the tax shall be ascertained as follows :—

- (a) (i) Where not less than one-third of the payment for, upon or in consideration of, the assignment or transfer of the lease is received in any financial year, the amount of the whole payment for the transfer or assignment, after making the deductions referred to in the last preceding clause, shall be divided by the number of years of the unexpired period of the lease as at the date of the making of the agreement for the assignment or transfer, or the date when the assignee or transferee became the lessee in respect of the lease so assigned or

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transferred, whichever is the later, and the amount so ascertained shall be added to the amount of income derived by that person during the financial year in which that part of the payment is received ;

- (ii) The rate of income tax which would, under the law of the Commonwealth be applicable to the aggregate amount ascertained under the last preceding sub-paragraph, if the whole of that amount were income, shall be the rate of tax payable under this resolution upon that part of the payment so received ;

- (b) Where less than one-third of the payment for, upon or in consideration of, the assignment or transfer of the lease, is received in any financial year, the rate of tax upon the amount so received shall be the rate which would be applicable, under the law of the Commonwealth, if that amount were income and were included in the income derived by that person during that financial year.

3. That the law for the time being in force relating to the assessment and collection of Income Tax shall apply to the assessment and collection of the tax imposed by this resolution.

4. That this resolution shall not apply to the proceeds of the assignment or transfer of—

- (a) the lease of a mining property (other than coal mining) where the Commissioner of Taxation is satisfied that the lease has been assigned or transferred—

(i) by a *bonâ fide* prospector ; or

(ii) by a person, partnership, syndicate or company that does not make a business of buying or selling mining properties, and that purchased the lease from a *bonâ fide* prospector and worked the property in a proper and efficient manner ; and

- (b) a lease from the Commonwealth or a State being a perpetual lease without revaluation or a lease with a right of purchase.

5. That where estate duty is paid under any law of the Commonwealth upon the amount calculated for the purposes of estate duty as being the value of a lease forming part of the estate of a deceased person and the lease is assigned or transferred by the executors, administrators or trustees of that estate or by a beneficiary entitled to the lease, the tax under this resolution, in respect of the payment made for, upon or in consideration of, the assignment or transfer of the lease, shall be payable only upon the amount (if any) by which that payment exceeds the amount calculated for the purposes of estate duty.

6. That where any person, being a lessee, has at any time prior to the first day of July One thousand nine hundred and twenty-three, received any amount of any payment for, upon or in consideration of, the assignment or transfer of a lease to any other person, a tax be imposed upon that person to the amount which would have been payable under the law of the Commonwealth, if the amount of the payment had been income, and had been included in the income derived by that person during the financial year in which the payment was made.

7. That where, under any law of the Commonwealth relating to the imposition, assessment or collection of income tax, in assessing for the purposes of income tax, the income of any person in any financial year, any payment for, upon or in consideration of, the assignment or transfer of a lease by that person has, prior to the commencement of the Act passed to give effect to this resolution, been included as income, the amount of that payment shall be deemed to be and to have been legally included, and the amount of tax attributable to the inclusion of that payment shall be deemed to be and to have been legally paid or payable and to have been tax imposed in accordance with this resolution.

8. That this resolution shall not apply to the payment made for, upon or in consideration of, the assignment or transfer of a lease in respect of which any person has, before the thirtieth day of June One thousand nine hundred and twenty-four—

- (a) obtained a judgment of the High Court in his favour in respect of his right to a deduction of the value of the lease so transferred or assigned by him ; or

- (b) applied to the Commissioner of Taxation for the transmission to a Court of an objection to the taxation of the value of the lease so transferred or assigned by him.

Question—put and passed.

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

The House resumed ; Mr. Bamford reported accordingly.

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

The Resolution reported from the Committee was read and, on the motion of Mr. Earle Page, by leave, was adopted by the House.

Ordered—That Mr. Earle Page and Mr. Bruce do prepare and bring in a Bill to carry out the foregoing Resolution.

Mr. Earle Page then brought up a Bill intituled “ *A Bill for an Act to impose a Tax upon Payments received by Lessees for, upon or in consideration of, the Assignment or Transfer of Leases and for other purposes,*” and moved, That it be now read a first time.

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

Mr. Earle Page moved, by leave, That the Bill be now read a second time.

Mr. Gabb 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.

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6. INCOME TAX ASSESSMENT BILL (1924).—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.

(In the Committee.)

Clause 14—

Mr. Mann moved, as an amendment, That the words “ by inserting after sub-section (2.) thereof the following sub-sections :—” (lines 1-2), and sub-sections (3.) and (4.) be omitted, with a view to the insertion of the following words in place thereof :—“ by omitting the words from ‘ a Board ’ to ‘ Comptroller-General of Customs’, and inserting in lieu thereof the words ‘ the Board of Appeal ’.”

Debate ensued.

Amendment negatived.

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

Page 9, line 8, after “ Act ” insert “ and shall notify the taxpayer in writing of its having done so ”.

Page 9, lines 14-18, omit sub-section (5.), insert—

“ (5.) The taxpayer may appear before the member of the Board of Appeal, or the member of the Board of Appeal may require the taxpayer to appear before him, either in person or by a representative, and the member of the Board of Appeal may examine the taxpayer or his representative upon oath concerning any statements which the taxpayer has, or desires to have, placed before the Board constituted by this section.”

Page 9, line 32, omit “ (7.) ” insert “ (8.) ”.

Clause, as amended, agreed to.

Clause 15—

Mr. Earle Page moved, That the following amendment be made :—

Page 9, line 35, omit “ (k) ” insert “ (g) ”.

Debate ensued.

Amendment agreed to.

Mr. Earle Page moved, That the following further amendment be made :—

Page 9, lines 36-37, omit “ by paragraph (c) of section six ”.

Question—That the amendment be agreed to—put.

The Committee divided—

Ayes, 31.

Noes, 17.

Mr. Bowden	Sir Elliot Johnson	Mr. Anstey	Mr. McGrath
Mr. Bruce	Mr. Mackay	Mr. Cunningham	Mr. Parker Moloney
Mr. Donald Cameron	Mr. Mann	Mr. Forde	Mr. O’Keefe
Mr. Malcolm Cameron	Mr. Manning	Mr. Gabb	Mr. West
Mr. Robert Cook	Mr. Maxwell	Mr. Albert Green	Mr. Yates
Mr. Corser	Mr. Earle Page	Mr. Lacey	
Mr. Duncan-Hughes	Mr. Thomas Paterson	Mr. Mahony	<i>Tellers :</i>
Mr. R. W. Foster	Mr. Pratten	Mr. Makin	
Mr. Frederick Francis	Mr. Prowse	Mr. Mathews	Mr. Coleman
Mr. Josiah Francis	Mr. Seabrook	Mr. Frederick McDonald	Mr. Fenton
Mr. Gardner	Mr. William Watson		
Mr. Gibson	Mr. Whitsitt		
Mr. Roland Green			
Mr. Gregory	<i>Tellers :</i>		
Mr. Hill			
Sir Neville Howse	Mr. Hunter		
Mr. Hurry	Mr. Marr		

And so it was resolved in the affirmative.

Mr. Duncan-Hughes moved, as a further amendment, That the words “ and by section twelve,” (lines 37-38) be omitted.

Debate ensued.

Amendment agreed to.

On the motion of Mr. Earle Page, the following further amendments were made :—

Page 9, line 42, omit “ three ”, insert “ four ”.

Page 10, lines 1-4, omit sub-clause (4.).

Page 10, line 7, omit “ four ”, insert “ three ”.

New Clause—

On the motion of Mr. Earle Page, the following new clause was inserted in the Bill :—

“ 5A. Section eighteen of the Principal Act is amended by inserting after sub-section (2.) thereof the following sub-section :—

‘ (2A.) In this section, a reference to a State shall be read as including a reference to a Territory which is part of the Commonwealth.’ ”

Rebates in cases of double and treble taxation.

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Title agreed to.
Bill to be reported with amendments.

The House resumed; Mr. Bamford reported accordingly.

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

7. GRAFTON TO SOUTH BRISBANE RAILWAY BILL.—The Order of the Day having been read for the resumption of the debate on the question, That the Bill be now read a second time—

Debate resumed.

Mr. Latham moved, as an amendment, That all the words after the word "That" be omitted with a view to the insertion of the following words in place thereof:—"the Bill be withdrawn in order that the procedure prescribed by the *Commonwealth Public Works Committee Act 1913-1921* be followed".

Debate continued.

And the House continuing to sit till after midnight—

THURSDAY, 2ND OCTOBER, 1924.

Debate continued.

Member named.—Mr. Speaker named the honorable Member for South Sydney (Mr. Edward Riley) for disregarding the authority of the Chair.

Mr. Bruce (Prime Minister) having addressed the House, and Mr. Riley having apologized, the matter was not further proceeded with.

Debate continued.

Question—That the words proposed to be omitted stand part of the question—put.

The House divided—

Ayes, 27.

Mr. Bowden	Mr. Frederick McDonald
Mr. Donald Cameron	Mr. Parker Moloney
Mr. Coleman	Mr. Earle Page
Mr. Corser	Mr. Thomas Paterson
Mr. Cunningham	Mr. Pratten
Mr. Forde	Mr. Prowse
Mr. Josiah Francis	Mr. Edward Riley
Mr. Gardner	Mr. Watkins
Mr. Gibson	Mr. William Watson
Mr. Roland Green	Mr. West
Mr. Hill	
Sir Neville Howse	
Mr. Hunter	<i>Tellers:</i>
Mr. Mackay	Mr. Albert Green
Mr. Manning	Mr. Marr

Noes, 15.

Mr. Brennan	Mr. Lister
Mr. Malcolm Cameron	Mr. Mann
Mr. Duncan-Hughes	Mr. Seabrook
Mr. R. W. Foster	Mr. Yates
Mr. Gabb	
Mr. Gregory	
Mr. Hurry	<i>Tellers:</i>
Mr. Lacey	Mr. Fenton
Mr. Latham	Mr. Makin

And so it was resolved in the affirmative.

Question—That the Bill be now read a second time—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.)

Clause 1—

Mr. Fenton moved, as an amendment, That the word "Grafton" (line 12) be omitted with a view to the insertion of the word "Kyogle" in place thereof.

Debate ensued.

Question—That the word proposed to be omitted stand part of the clause—put.

The Committee divided—

Ayes, 32.

Mr. Bowden	Mr. Lister
Mr. Donald Cameron	Mr. Mackay
Mr. Malcolm Cameron	Mr. Manning
Mr. Coleman	Mr. Parker Moloney
Mr. Corser	Mr. Earle Page
Mr. Cunningham	Mr. Thomas Paterson
Mr. Duncan-Hughes	Mr. Pratten
Mr. Forde	Mr. Prowse
Mr. R. W. Foster	Mr. Edward Riley
Mr. Josiah Francis	Mr. Seabrook
Mr. Gardner	Mr. Watkins
Mr. Gibson	Mr. William Watson
Mr. Albert Green	Mr. West
Mr. Roland Green	
Mr. Gregory	<i>Tellers:</i>
Mr. Hill	Mr. Hunter
Mr. Hurry	Mr. Marr

Noes, 6.

Mr. Gabb
Mr. Lacey
Mr. Makin
Mr. Mann
<i>Tellers:</i>
Mr. Fenton
Mr. Latham

And so it was resolved in the affirmative.

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Clause agreed to.
 Clause 2 agreed to.
 Clause 3—

Mr. Latham moved, as an amendment, That the following words be added to the clause :—“ subject to the Parliaments of New South Wales and Queensland passing Acts of Parliament agreeing to an amendment of the said Schedule providing that the said States shall (together with the States of Victoria, South Australia, and Western Australia) bear their respective proportions on a population basis of four-fifths of the cost of the unification of the railway gauges of Australia on the basis of the estimate of £21,600,000 made by the said Railway Commission.”

Debate ensued.

Closure.—Mr. Edward Riley moved, That the question be now put.

Motion for the Closure, by leave, withdrawn.

Debate continued.

Question—That the words proposed to be added be so added—put.

The Committee divided—

Ayes, 16.		Noes, 22.	
Mr. Malcolm Cameron	Mr. Makin	Mr. Bowden	Mr. Mackay
Mr. Duncan-Hughes	Mr. Thomas Paterson	Mr. Donald Cameron	Mr. Manning
Mr. R. W. Foster	Mr. Prowse	Mr. Coleman	Mr. Parker Moloney
Mr. Gabb	Mr. Seabrook	Mr. Corser	Mr. Earle Page
Mr. Gregory	Mr. William Watson	Mr. Cunningham	Mr. Pratten
Mr. Hurry		Mr. Forde	Mr. Edward Riley
Mr. Lacey	<i>Tellers :</i>	Mr. Josiah Francis	Mr. Watkins
Mr. Latham	Mr. Fenton	Mr. Gardner	Mr. West
Mr. Lister	Mr. Mann	Mr. Gibson	
		Mr. Albert Green	<i>Tellers :</i>
		Mr. Roland Green	Mr. Hunter
		Mr. Hill	Mr. Marr

And so it was negatived

Clause agreed to.

Clauses 4 to 7 agreed to.

Clause 8 debated and agreed to.

Schedule, together with Plan, agreed to.

Preamble agreed to.

Title agreed to.

Bill to be reported without amendment.

The House resumed ; Sir Neville Howse reported accordingly.

On the motion of Mr. Bruce, the House adopted the Report, and (the Standing Orders having previously been suspended, see page 415 *ante*) the Bill was read a third time.

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

Question—put and passed.

And then the House, at fifteen minutes to three o'clock in the morning, adjourned until this day at half-past two o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—
 Mr. Atkinson, Mr. Bayley*, Mr. Blakeley*, Sir Austin Chapman, Mr. Charlton*, Sir Littleton Groom*, Mr. Jackson, Mr. Killen*, Mr. Lambert, Mr. Lazzarini, Mr. W. Maloney*, Mr. Marks*, Mr. Charles McDonald*, Mr. McNeill, Mr. Nelson, Sir Granville Ryrie*, Mr. Stewart, and Mr. Thompson.

* On leave.

FRANK L. CLAPIN,
Acting Clerk of the House of Representatives.