

1945-46.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.

No. 122.

FRIDAY, 12TH JULY, 1946.

1. The House met, at half-past ten o'clock a.m., pursuant to adjournment.—Mr. Speaker (the Honorable J. S. Rosevear) took the Chair, and read Prayers.
2. MINISTERIAL STATEMENT—LEAVE TO MAKE NOT GRANTED.—Mr. Forde (Minister for the Army) asked leave to make a Ministerial Statement with reference to the discharge of certain Army personnel. Objection being raised, leave not granted.
3. MEMBER NAMED AND SUSPENDED.—Mr. Speaker named the honorable Member for Balaclava (Mr. White) for not withdrawing, when asked to do so, a reflection on the Chair.

Mr. Chifley (Prime Minister) moved, That the honorable Member for Balaclava be suspended from the service of the House.

Question—put.

The House divided (The Speaker, Mr. Rosevear, in the Chair)—

Ayes, 42.

Mr. Barnard	Mr. Johnson
Mr. K. E. Beazley	Mr. Langtry
Mr. Breen	Mr. Lazzarini
Mr. Bryson	Mr. Lemmon
Mr. Burke	Mr. Makin
Mr. Calwell	Mr. Martens
Mr. Chambers	Mr. McLeod
Mr. Chifley	Mr. Morgan
Mr. Clark	Mr. Mountjoy
Mr. Conelan	Mr. Pollard
Mr. Daly	Mr. Riordan
Mr. Dedman	Mr. Russell
Mr. Drakeford	Mr. Scullin
Mr. Falstein	Mr. Scully
Mr. Forde	Mr. Sheehy
Mr. Fraser	Mr. Smith
Mr. Frost	Mr. Ward
Mr. Gaha	Mr. Williams
Mr. Hadley	
Mr. Haylen	<i>Tellers:</i>
Mr. Holloway	Mr. Fuller
Mr. James	Mr. Sheehan

Noes, 21.

Mr. Abbott	Mr. McDonald
Mr. Adermann	Mr. McEwen
Mr. Bowden	Mr. Menzies
Mr. Cameron	Mr. Rankin
Mr. Fadden	Mr. Spender
Mr. Francis	Mr. Turnbull
Mr. Gullett	Mr. White
Mr. Harrison	
Mr. Holt	<i>Tellers:</i>
Mr. Hughes	
Mr. Hutchinson	Mr. Corser
Dame Enid Lyons	Mr. Guy

And so it was resolved in the affirmative.

The honorable Member was, therefore, under Standing Order No. 59, suspended for a week, this being his second occasion of suspension, and he accordingly withdrew from the Chamber.

4. FINANCIAL STATEMENT—MOTION FOR PRINTING PAPER.—Mr. Chifley (Treasurer), by leave, made a Financial Statement giving particulars of certain financial proposals and of the financial results for the year 1945-46, and indicating the financial outlook for the year 1946-47. Mr. Chifley then, by command of His Royal Highness the Governor-General, laid upon the Table the following Papers:—

- (1) Financial Statement by the Right Honorable J. B. Chifley, M.P., Treasurer;
- (2) Statement of Receipts and Expenditure of the Consolidated Revenue Fund for the year 1945-46; and
- (3) Lend-Lease and Reciprocal Aid—Documents relating to the Agreement with the United States Government for the settlement of lend-lease, reciprocal aid, surplus war property, and claims,

and moved, That the Financial Statement be printed.

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.

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5. PAPERS.—The following Papers were presented, pursuant to Statute—
Commonwealth Public Service Act—Appointment—Department of Works and Housing—
L. C. Lucas.
Lands Acquisition Act—Land acquired for—
Commonwealth purposes—Newcastle, New South Wales.
Postal purposes—Blakehurst, New South Wales.
6. SOCIAL SERVICES CONTRIBUTION ASSESSMENT BILL 1946.—Mr. Chifley (Treasurer) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Social Services Contribution Assessment Act 1945*.
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. Fadden 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.
7. ATOMIC ENERGY (CONTROL OF MATERIALS) BILL 1946.—Mr. Dedman (Minister for Post-war Reconstruction) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to make provision, in the interests of the Defence of the Commonwealth, for the Control of Materials which are or may be used in producing Atomic Energy, and for other purposes.
Question—put and passed.
8. INVALID AND OLD-AGE PENSIONS BILL 1946.—Mr. Holloway (Minister representing the Minister for Social Services) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Invalid and Old-age Pensions Act 1908-1945*.
Question—put and passed.
Mr. Holloway 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. Holloway 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. WIDOWS' PENSIONS BILL 1946.—Mr. Holloway (Minister representing the Minister for Social Services) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Widows' Pensions Act 1942-1945*.
Question—put and passed.
Mr. Holloway 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. Holloway 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.
10. WAYS AND MEANS—INCOME TAX AND SOCIAL SERVICES CONTRIBUTION.—The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

INCOME TAX.

Mr. Chifley (Treasurer) moved—

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

Division A.—Rate of tax in Respect of a Taxable Income Derived from Personal Exertion.

(a) If the taxable income does not exceed £300 the rate of tax for every £1 of taxable income up to and including £200 shall be nil and the rate of tax for every £1 of taxable income in excess of £200 shall be 36.06 pence increasing uniformly by .06 of one penny for every £1 by which the taxable income exceeds £201.

(b) If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every £1 of taxable income up to and including £300 shall be 14 pence and the rate of tax for every £1 of taxable income in excess of £300 shall be 48.02 pence increasing uniformly by .02 of one penny for every £1 by which the taxable income exceeds £301.

(c) If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every £1 of taxable income up to and including £1,000 shall be 47.6 pence and the rate of tax for every £1 of taxable income in excess of £1,000 shall be 76.025 pence increasing uniformly by .025 of one penny for every £1 by which the taxable income exceeds £1,001.

(d) If the taxable income exceeds £2,000 but does not exceed £3,000 the rate of tax for every £1 of taxable income up to and including £2,000 shall be 74.3 pence and the rate of tax for every £1 of taxable income in excess of £2,000 shall be 126.014 pence increasing uniformly by .014 of one penny for every £1 by which the taxable income exceeds £2,001.

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(e) If the taxable income exceeds £3,000 but does not exceed £5,000 the rate of tax for every £1 of taxable income up to and including £3,000 shall be 96.2 pence and the rate of tax for every £1 of taxable income in excess of £3,000 shall be 154.005 pence increasing uniformly by .005 of one penny for every £1 by which the taxable income exceeds £3,001.

(f) If the taxable income exceeds £5,000 the rate of tax for every £1 of taxable income up to and including £5,000 shall be 123.32 pence and the rate of tax for every £1 of taxable income in excess of £5,000 shall be 174 pence.

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

(a) If the taxable income does not exceed £300 the rate of tax for every £1 of taxable income up to and including £200 shall be nil and the rate of tax for every £1 of taxable income in excess of £200 shall be 47.1 pence increasing uniformly by .1 of one penny for every £1 by which the taxable income exceeds £201.

(b) If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every £1 of taxable income up to and including £300 shall be 19 pence and the rate of tax for every £1 of taxable income in excess of £300 shall be 67.02 pence increasing uniformly by .02 of one penny for every £1 by which the taxable income exceeds £301.

(c) If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every £1 of taxable income up to and including £1,000 shall be 62.4 pence and the rate of tax for every £1 of taxable income in excess of £1,000 shall be 95.029 pence increasing uniformly by .029 of one penny for every £1 by which the taxable income exceeds £1,001.

(d) If the taxable income exceeds £2,000 but does not exceed £5,000 the rate of tax for every £1 of taxable income up to and including £2,000 shall be 93.2 pence and the rate of tax for every £1 of taxable income in excess of £2,000 shall be 153.0035 pence increasing uniformly by .0035 of one penny for every £1 by which the taxable income exceeds £2,001.

(e) If the taxable income exceeds £5,000 the rate of tax for every £1 of taxable income up to and including £5,000 shall be 135.38 pence and the rate of tax for every £1 of taxable income in excess of £5,000 shall be 174 pence.

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

(a) For every £1 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 £1 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 £1 of taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936-1946* 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 £1 of taxable income derived from property by such a taxpayer, 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.—Rates of Tax by Reference to a Notional Income.

(a) For every £1 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 1936-1946*, 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 notional income by that notional income.

(b) For every £1 of the actual taxable income from property of such a taxpayer, 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 notional income by that notional income.

Division F.—Rates of Tax 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 *Income Tax Assessment Act 1936-1946*, to be assessed and to pay tax, the rate of tax shall be the rate that 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.

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Division G.—Rates of Tax Payable by a Company, other than a Company in the Capacity of Trustee.

- (a) For every £1 of the taxable income 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 1936–1946*—Sixty pence; and
 - (2) in respect of the remainder of the taxable income of the company—Seventy-two pence.
- (b) For every £1 of that portion of the taxable income which has not been distributed as dividends, on which the company is liable, in pursuance of Part IIIA. of the *Income Tax Assessment Act 1936–1946*, to pay further tax, the rate of further tax shall be Twenty-four pence.
- (c) 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 *Income Tax Assessment Act 1936–1946*, to pay income tax, the rate of tax shall be Seventy-two pence.

Division H.—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 1940–1946* 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 to the *Income Tax Assessment Act 1936–1946*, 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-six, upon the taxable income derived during the year of income as defined by section six of the *Income Tax Assessment Act 1936–1946*.

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-seven, 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-six.

5. That provisional tax be imposed, and be payable in accordance with the provisions of the *Income Tax Assessment Act 1936–1946*, in respect of the income of the year of income ending on the thirtieth day of June, One thousand nine hundred and forty-seven.

SOCIAL SERVICES CONTRIBUTION.

Mr. Chifley moved—

1. That the following rates be substituted for the rates of social services contribution set out in the First Schedule to the *Social Services Contribution Act 1945* :—

SCHEDULE OF RATES OF CONTRIBUTION PAYABLE IN RESPECT OF THE CONTRIBUTABLE INCOME OF A CONTRIBUTOR OTHER THAN A TRUSTEE.

- (1) The basic rate of contribution for every £1 of the contributable income shall be Three pence, increasing uniformly by one-eighth of one penny for every £1 by which the contributable income exceeds £100, but the rate shall not in any case exceed One shilling and sixpence.
- (2) The concessional rate of contribution for every £1 of the contributable income shall be the rate which bears the same proportion to the basic rate as the amount by which the contributable income exceeds the rebatable amount bears to—
 - (a) the contributable income; or
 - (b) One hundred and eighty pounds,
 whichever is the lesser amount, but if the rate so ascertained exceeds the basic rate, the concessional rate of contribution shall be same as the basic rate.

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- (3) The average rate of contribution for every £1 of the contributable income shall be the rate which would be the basic rate if the contributable income of the contributor were equal to his average income.
- (4) The concessional average rate of contribution for every £1 of the contributable income shall be the rate which would be the concessional rate if, in ascertaining the concessional rate in accordance with the provisions of paragraph (2) of this Schedule—
- (a) the average rate were substituted for the basic rate ;
 - (b) the average income were substituted for the contributable income ; and
 - (c) an amount which bears the same proportion to the average income as the rebatable amount bears to the contributable income were substituted for the rebatable amount.

2. That, in lieu of the provisions of sub-sections (1.), (2.) and (3.) of section five of the *Social Services Contribution Act 1945*, the following provisions apply to the imposition of social services contribution :—

- (a) Subject to this paragraph, the rate of contribution shall be the basic rate.
- (b) Subject to sub-paragraph (d) of this paragraph, in the case of a contributor entitled to concessions, the rate of contribution shall be the concessional rate.
- (c) Subject to the next succeeding sub-paragraph, in the case of a contributor who is a primary producer to whose income Division 16 of Part III. of the Income Tax Assessment Act would apply, if income tax were levied under that Act upon his taxable income of the year of income, the rate of contribution shall be the average rate.
- (d) In the case of a contributor referred to in both sub-paragraph (b) and sub-paragraph (c) of this paragraph, the rate of contribution shall be the concessional average rate.
- (e) The rate of contribution payable by a trustee shall be the rate ascertained in accordance with the Second Schedule to the *Social Services Contribution Act 1945*.
- (f) Where, apart from this sub-paragraph, the amount of social services contribution payable under the foregoing sub-paragraphs would be greater than fifty per centum of the amount by which the contributable income exceeds—
 - (i) in any case where the contributor is a person who would, if income tax were levied under the Income Tax Assessment Act upon his taxable income of the year of income, be entitled to a rebate of tax in his income tax assessment by reference to paragraph (a), (aa), (ab), (b), (ba), (bb) or (c) of sub-section (2.) of section one hundred and sixty of that Act—One hundred and fifty-six pounds ; or
 - (ii) in any case where the contributor would not be entitled to any such rebate—One hundred and four pounds,
 the contribution payable in respect of that contributable income shall be fifty per centum of the amount of that excess.

3. That, in the foregoing paragraphs, unless the contrary intention appears—

- “average income”, in relation to a contributor, mean the average income of that contributor, ascertained in accordance with the provisions of Division 16 of Part III. of the Income Tax Assessment Act, in respect of the year of income in relation to which the expression is used ;
- “contribution” mean social services contribution ;
- “contributor entitled to concessions” mean, in relation to any year of income, a contributor who would, if income tax were levied under the Income Tax Assessment Act upon his taxable income of that year of income, be entitled to a rebate or rebates under section one hundred and sixty of that Act ;
- “rate of contribution” mean the rate of social services contribution payable in respect of the contributable income of a contributor ;
- “the average rate” mean the average rate of contribution ascertained in accordance with paragraph (3) of the schedule of rates set out in paragraph 1 of this resolution ;
- “the basic rate” mean the basic rate of contribution ascertained in accordance with paragraph (1) of the schedule of rates set out in paragraph 1 of this resolution ;
- “the concessional average rate” mean the concessional average rate of contribution ascertained in accordance with paragraph (4) of the schedule of rates set out in paragraph 1 of this resolution ;
- “the concessional rate” mean the concessional rate of contribution ascertained in accordance with paragraph (2) of the schedule of rates set out in paragraph 1 of this resolution ;
- “the Income Tax Assessment Act” mean the *Income Tax Assessment Act 1936–1945*, as amended from time to time ;
- “the rebatable amount”, in relation to a contributor to whom the definition of “contributor entitled to concessions” in this paragraph applies, mean the total of the amounts in respect of which the contributor would be entitled to rebates as specified in that definition.

4. That the Act to be passed to give effect to this resolution be deemed to have come into operation on the eleventh day of October, One thousand nine hundred and forty-five.

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

The House resumed ; Mr. Riordan reported accordingly.

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

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11. WHEAT INDUSTRY STABILIZATION BILL 1946.—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. McEwen 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.
12. ATOMIC ENERGY (CONTROL OF MATERIALS) BILL 1946.—Mr. Dedman (Minister for Post-war Reconstruction), pursuant to leave given this day, brought up a Bill intituled "*A Bill for an Act to make provision, in the interests of the Defence of the Commonwealth, for the Control of Materials which are or may be used in producing Atomic Energy, and for other purposes*", and moved, That it be now read a first time.
Question—put and passed.—Bill read a first time.
Mr. Dedman 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.
13. ADJOURNMENT.—Mr. Forde (Minister for the Army) moved, That the House do now adjourn.
Debate ensued.
Ordered—That Mr. Turnbull be granted an extension of time.
Ordered—That Mr. Blain be granted an extension of time.
Debate continued.
Question—put and passed.

And then the House, at three minutes past five o'clock p.m., adjourned until Tuesday next at three o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except Mr. Anthony, Mr. J. A. Beasley, Mr. Brennan, Mr. Evatt, Mr. Lawson, Mr. Mulcahy, Sir Earle Page, Mr. Ryan, Sir Frederick Stewart, and Mr. Watkins.

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