

1948-49.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

No. 60.

TUESDAY, 15TH FEBRUARY, 1949.

1. The House met, at three o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable J. S. Rosevear) took the Chair, and read Prayers.
2. ALTERATION OF HOUR OF NEXT MEETING.—Mr. Chifley (Prime Minister) moved, That the House, at its rising, adjourn until to-morrow at half-past ten o'clock a.m.
Question—put and passed.
3. DISCHARGE OF ORDER OF THE DAY.—Mr. Chifley (Prime Minister) moved, by leave, That the following Order of the Day, Government Business, be discharged :—
9. International Affairs—Ministerial Statement—Motion for Printing Paper—Resumption of debate upon the motion, That the Paper be printed.
Question—put and passed.
4. FINANCIAL STATEMENT—MOTION FOR PRINTING PAPER.—Mr. Chifley (Treasurer), by leave, made a Financial Statement on the financial outlook and certain taxation relief proposals of the Government. Mr. Chifley then, by command of His Excellency the Governor-General, laid upon the Table the following Paper :—
Financial Statement by the Right Honorable J. B. Chifley, M.P., Treasurer—
and moved, That the Paper 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.
5. PAPER.—The following Paper was presented, pursuant to Statute—
Commonwealth Public Service Act—Appointments—Postmaster-General's Department—
L. L. Birch, C. K. Lamb, I. D. Morsley, F. W. Sharp, P. J. Simonds, N. D. Strachan.
6. ENTERTAINMENTS TAX ASSESSMENT BILL 1949.—Mr. Dedman (Minister for Defence) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Entertainments Tax Assessment Act 1942-1946*.
Question—put and passed.
7. WAYS AND MEANS—INCOME TAX, SOCIAL SERVICES CONTRIBUTION, AND ENTERTAINMENTS TAX.—
The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

Mr. Dedman (Minister for Defence) moved—

INCOME TAX.

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 £1,000 the rate of tax for every £1 of taxable income up to and including £500 shall be nil and the rate of tax for every £1 of taxable income in excess of £500 shall be 18.024 pence increasing uniformly by .024 of one penny for every £1 by which the taxable income exceeds £501.

(b) 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 15 pence and the rate of tax for every £1 of taxable income in excess of £1,000 shall be 42.02 pence increasing uniformly by .02 of one penny for every £1 by which the taxable income exceeds £1,001.

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(c) 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 38.5 pence and the rate of tax for every £1 of taxable income in excess of £2,000 shall be 82.01 pence increasing uniformly by .01 of one penny for every £1 by which the taxable income exceeds £2,001.

(d) If the taxable income exceeds £5,000 but does not exceed £10,000 the rate of tax for every £1 of taxable income up to and including £5,000 shall be 82.6 pence and the rate of tax for every £1 of taxable income in excess of £5,000 shall be 142.002 pence increasing uniformly by .002 of one penny for every £1 by which the taxable income exceeds £5,001.

(e) If the taxable income exceeds £10,000 the rate of tax for every £1 of taxable income up to and including £10,000 shall be 117.3 pence and the rate of tax for every £1 of taxable income in excess of £10,000 shall be 162 pence.

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

(a) If the taxable income does not exceed £500 the rate of tax for every £1 of taxable income up to and including £350 shall be nil and the rate of tax for every £1 of taxable income in excess of £350 shall be 7.755 pence increasing uniformly by .005 of one penny for every £1 by which the taxable income exceeds £351.

(b) If the taxable income exceeds £500 but does not exceed £1,000 the rate of tax for every £1 of taxable income up to and including £500 shall be 2.55 pence and the rate of tax for every £1 of taxable income in excess of £500 shall be 28.03 pence increasing uniformly by .03 of one penny for every £1 by which the taxable income exceeds £501.

(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 22.775 pence and the rate of tax for every £1 of taxable income in excess of £1,000 shall be 58.022 pence increasing uniformly by .022 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 51.3875 pence and the rate of tax for every £1 of taxable income in excess of £2,000 shall be 102.008 pence increasing uniformly by .008 of one penny for every £1 by which the taxable income exceeds £2,001.

(e) If the taxable income exceeds £5,000 but does not exceed £10,000, the rate of tax for every £1 of taxable income up to and including £5,000 shall be 96.155 pence and the rate of tax for every £1 of taxable income in excess of £5,000 shall be 150.0012 pence increasing uniformly by .0012 of one penny for every £1 by which the taxable income exceeds £5,001.

(f) If the taxable income exceeds £10,000 the rate of tax for every £1 of taxable income up to and including £10,000 shall be 126.0775 pence and the rate of tax for every £1 of taxable income in excess of £10,000 shall be 162 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 1936-1948* 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 1936-1948*, 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.

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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 1936-1948*, to be assessed and to pay tax, the rate or rates of tax shall be the rate or rates 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.

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

- (a) In the case of a company which is not a life assurance company, the rates of tax shall be—
- (i) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Sixty pence ; and
 - (ii) for every £1 of the remainder of the taxable income—Seventy-two pence.
- (b) In the case of a mutual life assurance company, the rates of tax shall be—
- (i) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Forty-eight pence ; and
 - (ii) for every £1 of the remainder of the taxable income—Sixty pence.
- (c) In the case of a life assurance company other than a mutual life assurance company, the rate of tax shall be—
- (i) for every £1 of so much 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 1936-1948*, as does not exceed Five thousand pounds—Forty-eight pence ;
 - (ii) for every £1 of the remainder of the mutual income of the company, as so defined—Sixty pence ;
 - (iii) for every £1 of so much of the taxable income of the company, other than mutual income as so defined, as does not exceed the amount by which the mutual income of the company, as so defined, is less than Five thousand pounds—Sixty pence ; and
 - (iv) for every £1 of that part of the taxable income to which none of the preceding provisions of this sub-paragraph applies—Seventy-two pence.
- (d) 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 1936-1948*, to pay further tax, the rate of further tax shall be Twenty-four pence.
- (e) 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 1936-1948*, 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—
- (a) in addition to any income tax payable under the preceding provisions of this Resolution, there be payable, subject to sub-paragraph (b) of this paragraph, 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 ; and
 - (b) the last preceding sub-paragraph do not apply to—
 - (i) the assessment of a company as a trustee ;
 - (ii) a private company as defined in section one hundred and three of the *Income Tax Assessment Act 1936-1948* ;
 - (iii) a co-operative company as defined in section one hundred and seventeen of the *Income Tax Assessment Act 1936-1948* ;
 - (iv) a mutual life assurance company, as defined in sub-section (1A.) of section one hundred and sixty c of the *Income Tax Assessment Act 1936-1948*, or the mutual income, as defined in that sub-section, 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 commencing on the first day of July, One thousand nine hundred and forty-nine, upon the taxable income derived during the year of income as defined by section six of the *Income Tax Assessment Act 1936-1948*.
4. That, until the commencement of the Act for the levying and payment of income tax for the financial year commencing on the first day of July, One thousand nine hundred and fifty, the foregoing provisions of this Resolution also apply for all financial years subsequent to that commencing on the first day of July, One thousand nine hundred and forty-nine.

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5. That provisional tax be imposed, and be payable in accordance with the provisions of the *Income Tax Assessment Act 1936-1948*, in respect of the income of the year of income ending on the thirtieth day of June, One thousand nine hundred and fifty.

SOCIAL SERVICES CONTRIBUTION.

1. That, in lieu of the basic rate of contribution and the concessional rate of contribution set out in paragraphs (1.) and (2.) of the First Schedule to the *Social Services Contribution Act 1945-1948*, the following rates apply:—

(1.) The basic rate of contribution for every £1 of the contributable income shall be Threepence, increasing uniformly by three-eightieths 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—

- (a) in any case where the contributable income exceeds the rebatable amount by less than £100—the rate which bears the same proportion to Threepence as the amount of that excess bears to £100;
- (b) in any case where the contributable income exceeds the rebatable amount by not less than £100 but less than £500—the rate which would be the basic rate if the contributable income of the contributor were equal to the amount of that excess; and
- (c) in any case where the contributable income exceeds the rebatable amount by £500 or more—One shilling and sixpence.

2. That the amendments made by the Act passed to give effect to this resolution be expressed not to apply to assessments for a financial year prior to that which commences on the first day of July, One thousand nine hundred and forty-nine.

ENTERTAINMENTS TAX.

That, on and after the sixteenth day of February, 1949, in lieu of the rates imposed by the *Entertainments Tax Act 1942-1946*, the rates of the entertainments tax be—

- (a) where all the performers whose words or actions constitute the entertainment are present and performing and the entertainment consists solely of one or more of the following items:—
 - (i) a stage play;
 - (ii) a ballet;
 - (iii) a performance of music (whether vocal or instrumental);
 - (iv) a lecture;
 - (v) a recitation;
 - (vi) a music hall or other variety entertainment; or
 - (vii) a circus or travelling show,
 as set out in the second column of the Schedule hereto; and
- (b) where the entertainment consists solely of a game or sport in which human beings are the sole participants (but not including dancing or skating unless conducted solely for competitive purposes) and the entertainment is conducted by a society, institution or committee not established or carried on for profit—as set out in the second column of that Schedule; and
- (c) in all other cases—as set out in the third column of that Schedule.

THE SCHEDULE.

Where the payment for admission (excluding the amount of the tax)—	Second Column.	Third Column.
Is one shilling	Nil	Threepence
Exceeds one shilling but does not exceed one shilling and threepence	Nil	Fivepence
Exceeds one shilling and threepence but does not exceed one shilling and sixpence	Fourpence	Fivepence
Exceeds one shilling and sixpence but does not exceed two shillings	Fivepence	Sevenpence
Exceeds two shillings but does not exceed two shillings and sixpence	Sevenpence	Ninepence
Exceeds two shillings and sixpence but does not exceed three shillings	Eightpence	Elevenpence
Exceeds three shillings but does not exceed three shillings and sixpence	Tenpence	One shilling and one penny
Exceeds three shillings and sixpence but does not exceed four shillings	Elevenpence	One shilling and threepence
Exceeds four shillings but does not exceed four shillings and sixpence	One shilling and one penny	One shilling and fivepence
Exceeds four shillings and sixpence but does not exceed five shillings	One shilling and twopence	One shilling and sevenpence
Exceeds five shillings but does not exceed five shillings and sixpence	One shilling and fourpence	One shilling and tenpence
Exceeds five shillings and sixpence but does not exceed six shillings	One shilling and sevenpence	Two shillings and one penny

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THE SCHEDULE—continued.

Where the payment for admission (excluding the amount of the tax)—	Second Column.	Third Column.
Exceeds six shillings	One shilling and ninepence, plus two and one-quarter pence for each sixpence (or part thereof) by which the payment for admission exceeds Six shillings and sixpence, fractions of a penny less than three-quarters in the amount of the tax being disregarded and three-quarters of a penny in that amount being regarded as a penny	Two shillings and fourpence, plus threepence for each sixpence (or part thereof) by which the payment for admission exceeds six shillings and sixpence

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

The House resumed ; Mr. Clark reported accordingly.

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

8. ENTERTAINMENTS TAX ASSESSMENT BILL 1949.—Mr. Dedman (Minister for Defence), pursuant to leave given this day, brought up a Bill intituled “ *A Bill for an Act to amend the ‘Entertainments Tax Assessment Act 1942–1946’* ”, 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. 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. PAPUA AND NEW GUINEA BILL 1949.—Mr. Chambers (Acting Minister for External Territories), pursuant to leave given on the 10th February, brought up a Bill intituled “ *A Bill for an Act to approve the placing of the Territory of New Guinea under the International Trusteeship System, to provide for the Government of the Territory of Papua and the Territory of New Guinea, and for other purposes* ”, and moved, That it be now read a first time.

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

Mr. Chambers 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. POSTPONEMENT OF ORDER OF THE DAY.—Ordered—That Order of the Day No. 2, Government Business, be postponed until a later hour this day.

11. AUSTRALIAN ALUMINIUM PRODUCTION COMMISSION—THIRD ANNUAL REPORT—MOTION FOR PRINTING PAPER.—The Order of the Day having been read for the resumption of the debate on the following motion of Mr. Dedman (Minister representing the Minister for Supply and Development), That the Paper [*presented on the 11th November, 1948*], viz. :—

Aluminium Industry Act—Third Annual Report of the Australian Aluminium Production Commission, for year 1947–48—

be printed.

Debate resumed.

Mr. Fadden moved, That Mr. Lang be granted an extension of time.

Question—put and negatived.

Mr. Bowden was granted leave to continue his speech when the debate is resumed.

Ordered—That the debate be now adjourned, and that the resumption of the debate be made an Order of the Day for the next sitting.

12. FOREIGN AFFAIRS—MINISTERIAL STATEMENT—MOTION FOR PRINTING PAPER.—The Order of the Day having been read for the resumption of the debate on the following motion of Mr. Evatt (Minister for External Affairs), That the Paper [*presented on the 9th February, 1949*], viz. :—

Foreign Affairs—Ministerial Statement, 9th February, 1949—

be printed—

Debate resumed.

Suspension of Standing Orders.—Mr. Chifley (Prime Minister) moved, by leave, That so much of the Standing Orders be suspended as would prevent Mr. Menzies (Leader of the Opposition) from concluding his speech without interruption.

Question—put and passed.

Debate continued.

Ordered—That Mr. Beazley be granted extensions of time (2).

Ordered—That Mr. Anthony be granted an extension of time.

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Mr. Thompson 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. Evatt (Attorney-General) moved, That the House do now adjourn.

Question—put and passed.

And then the House, at eleven 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. Blain, Mr. Gaha, Mr. Hutchinson, Mr. James, Mr. Lazzarini, Mr. Lemmon, Mr. McEwen, Sir Earle Page, Mr. Pollard, Mr. Scullin, Mr. Ward and Mr. Williams.

F. C. GREEN,

Clerk of the House of Representatives.