

1951.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.

No. 26.

THURSDAY, 11TH OCTOBER, 1951.

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. MYXOMATOSIS—MINISTERIAL STATEMENT.—Mr. Casey (Minister for External Affairs), by leave, made a Ministerial Statement regarding the voluntary self-inoculation with myxomatosis by three scientists who had established the fact that the virus had no effect on human beings.
3. PAPER.—The following Paper was presented, pursuant to Statute—
Aluminium Industry Act—Australian Aluminium Production Commission—Sixth Annual Report, for year 1950–51.
4. LAND TAX ASSESSMENT BILL 1951.—Sir Arthur Fadden (Treasurer) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Land Tax Assessment Act 1910–1950*.
Question—put and passed.
5. 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.

Definitions.

1. That, in this Resolution—
“life assurance company” mean a company the sole or principal business of which is life assurance;
“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” mean a life assurance company the profits of which are divisible only among the policy holders;
“the Assessment Act” mean the *Income Tax and Social Services Contribution Assessment Act 1936–1950* as proposed to be amended by the *Income Tax and Social Services Contribution Assessment Bill 1951*.

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.

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(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 person who is not a company or derived by a company in the capacity of a trustee.

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, and by a company in the capacity of a trustee, 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 sub-section (1.) of section eighty-six of the Assessment Act applies be as set out in the Third Schedule to this Resolution.

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

Further Tax and Contribution on Property Income.

5.—(1.) That where, in the case of a person other than a company or in the case of a company in the capacity of a trustee, the taxable income or any part thereof is derived from property, and the total taxable income exceeds Four hundred pounds, the rates of income tax and social services contribution be—

(a) the appropriate rate or rates declared by sub-paragraph (1.), (2.), (3.) or (4.) of the last preceding paragraph; and

(b) in respect of so much of the taxable income derived from property as exceeds One hundred pounds but does not exceed Ten thousand pounds—the further rates set out in the Fifth Schedule to this Resolution.

(2.) That where the total taxable income does not exceed One thousand pounds, the amount of income tax and social services contribution payable by reason of clause (b) of the last preceding sub-paragraph do not exceed Twelve pence for every pound by which the total taxable income exceeds Four hundred pounds.

Limitation of Tax and Contribution Payable by Aged Persons.

6.—(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 Two hundred and forty-eight pounds, the income tax and social services contribution payable by him by reason of paragraph 4 of this Resolution do not exceed one-half of the amount by which his net income exceeds Two hundred and thirty-four pounds, or, if his net income does not exceed Two hundred and thirty-four 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 Five hundred and fifty-eight 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,

the income tax and social services contribution payable by the taxpayer by reason of the provisions of paragraph 4 of this Resolution or of clause (a) of sub-paragraph (1.) of the last preceding paragraph do not exceed one-half of the amount by which the sum of the net incomes of the taxpayer and his or her spouse exceeds Four hundred and sixty-eight pounds, or, if the sum of those net incomes does not exceed Four hundred and sixty-eight pounds, no income tax and social services contribution be payable by the taxpayer by reason of those provisions.

(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.

Additional Tax and Contribution payable by Persons other than Companies.

7. That, in the case of a person who is liable to pay income tax and social services contribution ascertained by reference to paragraph 4, 5 or 6 of this Resolution, there be imposed upon that taxable income, in addition to the tax and contribution so ascertained, income tax and social services contribution at the rate of ten per centum of the income tax and social services contribution which would, but for this paragraph, have been payable in respect of that taxable income if there had not been allowed or allowable from that tax and contribution any rebate or credit under any provision of the Assessment Act.

Minimum Tax and Contribution.

8. 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.

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

9. 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 Sixth Schedule to this Resolution.

Additional Tax and Contribution on Certain Companies.

10.—(1.) That there be imposed upon the taxable income of a company income tax and social services contribution at the additional rate of Two shillings for every pound of the taxable income.

(2.) That this paragraph do not apply to—

- (a) a private company ;
- (b) a company in the capacity of a trustee ;
- (c) a mutual life assurance company or the mutual income of a life assurance company ;
- (d) a co-operative company as defined by section one hundred and seventeen of the Assessment Act ; or
- (e) a company which is not carried on for the purposes of profit or gain to its individual members and by the terms of its memorandum or articles of association, rules or other document constituting the company or governing its activities, is prohibited from making any distribution, whether in money, property or otherwise, to its members.

Amount of Advance Payments by Companies.

11.—(1.) That the amount of the advance payment which a company is required to make, in accordance with Division 3 of Part VI. 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-two, be ten per centum of the income tax and social services contribution (other than tax and contribution assessed under Division 7 of Part III. of the Assessment Act) which, after the allowance of any rebate to which the company is entitled in its assessment, is assessed in respect of the taxable income derived by the company during the year of income ended on the thirtieth day of June, One thousand nine hundred and fifty-one.

(2.) That where, apart from this sub-paragraph, the advance payment to be made by a company is an amount of pounds, shillings and pence, shillings and pence, or pence, the advance payment be deemed to be reduced by the amount of the pence.

Elimination of Pence.

12.—(1.) That the provisions of this paragraph apply in relation to—

- (a) the amount of the income tax and social services contribution (other than the income tax and social services contribution imposed in pursuance of paragraph 7 of this Resolution) 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 ; and
- (b) the amount of the income tax and social services contribution which a person would be liable to pay under paragraph 7 of this Resolution, before deducting any rebate or credit to which he is entitled in his assessment.

(2.) That where an amount in relation to which this paragraph applies 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.

13.—(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 H 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, apart from 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-section ; 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.

14.—(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-one, upon the taxable income derived during the year of income as defined by section six of the Assessment Act.

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(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-two, 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-one.

Provisional Tax and Contribution.

15. 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-two.

Rates of Tax and Contribution for Financial Year ended 30th June, 1951, by Reference to an Average Income.

16. That, in lieu of the rate set out in the Second Schedule to the *Income Tax and Social Services Contribution Act 1950*, the rates of income tax and social services contribution for the financial year which ended on the thirtieth day of June, One thousand nine hundred and fifty-one, in respect of a taxable income to which Division 16 of Part III. of the *Income Tax and Social Services Contribution Assessment Act 1936-1950* applies, be the rates set out in paragraphs (a) and (b) of the Second Schedule to this Resolution.

THE SCHEDULES.

FIRST SCHEDULE.

BASIC RATES OF TAX AND CONTRIBUTION.

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	6 pence
exceeds £150 but does not exceed £200	11 pence
exceeds £200 but does not exceed £250	16 pence
exceeds £250 but does not exceed £300	21 pence
exceeds £300 but does not exceed £400	26 pence
exceeds £400 but does not exceed £500	32 pence
exceeds £500 but does not exceed £600	38 pence
exceeds £600 but does not exceed £700	44 pence
exceeds £700 but does not exceed £800	48 pence
exceeds £800 but does not exceed £900	52 pence
exceeds £900 but does not exceed £1,000	56 pence
exceeds £1,000 but does not exceed £1,200	64 pence
exceeds £1,200 but does not exceed £1,400	72 pence
exceeds £1,400 but does not exceed £1,600	80 pence
exceeds £1,600 but does not exceed £1,800	88 pence
exceeds £1,800 but does not exceed £2,000	96 pence
exceeds £2,000 but does not exceed £2,400	104 pence
exceeds £2,400 but does not exceed £2,800	112 pence
exceeds £2,800 but does not exceed £3,200	120 pence
exceeds £3,200 but does not exceed £3,600	128 pence
exceeds £3,600 but does not exceed £4,000	136 pence
exceeds £4,000 but does not exceed £4,400	144 pence
exceeds £4,400 but does not exceed £5,000	152 pence
exceeds £5,000 but does not exceed £6,000	160 pence
exceeds £6,000 but does not exceed £8,000	168 pence
exceeds £8,000 but does not exceed £10,000	176 pence
exceeds £10,000	180 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) 88.1 pence,

whichever is the less; and

(b) for every £1 of the remainder (if any) of the taxable income, the rate ascertained by deducting 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 the amount of £1,468 6s. 8d. 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 sub-section (1.) of section eighty-six 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.

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FOURTH SCHEDULE.

RATES 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.

FURTHER RATES OF TAX AND CONTRIBUTION IN RESPECT OF TAXABLE INCOME DERIVED FROM PROPERTY.

The further rate of income tax and social services contribution for every £1 of each part of the taxable income derived from property 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 that taxable income:—

First Column. Parts of Taxable Income Derived from Property.	Second Column. Rates.
The part of the taxable income derived from property which—	
exceeds £100 but does not exceed £1,000	8 pence
exceeds £1,000 but does not exceed £4,000	16 pence
exceeds £4,000 but does not exceed £6,000	8 pence
exceeds £6,000 but does not exceed £10,000	4 pence

SIXTH SCHEDULE.

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

1. For every £1 of the taxable income of a company which is not a life assurance company or a private company, the rate of income tax and social services contribution is Seven shillings.
2. In the case of 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—Five shillings; and
 - (b) for every £1 of the remainder of the taxable income—Seven shillings.
3. For every £1 of the taxable income of a mutual life assurance company the rate of income tax and social services contribution is Six shillings.
4. In the case of 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 the mutual income—Six shillings; and
 - (b) for every £1 of the taxable income of the company other than the mutual income—Seven shillings.
5. 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 Nine 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.

6. INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT BILL 1951.—Sir Arthur Fadden (Treasurer), pursuant to leave given on the 9th October, brought up a Bill intituled “*A Bill for an Act to amend the ‘Income Tax and Social Services Contribution Assessment Act 1936-1950’*”, 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.
Mr. Calwell 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. LAND TAX ASSESSMENT BILL 1951.—Sir Arthur Fadden (Treasurer), pursuant to leave given this day, brought up a Bill intituled “*A Bill for an Act to amend the ‘Land Tax Assessment Act 1910-1950’*”, 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.
Mr. Calwell 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.
8. POSTPONEMENT OF ORDER OF THE DAY.—Ordered—That Order of the Day No. 2 be postponed until after Order of the Day No. 3, Government Business.
9. SOCIAL SERVICES CONSOLIDATION BILL 1951.—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 by Mr. Clarey who moved, as an amendment, That all words after “That” be omitted with a view to inserting the following words in place thereof:—“the Bill be withdrawn and redrafted to provide—
 - (a) the operation of the Act from the first pension day in July, 1951;
 - (b) the payment of child endowment for the first child at the rate of ten shillings per week;
 - (c) a substantial increase in unemployment and sickness benefits; and
 - (d) further amelioration of the means test”.
 Debate continued.
Mr. J. R. Fraser 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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10. ADJOURNMENT.—Mr. Holt (Minister for Labour and National Service) moved, That the House do now adjourn.
Debate ensued.
Question—put and passed.

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

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except Mr. Berry, Mr. T. P. Burke, Mr. Chambers, Mr. Davies, Mr. Drury, Mr. Failes, Mr. Hasluck, Mr. Johnson, Mr. Kekwick, Mr. Lazzarini, Mr. McDonald, Mr. McEwen, Mr. Riordan and Mr. Watkins.

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