

1951.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.

No. 45.

THURSDAY, 22ND NOVEMBER, 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. MINISTERIAL STATEMENT—LEAVE TO MAKE NOT GRANTED. —Mr. Beale (Minister for Supply) asked leave to make a Ministerial Statement.
Objection being raised, leave not granted.
3. SUSPENSION OF STANDING ORDERS.—Mr. Eric J. Harrison (Vice-President of the Executive Council) moved, That so much of the Standing Orders be suspended as would prevent a Ministerial Statement being made by the Minister for Supply.

Question—put.

The House divided (The Speaker, Mr. A. G. Cameron, in the Chair)—

AYES, 63.

Mr. Adermann	Mr. Downer	Mr. Hasluck	Mr. McDonald	Mr. Treloar
Mr. Anthony	Mr. Drummond	Mr. Haworth	Mr. McEwen	Mr. Turnbull
Mr. Bate	Mr. Eiggins	Mr. Holt	Mr. McLeay	Mr. Wentworth
Mr. Beale	Sir A. Fadden	Mr. Howse	Mr. McMahon	Mr. Wheeler
Mr. Berry	Mr. Failes	Mr. Hughes	Mr. Menzies	Mr. Wight
Mr. Bland	Mr. Fairbairn	Mr. Hulme	Mr. Opperman	Mr. Wilson
Mr. Bowden	Mr. Fairhall	Mr. Jack	Mr. Osborne	
Mr. Brimblecombe	Mr. Falkinder	Mr. Joske	Sir E. Page	
Mr. Brown	Mr. Francis	Mr. Kekwick	Mr. Pearce	<i>Tellers:</i>
Mr. D. A. Cameron	Mr. Freeth	Mr. Kent Hughes	Mr. Robertson	Mr. Davidson
Mr. Corsier	Mr. Graham	Mr. Lawrence	Mr. Ryan	Mr. Gullett
Mr. Cramer	Mr. Grayden	Mr. Leslie	Mr. Swartz	
Mr. Davis	Mr. Eric J.	Mr. McBride	Mr. Timson	
Mr. Dean	Harrison	Mr. McColm	Mr. Townley	

NOES, 43.

Mr. Anderson	Mr. Clarey	Mr. Edmonds	Mr. Keon	Mr. Pollard
Mr. Andrews	Mr. Clark	Mr. Evatt	Mr. Lawson	Mr. Riordan
Mr. Beazley	Mr. Costa	Mr. Fitzgerald	Mr. Luchetti	Mr. Thompson
Mr. Bird	Mr. Crean	Mr. Fuller	Mr. McLeod	Mr. Ward
Mr. W. M. Bourke	Mr. Cremean	Mr. Galvin	Mr. Minogue	Mr. Watkins
Mr. Bruce	Mr. Curtin	Mr. Griffiths	Mr. Morgan	
Mr. Bryson	Mr. Davies	Mr. Haylen	Mr. Mulcahy	<i>Tellers:</i>
Mr. T. P. Burke	Mr. Drakeford	Mr. James	Mr. O'Connor	Mr. Daly
Mr. Calwell	Mr. Duthie	Mr. Joshua	Mr. Peters	Mr. Sheehan

And so it was resolved in the affirmative by an absolute majority.

4. COPPER SUPPLIES—MINISTERIAL STATEMENT.—Mr. Beale (Minister for Supply) made a Ministerial Statement regarding available supplies of copper and the consumption allocation received by Australia following discussions at the International Materials Conference, Washington.
5. ALTERATION OF DAY OF NEXT MEETING.—Mr. Eric J. Harrison (Vice-President of the Executive Council) moved, That the House at its rising adjourn until to-morrow at half past ten o'clock a.m.
Question—put and passed.
6. ADJOURNMENT-MOTION FOR PURPOSE OF DISCUSSION.—Mr. Bruce proposing to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance, namely, "The serious delays in providing shipping for large and urgently needed supplies of sugar now stored at ports and mills in Queensland; thus causing severe shortages and hardships to the people both of Australia and of the United Kingdom"—

Mr. Speaker called upon those Members who approved of the proposed discussion to rise in their places, and more than the necessary number of Members having risen accordingly—

Mr. Bruce moved, That the House do now adjourn.

Debate ensued.

And no Member rising to address the House, Mr. Speaker directed that the Business of the Day be called on.

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7. ORDER OF THE DAY NO. 1—SUPPLY ["GRIEVANCE DAY"].—It being past fifteen minutes to one o'clock p.m., Order of the Day No. 1 ("Grievance Day"—pursuant to Standing Order No. 291) was not called on, and the Committee of Supply was set down for a later hour this day.

8. COMMONWEALTH GRANTS COMMISSION 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.

Question—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.)

Bill, by leave, taken as a whole, and agreed to.

Bill to be reported without amendment.

The House resumed; Mr. Adermann reported accordingly.

On the motion of Mr. Townley (Minister for Social Services), the House adopted the Report, and, by leave, the Bill was read a third time.

9. INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT 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.

Mr. Thompson rising to address the House—

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

Question—That the question be now put—put.

The House divided (The Speaker, Mr. A. G. Cameron, in the Chair)—

AYES, 58.

Mr. Adermann	Mr. Davis	Mr. Gullett	Mr. Kent Hughes	Mr. Pearce
Mr. Anthony	Mr. Dean	Mr. Eric J. Harrison	Mr. Lawrence	Mr. Robertson
Mr. Bate	Mr. Downer	Mr. Hasluck	Mr. Leslie	Mr. Ryan
Mr. Beale	Mr. Drummond	Mr. Haworth	Mr. Luck	Mr. Timson
Mr. Berry	Mr. Eggins	Mr. Holt	Mr. McBride	Mr. Townley
Mr. Bland	Sir A. Fadden	Mr. Howse	Mr. McColm	Mr. Turnbull
Mr. Bowden	Mr. Failes	Mr. Hughes	Mr. McDonald	Mr. Wheeler
Mr. Brimblecombe	Mr. Fairhall	Mr. Hulme	Mr. McEwen	Mr. Wight
Mr. Brown	Mr. Francis	Mr. Jack	Mr. McLeay	Mr. Wilson
Mr. D. A. Cameron	Mr. Freeth	Mr. Joske	Mr. McMahon	<i>Tellers:</i>
Mr. Corser	Mr. Graham	Mr. Kekwick	Mr. Opperman	Mr. Davidson
Mr. Cramer	Mr. Grayden		Mr. Osborne	Mr. Swartz

NOES, 39.

Mr. Anderson	Mr. Calwell	Mr. Duthie	Mr. Luchetti	Mr. Riordan
Mr. Andrews	Mr. C. R. Cameron	Mr. Edmonds	Mr. McLeod	Mr. Rosevear
Mr. Beazley	Mr. Clarey	Mr. Fitzgerald	Mr. Minogue	Mr. Russell
Mr. Bird	Mr. Clark	Mr. A. D. Fraser	Mr. Morgan	Mr. Thompson
Mr. W. M. Bourke	Mr. Costa	Mr. Griffiths	Mr. Mulcahy	Mr. Ward
Mr. Bruce	Mr. Crean	Mr. Haylen	Mr. O'Connor	<i>Tellers:</i>
Mr. Bryson	Mr. Cremean	Mr. Keon	Mr. Peters	Mr. Daly
Mr. T. P. Burke	Mr. Curtin	Mr. Lawson	Mr. Pollard	Mr. Sheehan

And so it was resolved in the affirmative.

And the question—That the Bill be now read a second time—being accordingly put—

The House divided (The Speaker, Mr. A. G. Cameron, in the Chair)—

AYES, 58.

Mr. Adermann	Mr. Davis	Mr. Gullett	Mr. Kent Hughes	Mr. Pearce
Mr. Anthony	Mr. Dean	Mr. Eric J. Harrison	Mr. Lawrence	Mr. Robertson
Mr. Bate	Mr. Downer	Mr. Hasluck	Mr. Leslie	Mr. Ryan
Mr. Beale	Mr. Drummond	Mr. Haworth	Mr. Luck	Mr. Timson
Mr. Berry	Mr. Eggins	Mr. Holt	Mr. McBride	Mr. Townley
Mr. Bland	Sir A. Fadden	Mr. Howse	Mr. McColm	Mr. Turnbull
Mr. Bowden	Mr. Failes	Mr. Hughes	Mr. McDonald	Mr. Wheeler
Mr. Brimblecombe	Mr. Fairhall	Mr. Hulme	Mr. McEwen	Mr. Wight
Mr. Brown	Mr. Francis	Mr. Jack	Mr. McLeay	Mr. Wilson
Mr. D. A. Cameron	Mr. Freeth	Mr. Joske	Mr. McMahon	<i>Tellers:</i>
Mr. Corser	Mr. Graham	Mr. Kekwick	Mr. Opperman	Mr. Davidson
Mr. Cramer	Mr. Grayden		Mr. Osborne	Mr. Swartz

NOES, 40.

Mr. Anderson	Mr. C. R. Cameron	Mr. Fitzgerald	Mr. Minogue	Mr. Thompson
Mr. Andrews	Mr. Clarey	Mr. A. D. Fraser	Mr. Morgan	Mr. Ward
Mr. Beazley	Mr. Clark	Mr. Griffiths	Mr. Mulcahy	
Mr. Bird	Mr. Costa	Mr. Haylen	Mr. O'Connor	
Mr. W. M. Bourke	Mr. Crean	Mr. Joshua	Mr. Peters	
Mr. Bruce	Mr. Cremean	Mr. Keon	Mr. Pollard	<i>Tellers:</i>
Mr. Bryson	Mr. Curtin	Mr. Lawson	Mr. Riordan	
Mr. T. P. Burke	Mr. Duthie	Mr. Luchetti	Mr. Rosevear	Mr. Daly
Mr. Calwell	Mr. Edmonds	Mr. McLeod	Mr. Russell	Mr. Sheehan

And so it was resolved in the affirmative.—Bill read a second time.

Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(In the Committee.)

Clauses 1 to 5, by leave, taken together and agreed to.

Clause 6—

On the motion of Sir Arthur Fadden (Treasurer), the following amendment was made, after debate:—
Page 2, line 30, omit "section is", insert "sections are".

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On the motion of Sir Arthur Fadden, the following further amendment was made :—Page 3, at the end of the clause insert the following proposed section :—

- “ 23C.—(1.) Income derived by a company from the sale of gold produced in Australia or in the Territory of New Guinea shall be exempt from income tax where— Exemption of certain income from sale of gold.
- (a) all the shareholders of the company are carrying on, or have carried on, mining operations in Australia or in the Territory of New Guinea wholly or partly for the purpose of obtaining gold ;
 - (b) the company is, on the last day of the year of income, a company approved by the Treasurer for the purposes of this section ;
 - (c) the gold was purchased by the company from the Commonwealth Bank of Australia ; and
 - (d) the gold has been exported or is to be exported with the consent of that bank.

(2.) For the purposes of paragraph (o) of section twenty-three of this Act, a dividend paid to a person wholly and exclusively out of income which is exempt from income tax by virtue of this section shall be deemed to be income derived by that person from the sale of gold obtained from the working of the mining property in Australia or in the Territory of New Guinea on which that person is carrying on, or has carried on, mining operations.’”.

Clause, as amended, agreed to.

Clauses 7 to 39, by leave, taken together and agreed to.

Clause 40—

On the motion of Sir Arthur Fadden, the following amendments were made :—

Page 19, line 15, after “ eleven ” insert “ , fifteen A ”.

Page 19, line 22, omit “ , thirteen and fourteen ”, insert “ to fourteen D (inclusive) ”.

Clause, as amended, agreed to.

New clauses—

On the motion of Sir Arthur Fadden, the following new clause was inserted in the Bill :—

“ 9A. Section forty-four of the Principal Act is amended by adding at the end thereof the following sub-section :— Dividends.

(4.) Where a company has received a dividend paid wholly and exclusively out of income which is exempt from income tax by virtue of sub-section (1.) of section twenty-three c of this Act, that dividend shall, for the purposes of the application of paragraph (c) of sub-section (2.) of this section in respect of dividends paid by that company, or by a company which is a shareholder in that company, be deemed to be income derived by that first-mentioned company from the working by it of a mining property in Australia or in the Territory of New Guinea.’”.

On the motion of Sir Arthur Fadden, the following further new clause was inserted in the Bill, after debate :—

“ 14A.—(1.) Sections one hundred and twenty-two and one hundred and twenty-three of the Principal Act are repealed and the following sections inserted in their stead :—

“ 122.—(1.) Where a person, in connexion with the carrying on by him of mining operations upon a mining property in Australia or the Territory of New Guinea for the purpose of gaining or producing assessable income, has incurred expenditure of a capital nature on necessary plant, development of the mining property or housing and welfare, an amount ascertained in accordance with this section shall be an allowable deduction in respect of that expenditure. Deductions of expenditure.

(2.) Subject to the next succeeding sub-section, the deduction allowable is the amount ascertained by dividing the residual capital expenditure, as at the end of the year of income, ascertained in accordance with the succeeding provisions of this section, by—

- (a) a number equal to the number of whole years in the estimated life of the mine as at the end of the year of income ; or
- (b) twenty-five,

whichever number is the less.

(3.) Unless the taxpayer makes an election under the next succeeding sub-section in relation to the year of income, the maximum amount of the deduction or deductions allowable under this section is an amount equal to so much of the assessable income of the year of income as remains after deducting all allowable deductions, other than deductions allowable under this section or under section one hundred and twenty-three AA of this Act.

(4.) A taxpayer may elect, in relation to a year of income specified in the election, that the last preceding sub-section shall not apply in respect of a deduction to which he is entitled.

(5.) For the purposes of this section, but subject to the succeeding provisions of this section, the residual capital expenditure shall be ascertained by deducting from the sum of—

- (a) so much of the amount which, for the purposes of section one hundred and twenty-two of the *Income Tax and Social Services Contribution Assessment Act 1936-1950*, was the residual capital expenditure at the end of the year of income which ended on the thirtieth day of June, One thousand nine hundred and fifty-one, as remains after deducting from that amount the amount of any deduction which has been allowed or is allowable under that section from the assessable income of that year of income ; and
- (b) the total amount of expenditure specified in sub-section (1.) of this section incurred after the year of income which ended on the thirtieth day of June, One thousand nine hundred and fifty-one,

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any part of the expenditure included in that sum which—

- (c) has been allowed or is allowable as a deduction under section one hundred and twenty-two A of this Act, or under section one hundred and twenty-three of the *Income Tax Assessment Act 1936-1947* or of that Act as amended by any Act up to and including the *Income Tax and Social Services Contribution Assessment Act 1950*, from the assessable income of a year of income ;
- (d) has been allowed or is allowable as a deduction under this section from the assessable income of a year of income prior to the year of income ; or
- (e) was incurred on—
 - (i) property which has, after the year of income which ended on the thirtieth day of June, One thousand nine hundred and fifty-one, been disposed of, lost or destroyed ; or
 - (ii) property the use of which for the purposes of the mining operations or of housing and welfare has, after that year of income, been otherwise terminated,
 and has not been allowed and is not allowable as a deduction from the assessable income of any year of income which ended before the year of income in which the disposal, loss, destruction or termination of use took place.

‘ (6.) Where property referred to in sub-paragraph (ii) of paragraph (e) of the last preceding sub-section again comes into use for the purposes of the mining operations or of housing and welfare, the residual capital expenditure shall be deemed to be increased by so much of the expenditure on that property as the Commissioner determines.

‘ (7.) Where an amount of income derived by the taxpayer from the sale, transfer or assignment of rights to mine on any mining tenement is or has been exempt from income tax by virtue of paragraph (p) of section twenty-three of this Act, the residual capital expenditure shall be deemed to be reduced by—

- (a) any excess amount of expenditure, in relation to that tenement, to which sub-section (3.) of section one hundred and twenty-three AA of this Act applies or has applied ; or
 - (b) the amount of that exempt income,
- whichever is the less.

‘ (8.) In this section, “ housing and welfare ” means—

- (a) residential accommodation for the use of employees of the taxpayer engaged in, or in connexion with, the mining operations of the taxpayer referred to in sub-section (1.) of this section, or for the use of dependants of those employees, being accommodation situated on or adjacent to the mining property ; or
- (b) health, educational, recreational or other similar facilities, or facilities for the provision of meals, provided at, or at a place adjacent to, the mining property, being facilities which—
 - (i) are provided principally for the welfare of those employees or of dependants of those employees ; and
 - (ii) are not conducted for the purpose of profit-making by the taxpayer or any other person.

‘ 122A.—(1.) A person who, in the year of income, has incurred expenditure specified in sub-section (1.) of the last preceding section on plant or development may elect that the provisions of this section shall apply—

- (a) in the case of expenditure on a unit or units of plant specified in the election—in respect of that expenditure ; or
- (b) in the case of expenditure on development—in respect of the whole, or a part specified in the election, of that expenditure.

‘ (2.) Expenditure to which an election made under the last preceding sub-section applies shall be an allowable deduction from the assessable income of the year of income in which the expenditure was incurred.

‘ 122B.—(1.) Where a person who carries on mining operations in Australia or the Territory of New Guinea for the purpose of gaining or producing assessable income appropriates assessable income derived in a year of income for expenditure of a capital nature on necessary plant or on development of the mining property, and an amount of the income so appropriated is not expended during that year of income, he may elect to have this section applied in relation to that amount.

‘ (2.) So much of the amount in relation to which an election is made under the last preceding sub-section as the Commissioner is satisfied will be, or is likely to be, not later than the end of the year of income next succeeding the year of income in which the assessable income from which that amount was appropriated was derived, expended by way of capital expenditure on necessary plant or on development of the mining property shall be an allowable deduction from the assessable income of that last-mentioned year of income.

‘ (3.) Where, under this section, a deduction has been allowed or is allowable from the assessable income of a year of income, the assessable income of the year of income next succeeding that year of income shall include so much of the amount allowed or allowable as a deduction as has not been expended, at the end of that next succeeding year of income, by way of expenditure of a capital nature on necessary plant or on development of the mining property.

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' (4.) Where an amount appropriated has been allowed or is allowable as a deduction under this section, or under section one hundred and twenty-three of the *Income Tax and Social Services Contribution Assessment Act 1936-1950*, and that amount or a part thereof is expended before the end of the year of income next succeeding the year of income in which the assessable income from which that amount was appropriated was derived—

- (a) the amount so expended shall be deemed not to be expenditure specified in sub-section (1.) of section one hundred and twenty-two of this Act; and
- (b) for the purposes of sections one hundred and twenty-four and one hundred and twenty-four c of this Act, that deduction, to the extent of the amount so expended, shall be deemed to have been allowed or to be allowable in respect of the expenditure of the amount so expended.

' 123.—(1.) A person may elect that no deduction shall be allowed under this Division in respect of expenditure on a unit of plant specified in the election incurred in the year of income specified in the election or in any subsequent year and, where such an election has been made, no such deduction is allowable.

Election that Division not to apply to plant.

' (2.) In this section, "plant" has the same meaning as it has in section fifty-four of this Act.'

" (2.) Notwithstanding the repeal of section one hundred and twenty-three of the Principal Act, an amount which would, in pursuance of that section, have been included in the assessable income of a taxpayer of the year of income which commenced on the first day of July, One thousand nine hundred and fifty-one, if that section had not been repealed is, for the purposes of the Principal Act as amended by this Act, assessable income of that year of income."

On the motion of Sir Arthur Fadden, the following further new clauses were inserted in the Bill :—

" 14B. Section one hundred and twenty-three AA of the Principal Act is amended—

Exploration and prospecting expenditure.

- (a) by omitting from sub-section (1.) the words 'coal or';
- (b) omitting from sub-section (1.) the words 'mining tenures' and inserting in their stead 'mining tenements in Australia or in the Territory of New Guinea'; and
- (c) omitting from paragraph (b) of sub-section (3.) the words 'section one hundred and twenty-three' and inserting in their stead the words 'section one hundred and twenty-two A'."

" 14C. Section one hundred and twenty-three A of the Principal Act is amended by omitting sub-section (3.) and inserting in its stead the following sub-section :—

Deduction of unrecouped capital expenditure on prospecting or mining for petroleum.

' (3.) The provisions of sections one hundred and twenty-two, one hundred and twenty-two A, one hundred and twenty-two B and one hundred and twenty-three AA of this Act do not apply to, or to moneys appropriated for, capital expenditure on prospecting or mining for petroleum or plant necessary for the treatment of petroleum.'

" 14D. Section one hundred and twenty-four of the Principal Act is repealed and the following sections are inserted in its stead :—

' 124.—(1.) This section applies where deductions have been allowed or are allowable, under this Division or under provisions, relating to the taxation of income derived from mining operations, of a previous law of the Commonwealth, in respect of expenditure of a capital nature and, in the year of income, property on which any of that expenditure was incurred has been disposed of, lost or destroyed, or the use of that property for the purpose of the mining operations or of housing and welfare has been otherwise terminated.

Disposal, loss, destruction or termination of use of property.

' (2.) Where the aggregate of—

- (a) the sum of the deductions so allowed or allowable in respect of expenditure on the property so disposed of, lost or destroyed, or the use of which has been so terminated; and
- (b) the consideration receivable in respect of the disposal, loss or destruction, or, in the case of other termination of the use of property, the value of the property at the date of the termination of use,

exceeds the total expenditure of a capital nature by the taxpayer on that property, so much of the amount of the excess as does not exceed the sum of those deductions shall be included in the assessable income.

' (3.) Where that total expenditure exceeds that aggregate, the excess shall be an allowable deduction.

' (4.) In this section—

"expenditure" does not include expenditure in connexion with coal-mining operations incurred before the year of income which commenced on the first day of July, One thousand nine hundred and fifty-one;

"the consideration receivable in respect of the disposal, loss or destruction" means—

- (a) in the case of a sale of the property—the sale price less the expenses of the sale of the property;
- (b) in the case of loss or destruction of the property—the amount or value received or receivable under a policy of insurance or otherwise in respect of the loss or destruction;
- (c) in the case where the property is sold with other property and no separate value is allocated to the property—the amount determined by the Commissioner; and
- (d) in the case where the property is disposed of otherwise than by sale—the value, if any, of the property at the date of disposal,

but does not include an amount which is included, or will, when received, be included, in the assessable income of any year of income under Division 4 of this Part.

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' 124A.—(1.) Where a person has purchased property from another person ^{Acquisition of property.} carrying on mining operations in Australia or in the Territory of New Guinea for the purpose of gaining or producing assessable income, so much (if any) of the purchase price as exceeds the sum of—

- (a) the amount which, if the property had not been sold, would have been, at the end of the year of income in which the sale took place, the portion of the residual capital expenditure of the vendor attributable to expenditure on that property; and
- (b) any part of the purchase price which is included in the assessable income of the vendor in pursuance of the last preceding section,

shall not, for the purposes of this Division, be included in the expenditure of the purchaser on that property.

' (2.) This section does not apply where the Commissioner is of opinion that the circumstances are such that it should not apply.

' 124B. An election under any of the provisions of this Division—

Elections.

- (a) shall be made in writing signed by or on behalf of the taxpayer;
- (b) shall be delivered to the Commissioner—

- (i) in the case of an election under section one hundred and twenty-two, one hundred and twenty-two A or one hundred and twenty-two B of this Act—on or before the last day for the furnishing of the return of income of the year of income; and
- (ii) in the case of an election under section one hundred and twenty-three of this Act—on or before the last day for the furnishing of the return of income for the year of income specified in the election, or within such further time as the Commissioner allows.

' 124C.—(1.) Where the whole or a part of expenditure of a capital nature has ^{Deductions not allowable under other provisions.} been allowed or is allowable as a deduction under this Division, or under provisions relating to the taxation of income derived from mining operations, of a previous law of the Commonwealth, that expenditure shall not be an allowable deduction, and shall not be taken into account in ascertaining the amount of an allowable deduction, under any provision of this Act other than a provision of this Division.'

" 15A. After section one hundred and fifty-nine of the Principal Act the following section is inserted :—

' 160.—(1.) This section applies to a taxpayer where—

- (a) the whole of the assets of a business of primary production carried on by— ^{Rebate in case of disposal of assets of a business of primary production.}
 - (i) the taxpayer;
 - (ii) a partnership in which the taxpayer is a partner; or
 - (iii) the trustee of a trust estate of the net income of which the taxpayer (not being a person under a legal disability) is presently entitled to a share,
- are, in the year of income, disposed of by sale or otherwise for the purpose of putting an end to that business;
- (b) those assets include live-stock which is disposed of at a profit;
- (c) the taxpayer has not elected, in pursuance of sub-section (3.), (4.) or (5.) of section thirty-six of this Act, that his assessable income of the year of income shall be reduced in accordance with that section; and
- (d) Division 16 of this Part applies to the taxpayer for the purposes of tax upon his taxable income of the year of income.

' (2.) Where, in the case of a taxpayer to whom this section applies, the tax which would be payable by the taxpayer in respect of his taxable income of the year of income, if there were not allowable a rebate or credit under any of the provisions of this Act, exceeds the notional tax ascertained in accordance with the next succeeding sub-section, he shall be entitled in his assessment to a rebate of the amount of the excess.

' (3.) For the purposes of the last preceding sub-section, the notional tax is the sum of the following amounts :—

- (a) the amount ascertained by applying to the abnormal income a rate per pound ascertained by applying to a taxable income equal to the average income of the taxpayer the basic rates of tax declared by the Act imposing tax for the year of tax and dividing the resultant amount by a number equal to the number of whole pounds in the average income of the taxpayer;
- (b) the amount ascertained by applying to the amount by which the taxable income exceeds the abnormal income the rates of tax applicable under the Act imposing tax for the year of tax in the case of a person—
 - (i) to whose income Division 16 of this Part applies;
 - (ii) whose taxable income is equal to the amount of that excess; and
 - (iii) whose average income is equal to the average income of the taxpayer;
- (c) the amount ascertained by applying to that part of the taxable income which is derived from property, and to which any further rates of tax declared by the Act imposing tax for the year of tax in respect of taxable income derived from property are applicable, the rates so declared; and
- (d) where the Act declaring the rates of tax for the year of tax imposes additional tax at a rate per centum of tax which would otherwise be payable—the amount ascertained by applying that rate per centum to the sum of the amounts ascertained in accordance with the preceding paragraphs of this sub-section.

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(4.) For the purposes of the last preceding sub-section—

- (a) where the assets are disposed of otherwise than by a partnership or the trustee of a trust estate, the abnormal income is the amount of the profit on the disposal of the live-stock ;
- (b) where the assets are disposed of by a partnership, the abnormal income is, for the purposes of the assessment of a taxpayer who is a partner in the partnership, so much of the profit on the disposal of the live-stock as is included in his individual interest in the net income of the partnership ; and
- (c) where the assets are disposed of by the trustee of a trust estate, the abnormal income is—
 - (i) for the purposes of an assessment of the trustee under any of the provisions of Division 6 of this Part, so much of the profit on the disposal of the live-stock as is included in the part of the net income of the trust estate to which the assessment relates ; and
 - (ii) for the purposes of the assessment of a taxpayer who is a beneficiary in the trust estate, so much of the profit on the disposal of the live-stock as is included in the share of the net income of the trust estate to which he is presently entitled.

(5.) In this section—

“ the average income of the taxpayer ” means the average income ascertained in accordance with section one hundred and forty-nine of this Act for the purposes of the assessment of tax upon income derived during the year of income by the taxpayer to whom this section applies ;

“ the profit on the disposal of the live-stock ” means the profit on the disposal of the live-stock referred to in paragraph (b) of sub-section (1.) of this section, ascertained in accordance with sub-section (8.) of section thirty-six of this Act.’”

Title agreed to.

Bill to be reported with amendments.

The House resumed ; Mr. Adermann reported accordingly.

On the motion of Sir Arthur Fadden, by leave, the House adopted the Report, and, by leave, the Bill was read a third time.

10. ADJOURNMENT.—Mr. Townley (Minister for Social Services) moved, That the House do now adjourn.

Debate ensued.

Question—put and passed.

And then the House, at twenty-nine minutes past 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. Bostock, Mr. Casey, Mr. Chambers, Mr. Drury, Mr. Hamilton, Mr. E. James Harrison, Mr. Johnson*, Mr. Lazzarini* and Mr. Mullens.

* On leave.

F. C. GREEN,

Clerk of the House of Representatives.