

1960.

## THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

## VOTES AND PROCEEDINGS

OF THE

## HOUSE OF REPRESENTATIVES.

No. 33.

TUESDAY, 23RD AUGUST, 1960.

1. The House met, at half-past two o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable J. McLeay) took the Chair, and read Prayers.
2. PAPUA AND NEW GUINEA—AUSTRALIAN POLICY—MINISTERIAL STATEMENT—MOTION FOR PRINTING PAPER.—Mr. Hasluck (Minister for Territories), by leave, made a Ministerial Statement with reference to Australian Policy in the Territory of Papua and New Guinea and, by command of His Excellency the Governor-General, laid upon the Table the following Paper :—  
 Australian Policy in Papua and New Guinea—Ministerial Statement.  
 Mr. Holt (Treasurer) moved, That the Paper be printed.  
 Debate adjourned (Mr. Calwell—Leader of the Opposition), and the resumption of the debate made an Order of the Day for the next sitting.
3. PAPERS.—The following Papers were presented, by command of His Excellency the Governor-General—  
 Colombo Plan—Australia's Part—Progress Report to 30th June, 1960.  
 Wool Research Act—Interim Annual Report on the operation of the Act, for year 1959–60.  
 The following Papers were presented, pursuant to Statute—  
 Customs Tariff—Order—Customs (Intermediate Tariff) No. 29.  
 Customs Tariff (Primage Duties)—Order—Customs Tariff (Primage Duties) No. 25.  
 Explosives Act—Explosives Regulations—Orders—Berthing of a vessel (6).  
 Lands Acquisition Act—Land acquired for postal purposes—Cape Jaffa, South Australia.  
 Overseas Telecommunications Act—Overseas Telecommunications Commission (Australia)—  
 Fourteenth Annual Report and financial accounts, for year ended 31st March, 1960.  
 Public Service Act—Appointments—Department—  
 Health—J. J. E. Levett, C. M. Mortal.  
 Works—A. Drewes.  
 Tobacco Industry Act—Fifth Annual Report, for year 1959–60.
4. INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT BILL (NO. 2) 1960.—Mr. Holt (Treasurer) moved, by leave, That he have leave to bring in a Bill for an Act to amend the Law relating to Income Tax.  
 Question—put and passed.  
 Bill brought up, and read a first time.  
 Mr. Holt moved, by leave, That the Bill be now read a second time.  
 Debate adjourned (Mr. Crean), and the resumption of the debate made an Order of the Day for the next sitting.
5. POSTPONEMENT OF ORDER OF THE DAY.—Ordered—That Order of the Day No. 1, Government Business, be postponed until a later hour this day.
6. 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.)*

Mr. Holt (Treasurer) moved—

*Interpretation.*

- 1.—(1.) That, in this Resolution—  
 “ co-operative company ” have the same meaning as in Division 9 of Part III, of the Assessment Act;

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“ friendly society dispensary ” mean a friendly society dispensary to which Division 9A of Part III. of the Assessment Act applies;

“ life assurance company ” have the same meaning as in Division 8 of Part III. of the Assessment Act;

“ 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 ” have the same meaning as in Division 8 of Part III. of the Assessment Act;

“ non-profit company ” mean—

(a) a company which is not carried on for the purposes of profit or gain to its individual members and is, by the terms of the memorandum or articles of association, rules or other document constituting the company or governing its activities, prohibited from making any distribution, whether in money, property or otherwise, to its members; or

(b) a friendly society dispensary;

“ private company ” have the same meaning as in Division 7 of Part III. of the Assessment Act;

“ the Assessment Act ” mean the *Income Tax and Social Services Contribution Assessment Act 1936-1960*, as proposed to be amended by the *Income Tax and Social Services Contribution Assessment Bill (No. 2) 1960*.

(2.) That a reference in this Resolution to taxable income be read as a reference to taxable income of the year of income.

*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.

(2.) That income tax and social services contribution payable in accordance with section one hundred and twenty-eight B of the Assessment Act be not imposed by the Act passed to give effect to this Resolution and a reference in the succeeding provisions of this Resolution to income tax and social services contribution be read as not including a reference to income tax and social services contribution so payable.

(3.) 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) a person who is not a company;

(b) a company in the capacity of a trustee; or

(c) a non-profit company.

*Rates of Tax and 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 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 section fifty-nine AB, section eighty-six or section one hundred and fifty-eight D of the Assessment Act applies be as set out in the Third Schedule to this Resolution.

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

*Limitation of Tax and Contribution Payable by Aged Persons.*

5.—(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.

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(2.) That where the net income of a taxpayer to whom this paragraph applies does not exceed Five hundred and two pounds, the maximum amount of income tax and social services contribution payable by him be nine-twentieths of the amount by which his net income exceeds Four hundred and forty-two pounds, or, if his net income does not exceed Four hundred and forty-two 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 One thousand two hundred and thirty-six 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 maximum amount of income tax and social services contribution payable by the taxpayer be nine-twentieths of the amount by which the sum of the net incomes of the taxpayer and his or her spouse exceeds Eight hundred and eighty-four pounds, or, if the sum of those net incomes does not exceed Eight hundred and eighty-four pounds, no income tax and social services contribution be payable by the taxpayer.

(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.

(5.) That, in this paragraph, "resident of Australia" include a person who is a resident of the Territory of Papua and New Guinea.

*Minimum Tax and Contribution.*

6. 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 that person is entitled, is less than Ten shillings, the income tax and social services contribution payable by that person be Ten shillings.

*Rates of Tax and Contribution Payable by a Company.*

7.—(1.) 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 Fifth Schedule to this Resolution.

(2.) That where the taxable income of a non-profit company does not exceed Two hundred and sixty pounds, the maximum amount of income tax and social services contribution payable by the company be one-half of the amount by which the taxable income exceeds One hundred and four pounds.

*Elimination of Pence.*

8. That, where the amount of income tax and social services contribution 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, 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.*

9.—(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, but for 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-paragraph; 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 Tax and Contribution.*

10.—(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 sixty.

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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 sixty-one, 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 sixty.

*Provisional Tax and Contribution.*

11. 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 which commenced on the first day of July, One thousand nine hundred and sixty.

THE SCHEDULES.

FIRST SCHEDULE.

GENERAL RATES OF TAX AND CONTRIBUTION PAYABLE BY PERSONS OTHER THAN COMPANIES.

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 .. .. .	3 pence
exceeds £150 but does not exceed £200 .. .. .	7 pence
exceeds £200 but does not exceed £250 .. .. .	11 pence
exceeds £250 but does not exceed £300 .. .. .	15 pence
exceeds £300 but does not exceed £400 .. .. .	20 pence
exceeds £400 but does not exceed £500 .. .. .	26 pence
exceeds £500 but does not exceed £600 .. .. .	30 pence
exceeds £600 but does not exceed £700 .. .. .	34 pence
exceeds £700 but does not exceed £800 .. .. .	38 pence
exceeds £800 but does not exceed £900 .. .. .	42 pence
exceeds £900 but does not exceed £1,000 .. .. .	46 pence
exceeds £1,000 but does not exceed £1,200 .. .. .	52 pence
exceeds £1,200 but does not exceed £1,400 .. .. .	59 pence
exceeds £1,400 but does not exceed £1,600 .. .. .	65 pence
exceeds £1,600 but does not exceed £1,800 .. .. .	71 pence
exceeds £1,800 but does not exceed £2,000 .. .. .	77 pence
exceeds £2,000 but does not exceed £2,400 .. .. .	85 pence
exceeds £2,400 but does not exceed £2,800 .. .. .	92 pence
exceeds £2,800 but does not exceed £3,200 .. .. .	99 pence
exceeds £3,200 but does not exceed £3,600 .. .. .	105 pence
exceeds £3,600 but does not exceed £4,000 .. .. .	111 pence
exceeds £4,000 but does not exceed £4,400 .. .. .	117 pence
exceeds £4,400 but does not exceed £5,000 .. .. .	124 pence
exceeds £5,000 but does not exceed £6,000 .. .. .	132 pence
exceeds £6,000 but does not exceed £8,000 .. .. .	139 pence
exceeds £8,000 but does not exceed £10,000 .. .. .	145 pence
exceeds £10,000 but does not exceed £16,000 .. .. .	152 pence
exceeds £16,000 .. .. .	160 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 so much of the taxable income as does not exceed Four thousand pounds—

(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) 71.775 pence,  
whichever is the less; and

(b) for every £1 of the remainder of the taxable income, the rate ascertained by deducting the amount of One thousand one hundred and ninety-six pounds five shillings 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 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 section fifty-nine AB, section eighty-six or section one hundred and fifty-eight D 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.

FOURTH SCHEDULE.

RATE 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.

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## FIFTH SCHEDULE.

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

1. In the case of a company (not being a private company, a co-operative company, a non-profit company or a life assurance company) which is a resident, 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—Seven shillings; and
  - (b) for every £1 of the remainder of the taxable income—eight shillings.
2. In the case of a company (not being a private company, a co-operative company, a non-profit company or a life assurance company) which is a non-resident, the rates of income tax and social services contribution are—
  - (a) for every £1 of so much of the taxable income consisting of dividends as does not exceed Five thousand pounds—Six shillings;
  - (b) for every £1 of so much of the taxable income not consisting of dividends as does not exceed the amount (if any) by which the taxable income consisting of dividends is less than Five thousand pounds—Seven shillings; and
  - (c) for every £1 of the part of the taxable income to which neither of the preceding sub-paragraphs of this paragraph applies—Eight shillings.
3. In the case of a company which is 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;
  - (b) for every £1 of the remainder of the taxable income—Seven shillings; and
  - (c) for every £1 of the undistributed amount in respect of which the company is liable under section one hundred and four of the Assessment Act to pay additional tax—Ten shillings.
4. In the case of a company (not being a private company or a life assurance company) which is a co-operative company or a non-profit company other than a friendly society dispensary, 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—Six shillings; and
  - (b) for every £1 of the remainder of the taxable income—Eight shillings.
5. In the case of a non-profit company which is a friendly society dispensary, the rate of income tax and social services contribution is Six shillings for every £1 of the taxable income.
6. In the case of a company (not being a private company) which is a mutual life assurance 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.
7. In the case of a company (not being a private company) which is 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 so much of the mutual income as does not exceed Five thousand pounds—Five shillings;
  - (b) for every £1 of the remainder of the mutual income—Seven shillings;
  - (c) if the company is a non-resident, for every £1 of so much of the taxable income, other than the mutual income, consisting of dividends as does not exceed the amount (if any) by which the mutual income is less than Five thousand pounds—Six shillings;
  - (d) for every £1 of so much of the taxable income, other than the amounts of income to which the preceding sub-paragraphs of this paragraph apply, as does not exceed the amount (if any) by which the total of those amounts is less than Five thousand pounds—Seven shillings; and
  - (e) for every £1 of the part of the taxable income to which none of the preceding sub-paragraphs of this paragraph applies—Eight shillings.
8. 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 Eight shillings.

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

The House resumed; Mr. Bowden reported accordingly.

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

7. SUSPENSION OF STANDING ORDERS—PRECEDENCE TO GENERAL BUSINESS.—Mr. Holt (Treasurer) moved, by leave, That so much of the Standing Orders be suspended as would prevent (a) General Business taking precedence of Government Business until six o'clock p.m. and (b) the consideration of Notices of Motion being continued without interruption under Standing Order No. 108.

Question—put and passed.

8. MEDICAL TREATMENT FOR EX-SERVICEMEN.—Mr. Bryant moved, pursuant to notice, That, in the opinion of this House, provision should be made for adequate medical treatment of ex-servicemen who served in the 1914–18 War.

Debate ensued.

Debate adjourned (Mr. Pearce), and the resumption of the debate made an Order of the Day for the next sitting.

9. SUPPLY—BUDGET DEBATE.—The House, according to Order, resolved itself into the Committee of Supply.

*(In the Committee.)*

General debate resumed on the question, That the first item in the Estimates, under Division No. 101.—

Senate—namely—

Salaries and allowances .. .. . £33,650

be agreed to.

Mr. Calwell (Leader of the Opposition) moved, as an amendment, That the first item be reduced by £1.

Debate continued.

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

The House resumed; Mr. Wight reported accordingly.

Ordered—That the House will, at the next sitting, again resolve itself into the said Committee.

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10. PRINTING COMMITTEE—SECOND REPORT.—Mr. Pearce brought up the Second Report from the Printing Committee (sitting in conference with the Printing Committee of the Senate).  
The Report was read by the Clerk, as follows:—

REPORT.

The Printing Committee has the honour to report that it has met in Conference with the Printing Committee of the Senate.

The Joint Committee, having considered the Petitions and Papers presented to Parliament since the last meeting of the Committee, recommends that the following be printed:—

Papua—Report for year 1958–59.

Science and Industry Research Act—Commonwealth Scientific and Industrial Research Organization—Twelfth Annual Report, for year 1959–60.

GEORGE PEARCE,  
for Chairman.

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Mr. Pearce moved, by leave, That the Report be agreed to.

Question—put and passed.

11. ADJOURNMENT.—Mr. Freeth (Minister for the Interior) moved, That the House do now adjourn.  
Question—put and passed.

And then the House, at twenty-four minutes to eleven o'clock p.m., adjourned until to-morrow at half-past two o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except Mr. Bird, Mr. Davis, Mr. A. D. Fraser, Mr. Howse, Mr. Howson, Mr. Hulme, Mr. Kelly, Mr. Russell, Mr. Snedden, Mr. Stokes, Mr. Timson and Mr. Uren.

A. G. TURNER,  
Clerk of the House of Representatives.