

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

No. 163.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

WEDNESDAY, 8TH OCTOBER, 1919.

1. The House met, at half-past two o'clock p.m., pursuant to adjournment.—Mr. Speaker took the Chair, and read Prayers.
2. JOINT COMMITTEE OF PUBLIC ACCOUNTS.—Mr. John Thomson, Chairman of the Joint Committee of Public Accounts, brought up the following Report from the Committee—
Commonwealth Railways.
Ordered to be printed.
3. PAPERS.—The following Papers were presented, pursuant to Statute—
Customs Act—
Proclamation (dated 17th September, 1919) prohibiting the Exportation of Preventives of Conception, &c.
Proclamation (dated 24th September, 1919) prohibiting the Exportation (except under certain conditions) of Rabbit Skins.
Proclamation (dated 24th September, 1919) revoking Proclamation (dated 29th November, 1916) so far as relates to the prohibition of the Exportation of Wire Ropes.
Defence Act—Regulations Amended—Statutory Rules 1919, Nos. 231, 235.
Public Service Act—Promotion of D. B. Wheeler, Prime Minister's Department.
War Precautions Act—Regulations Amended—Statutory Rules 1919, Nos. 140, 172, 175, 195, 202, 232.
4. POSTPONEMENT OF BUSINESS.—Ordered, That Orders of the Day Nos. 1 and 2 be postponed until after Orders of the Day Nos. 3 and 4, Government Business.
5. MESSAGES FROM THE GOVERNOR-GENERAL.—ESTIMATES 1919-20.—The following Messages from His Excellency the Governor-General were presented, and the same were read by Mr. Speaker :—

R. M. FERGUSON,
Governor-General.

Message No. 100.

In accordance with the requirements of section fifty-six of the Constitution of the Commonwealth of Australia, the Governor-General transmits to the House of Representatives Estimates of Revenue and Expenditure for the year ending the thirtieth day of June, One thousand nine hundred and twenty, and recommends an appropriation of the Consolidated Revenue Fund accordingly.

Sydney, 6th October, 1919.

R. M. FERGUSON,
Governor-General.

Message No. 101.

In accordance with the requirements of section fifty-six of the Constitution of the Commonwealth of Australia, the Governor-General transmits to the House of Representatives Estimates of Expenditure for Additions, New Works, Buildings, &c., for the year ending the thirtieth day of June, One thousand nine hundred and twenty, and recommends an appropriation of the Consolidated Revenue Fund accordingly.

Sydney, 6th October, 1919.

Severally ordered to lie on the Table, and, together with the accompanying Estimates, to be printed and referred to the Committee of Supply.

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6. SUPPLY [BUDGET STATEMENT].—The House, according to Order, resolved itself into the Committee of Supply.

(In the Committee.)

Mr. Poynton, having delivered the Budget Speech, moved, That the first item in the Estimates, under Division I.—The Parliament—namely—

The President £1,100

be agreed to.

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

The House resumed; Mr. Chanter reported accordingly.

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

7. PAPER.—Mr. Poynton presented, by command of His Excellency the Governor-General—

The Budget 1919-20—Papers presented by the Honorable A. Poynton, M.P. (for the Treasurer), for the information of honorable Members on the occasion of opening the Budget of 1919-20.

Ordered to lie on the Table, and to be printed.

8. WAYS AND MEANS [INCOME TAX RESOLUTION].—The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

Mr. Poynton moved, That a tax be imposed on income derived from sources in Australia at the following amounts and rates, namely:—

A.—RATE OF TAX UPON INCOME DERIVED FROM PERSONAL EXERTION.

For so much of the whole taxable income as does not exceed £7,600 the average rate of tax per pound sterling shall be Three pence and three eight-hundredths of one penny where the taxable income is One pound sterling, and shall increase uniformly with each increase of One pound sterling of the taxable income by three eight-hundredths of one penny.

The average rate of tax per pound sterling for so much of the taxable income as does not exceed £7,600 may be calculated from the following formula:—

R = average rate of tax in pence per pound sterling.

I = taxable income in pounds sterling.

$$R = \left(3 + \frac{3}{800} I \right) \text{ pence.}$$

For every pound sterling of taxable income in excess of £7,600 the rate of tax shall be Sixty pence.

B.—RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

(a) For such part of the taxable income as does not exceed £546 the average rate of tax per pound sterling shall be that given by the following formula:—

R = average rate of tax in pence per pound sterling.

I = taxable income in pounds sterling

$$R = \left(3 + \frac{I}{181.058} \right) \text{ pence.}$$

(b) For such part of the taxable income as exceeds £546, but does not exceed £2,000, the additional tax for each additional pound of taxable income above £546 shall increase continuously with the increase of the taxable income in a curve of the second degree in such a manner that the increase of tax for One pound increase of taxable income shall be—

11.713 pence for the pound sterling between	£545 10s. 0d. and	£546 10s. 0d.
12.768 pence for the pound sterling between	£599 10s. 0d. and	£600 10s. 0d.
14.672 pence for the pound sterling between	£699 10s. 0d. and	£700 10s. 0d.
16.512 pence for the pound sterling between	£799 10s. 0d. and	£800 10s. 0d.
18.288 pence for the pound sterling between	£899 10s. 0d. and	£900 10s. 0d.
20.000 pence for the pound sterling between	£999 10s. 0d. and	£1,000 10s. 0d.
27.600 pence for the pound sterling between	£1,499 10s. 0d. and	£1,500 10s. 0d.
33.600 pence for the pound sterling between	£1,999 10s. 0d. and	£2,000 10s. 0d.

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(c) For such part of the taxable income as exceeds £2,000, but does not exceed £6,500, the additional tax for each additional pound of taxable income above £2,000 shall increase continuously with the increase of the taxable income in a curve of the third degree in such a manner that the increase of tax for One pound increase of taxable income shall be—

33·600 pence for the pound sterling between	£1,999 10s. 0d. and	£2,000 10s. 0d.
40·000 pence for the pound sterling between	£2,499 10s. 0d. and	£2,500 10s. 0d.
45·300 pence for the pound sterling between	£2,999 10s. 0d. and	£3,000 10s. 0d.
49·600 pence for the pound sterling between	£3,499 10s. 0d. and	£3,500 10s. 0d.
53·000 pence for the pound sterling between	£3,999 10s. 0d. and	£4,000 10s. 0d.
55·600 pence for the pound sterling between	£4,499 10s. 0d. and	£4,500 10s. 0d.
57·500 pence for the pound sterling between	£4,999 10s. 0d. and	£5,000 10s. 0d.
58·800 pence for the pound sterling between	£5,499 10s. 0d. and	£5,500 10s. 0d.
59·600 pence for the pound sterling between	£5,999 10s. 0d. and	£6,000 10s. 0d.
60·000 pence for the pound sterling between	£6,499 10s. 0d. and	£6,500 10s. 0d.

(d) For every pound sterling of taxable income in excess of £6,500 the rate of tax shall be Sixty pence.

C.—RATES OF TAX IN RESPECT OF TAXABLE INCOME DERIVED PARTLY FROM PERSONAL EXERTION AND PARTLY FROM PROPERTY.

(a) For every pound sterling 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 Subdivision 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 pound sterling 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 Subdivision B if the total taxable income of the taxpayer were derived exclusively from property by the amount of the total taxable income.

D.—ADDITIONAL TAX.

In addition to the tax payable under the preceding provisions, there shall be payable, in the case of incomes in respect of which the tax is calculated under the foregoing provisions, an additional tax equal to twenty-five per centum of the amount of the tax so calculated.

E.—SUPER TAX.

In addition to any tax (including additional tax, if any) payable under the preceding provisions, there shall be payable a super tax equal to thirty per centum of the total amount of the tax so payable.

F.—TAX PAYABLE IN CERTAIN CASES BY PERSONS NOT MARRIED AND HAVING NO DEPENDANTS.

Notwithstanding anything contained in the preceding provisions, the tax payable by any person who—

(a) is not married, has no dependants, and is not an absentee; and

(b) has a gross income of not less than One hundred pounds, or, in the case of a person carrying on a business in Australia, has an income from the business which, after deducting from the gross income the deductions specified in paragraph (a) of sub-section (1.) of section eighteen of the *Income Tax Assessment Act 1915-1918* amounts, together with his income from all other sources in Australia, to not less than One hundred pounds; and

(c) would, apart from this provision, not be liable to pay an income tax of One pound or upwards,

shall be One pound.

G.—TAX PAYABLE IN RESPECT OF A CASH PRIZE IN A LOTTERY.

There shall be payable in respect of a cash prize in a lottery won after the thirtieth day of June One thousand nine hundred and nineteen income tax to the amount of thirteen per centum of the gross prize money.

H.—RATES OF TAX UPON THE INCOME OF A COMPANY.

(a) For every pound sterling of the taxable income of a Company which has not been distributed to the members or shareholders of the Company the rate of tax shall be Two shillings and sixpence.

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(b) For every pound sterling of the income of a Company distributed to the members shareholders or stockholders of the Company who are absentees, and of interest paid or credited by the Company to any person who is an absentee in respect of debentures of the Company, or on money lodged at interest with the Company by such person, the rate of tax shall be Eightpence.

Debate ensued.

Motion agreed to.

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

The House resumed ; Mr. Chanter reported accordingly.

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

Mr. Poynton moved, pursuant to contingent notice, That the Standing Orders be suspended to enable the remaining stages to be passed without delay.

Question—put and passed.

The Resolution reported from the Committee was read, and, on the motion of Mr. Poynton, was adopted by the House.

Ordered—That Mr. Poynton and Mr. Groom do prepare and bring in a Bill to carry out the foregoing Resolution.

9. INCOME TAX BILL (1919).—Mr. Poynton then brought up a Bill intituled “ *A Bill for an Act to impose Taxes upon Incomes,* ” and moved, That it be now read a first time.

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

Mr. Poynton moved, That the Bill be now read a second time.

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.)

Clause 1 agreed to.

Clause 2 debated and agreed to.

Clause 3 debated and agreed to.

Clauses 4, 5, and 6 agreed to.

Clause 7—

Mr. Higgs moved, as an amendment, That the following words be added to the clause :—

Provided that cash prizes amounting to Ten pounds and under shall be exempt from taxation.

Debate ensued.

Question—That the words proposed to be added be so added—put.

The Committee divided—

Ayes, 10.		Noes, 32.	
Mr. Anstey	Mr. Watkins	Lieut.-Col. Abbott	Mr. Jowett
Mr. Higgs	Mr. Yates	Mr. Archibald	Mr. Livingston
Mr. W. Maloney		Sir Robert Best	Mr. Lynch
Mr. Mathews	<i>Tellers:</i>	Mr. Burchell	Mr. Mackay
Mr. Riley	Mr. Page	Mr. Chanter	Mr. Maxwell
Mr. Tudor	Mr. West	Mr. Charlton	Mr. McWilliams
		Sir Joseph Cook	Mr. Pigott
		Mr. Corser	Mr. Poynton
		Mr. Fenton	Mr. Sinclair
		Mr. Finlayson	Mr. Laird Smith
		Mr. R. W. Foster	Mr. Spence
		Mr. Gibson	Mr. Webster
		Mr. Glynn	Mr. Wise
		Mr. Greene	
		Mr. Gregory	<i>Tellers:</i>
		Mr. Groom	Mr. Story
		Mr. Hughes	Mr. John Thomson

And so it was negatived.

Clause agreed to.

Clause 8 agreed to.

New clause—

Mr. Jowett moved, That the following New Clause be added to the Bill :—

7A. Notwithstanding anything contained in any other Act, a taxpayer shall be entitled to a deduction from his income of the sum of Fifty pounds in respect of each child under the age of eighteen years. Exemption for children.

Debate ensued.

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

The House resumed ; Mr. Chanter reported accordingly.

Resolved—That the House will, to-morrow, again resolve itself into the said Committee.

10. MESSAGE FROM THE DEPUTY OF THE GOVERNOR-GENERAL.—LOAN BILL (1919) [£1,107,602].—The following Message from His Excellency the Governor-General's Deputy was received, and the same was read by Mr. Speaker :—

W. H. IRVINE,
Deputy of the Governor-General.

Message No. 102.

In accordance with the requirements of section fifty-six of the Constitution of the Commonwealth of Australia, the Deputy of the Governor-General recommends to the House of Representatives that an appropriation of moneys be made for the purposes of a Bill for an Act to authorize the raising and expending of the sum of One million one hundred and seven thousand six hundred and two pounds for certain purposes.

Melbourne, 8th October, 1919.

Ordered—That the consideration of the foregoing Message, in Committee of the whole House, be made an Order of the Day for to-morrow.

11. ALTERATION OF HOUR OF NEXT MEETING.—Mr. Groom moved, That the House, at its rising, adjourn until three o'clock p.m. to-morrow.
Question—put and passed.
12. ADJOURNMENT.—Mr. Groom moved, That the House do now adjourn.
Question—put and passed.

And then the House, at thirteen minutes to eleven o'clock p.m., adjourned until to-morrow at three o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—Mr. Blakeley, Mr. Bruce, Mr. Chapman, Mr. Considine, Mr. Fleming, Mr. Fowler, Mr. Heitmann*(a), Mr. Hill, Mr. Leckie, Mr. Mahony, Mr. McGrath, Mr. Nicholls, Mr. Rodgers, Major-General Ryrie*(a), Mr. Sampson, Mr. Wallace, and Mr. Watt.

* On leave.

(a) Absent with Australian Imperial Force.

WALTER A. GALE,
Clerk of the House of Representatives.