

1934-35.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,
CANBERRA.

VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.

No. 66.

TUESDAY, 19TH NOVEMBER, 1935.

1. The House met, at three o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable G. J. Bell) took the Chair, and read Prayers.
2. PRIVILEGE—ACTION OF CHAIRMAN OF COMMITTEES.—Mr. Brennan raised a question of Privilege, and moved, That in the opinion of this House the Chairman of Committees (Mr. J. H. Prowse), on the 14th instant, offended against the privileges of the Parliament by reflecting from his place as Chairman of Committees on the conduct in Parliament of an honorable Member, in terms which were not in accordance with the facts nor on other grounds justifiable.
Debate ensued.
Mr. Lyons (Prime Minister) moved, by leave, 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.
3. ALTERATION OF HOUR OF NEXT MEETING.—Mr. Lyons (Prime Minister) moved, That the House, at its rising, adjourn until half-past two o'clock p.m. to-morrow.
Question—put and passed.
4. MINISTERIAL STATEMENT—SIR CHARLES KINGSFORD SMITH.—Mr. Lyons (Prime Minister), by leave, made a Ministerial Statement informing the House of the progress made in carrying out a search for Air-Commodore Sir Charles Kingsford Smith, missing on an aeroplane flight between England and Australia.
5. PAPERS.—The following Papers were presented, pursuant to Statute—
Defence Act Regulations Amended—Statutory Rules 1935, No. 109.
Naval Defence Act Regulations Amended—Statutory Rules 1935, No. 110.
Navigation Act Regulations Amended, &c.—Statutory Rules 1935, Nos. 107, 108.
6. ORANGE BOUNTY BILL.—The Order of the Day having been read for the third reading—Mr. Thorby (Assistant Minister) moved, That the Bill be now read a third time.
Debate ensued.
Question—put and passed.—Bill read a third time.
7. MEAT EXPORT CONTROL BILL.—SENATE'S AMENDMENTS.—The Order of the Day having been read for the consideration in Committee of the whole House of the Amendments made by the Senate in this Bill—Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(In the Committee.)

The Committee proceeded to consider the Amendments made by the Senate, which are as follows :—

SCHEDULE OF THE AMENDMENTS MADE BY THE SENATE.

No. 1.—Page 3, clause 5, lines 25-43, leave out sub-clause (10.), insert the following new sub-clause :—

“(10.) The members appointed to represent publicly owned abattoirs and freezing works which deal with meat for export shall be—

- (a) the person for the time being holding the position of Metropolitan Meat Industry Commissioner in the State of New South Wales ;
- (b) the person for the time being holding the position of Chairman, Queensland Meat Industry Board ;
- (c) the person holding at the commencement of this Act the position of General Manager, Government Produce Department, State of South Australia or in the event of that person ceasing to hold that position or ceasing in pursuance of this section to hold office as a member of the Board, such person as is appointed by the Governor-General on the nomination of the Metropolitan and Export Abattoirs Board, in the State of South Australia ;
- (d) the person for the time being holding the position of General Manager, Western Australian Government Meat Works, Wyndham.

Each member shall hold office during the pleasure of the Governor-General.”

No. 2.—Page 6, clause 16, line 40, after “meat” insert “to be”.

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Amendment No. 1—

On the motion of Mr. Thorby (Assistant Minister), the Amendment was, after debate, amended, as follows:—

- (a) by adding at the end of paragraph (a) the words " or in the event of that person ceasing in pursuance of this section to hold office as a member of the Board, such person as is appointed by the Governor-General on the nomination of the Governor-in-Council of that State ";
- (b) by adding at the end of paragraph (b) the words " or in the event of that person ceasing in pursuance of this section to hold office as a member of the Board, such person as is appointed by the Governor-General on the nomination of the Governor-in-Council of the State of Queensland ";
- (c) by omitting from paragraph (c) the words " Metropolitan and Export Abattoirs Board, in " and inserting in place thereof the words " Governor-in-Council of "; and
- (d) by adding at the end of paragraph (d) the words " or in the event of that person ceasing in pursuance of this section to hold office as a member of the Board, such person as is appointed by the Governor-General on the nomination of the Governor-in-Council of the State of Western Australia ".

Amendment, as amended, agreed to.

Amendment No. 2 agreed to.

Resolutions to be reported.

The House resumed; Mr. Prowse reported accordingly.

On the motion of Mr. Thorby, the House adopted the Report.

8. POSTPONEMENT OF ORDERS OF THE DAY.—Ordered—That Orders of the Day Nos. 3 and 4 be postponed until after Order of the Day No. 5, Government Business.

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

(In the Committee.)

Mr. Casey (Treasurer) moved—

1. That a tax be imposed on income at the following rates:—

Division A.—Rate of Tax upon Income Derived from Personal Exertion.

For the purposes of this Division— T = taxable income in pounds.

If the taxable income does not exceed £6,900, the rate of tax for every pound of taxable income shall be $\frac{85}{100} \left\{ 3 + \frac{T}{160} \right\}$ pence.

If the taxable income exceeds £6,900, the rate of tax for every pound of taxable income up to and including £6,900 shall be $\frac{85}{100} \left\{ 3 + \frac{6,900}{160} \right\}$ pence.

and the rate of tax for every pound of taxable income in excess of £6,900 shall be 76.5 pence.

Division B.—Rate of Tax upon Income Derived from Property.

For the purposes of this Division— T = taxable income in pounds.

If the taxable income does not exceed £500, the rate of tax for every pound of taxable income shall be $\left\{ 3 + \frac{T}{100} \right\}$ pence.

If the taxable income exceeds £500 but does not exceed £1,500, the rate of tax for every pound of taxable income shall be $\left\{ 1 + \frac{T \times 14}{1,000} \right\}$ pence.

If the taxable income exceeds £1,500 but does not exceed £3,700, the rate of tax for every pound of taxable income shall be $\left\{ 4\frac{1}{4} + \frac{T \times 23}{2,000} \right\}$ pence.

If the taxable income exceeds £3,700, the rate of tax for every pound of taxable income up to and including £3,700 shall be $\left\{ 4\frac{1}{4} + \frac{3,700 \times 23}{2,000} \right\}$ pence.

and the rate of tax for every pound of taxable income in excess of £3,700 shall be 90 pence.

Division C.—Rates of Tax in Respect of Taxable Income Derived Partly from Personal Exertion and Partly from Property.

(a) For every pound of taxable income derived from personal exertion, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Division A if the total taxable income of the taxpayer were derived exclusively from personal exertion by the amount of the total taxable income.

(b) For every pound of taxable income derived from property, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Division B if the total taxable income of the taxpayer were derived exclusively from property by the amount of the total taxable income.

Division D.—Tax payable where amount would otherwise be less than Ten Shillings.

Notwithstanding anything contained in the preceding Divisions, where the amount of income tax which a person would, apart from this Division, be liable to pay is less than Ten shillings, the income tax payable by that person shall be Ten shillings.

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Division E.—Rate of Tax Payable by a Trustee.

For every pound of the taxable income in respect of which a trustee is liable to be separately assessed and to pay tax, the rate of tax shall be the rate which would be payable under Division A, B, or C, as the case requires, if one individual were liable to be separately assessed and to pay tax on that taxable income.

Division F.—Rates of Tax Payable by a Company.

(a) Subject to the last preceding Division, for every pound of the taxable income of a company, the rate of tax shall be 12 pence.

(b) For every pound of interest paid or credited by a 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 12 pence.

*Division G.—Rate of Tax payable by an Individually owned Partnership.**Individually owned Partnerships other than Trusts which are Partnerships.*

For every pound of the taxable income of an individually owned partnership, the rate of tax shall be determined as follows :—

(a) from the total amount of tax which would be payable by the member specified under sub-section (2.) of section twenty-nine of the *Income Tax Assessment Act 1922–1934* if the taxable income of the partnership were added to his own taxable income, subtract the amount of tax actually payable by him in respect of his own taxable income ; and

(b) divide the amount obtained by the application of the last preceding paragraph by the number of pounds in the taxable income of the partnership.

Trusts which are Individually owned Partnerships.

For every pound of the taxable income of a trust which is an individually owned partnership, the rate of tax shall be determined as follows :—

(a) from the amount of tax which would be payable by the person by whom the trust was created if the taxable income of the partnership were added to his own taxable income, subtract the amount of tax actually payable by him in respect of his own taxable income ; and

(b) divide the amount obtained by the application of the last preceding paragraph by the number of pounds in the taxable income of the partnership.

Division H.—Rate of Tax Payable by a Severally owned Partnership.

For every pound of the taxable income of a severally owned partnership, the rate of tax shall be determined as follows :—

(a) compute the total of the amounts of tax that would be payable by the several members specified under sub-section (2.) of section twenty-nine of the *Income Tax Assessment Act 1922–1934*, if the severally owned partnership were a partnership (other than a severally owned partnership) between those members with equal interests ;

(b) from the total tax obtained by the application of the last preceding paragraph subtract the total of the amounts of tax actually payable by those several members on their own taxable incomes ; and

(c) divide the difference obtained by the application of the last preceding paragraph by the number of pounds in the taxable income of the partnership.

2. That in addition to any tax provided for in clause 1 of this resolution, there shall be payable upon the taxable income derived by any person—

(a) from property ;

(b) by way of interest, dividends, rents or royalties, whether derived from personal exertion or from property ; and

(c) in the course of carrying on a business, where the income is of such a class that, if derived otherwise than in the course of carrying on a business, it would be income from property,

a further income tax of five per centum of the amount of that taxable income.

3. That where tax is payable by a company under the last preceding clause of this resolution the tax provided for in that clause shall not be payable by a member or shareholder of that company upon that part of his taxable income attributable to income derived by him in consequence of the distribution by that company to its members or shareholders of the income or any part thereof upon which tax is so payable by that company or in consequence of a succession of such distributions through another company or through other companies of that income or any part thereof.

4. That for the purposes of the last preceding clause the part of the taxable income of a member or shareholder of a company which is attributable to income derived by him in consequence of the distribution specified in that clause, shall be so much of the part of the dividends included in the taxable income of the member or shareholder (as that part is defined by sub-section (3.) of section sixteen AB of the *Income Tax Assessment Act 1922–1934*), as bears to that part of the dividends so included, the same proportion as the gross amount of the income derived by the member or shareholder from the company in consequence of the distribution specified in that clause bears to the gross amount of all income derived during the year of income by that member or shareholder from dividends.

5. That sub-sections (2.) to (13.) inclusive of section thirteen of the *Income Tax Assessment Act 1922–1934* shall not apply to tax provided for in clause 2 of this resolution.

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6. That tax in accordance with the foregoing provisions of this resolution shall be levied and paid for the financial year beginning on the first day of July, One thousand nine hundred and thirty-five.

7. That the foregoing provisions of this resolution shall also apply to all assessments for financial years subsequent to that beginning on the first day of July, One thousand nine hundred and thirty-five made prior to the passing of the Act for the levying and payment of income tax for the financial year beginning on the first day of July, One thousand nine hundred and thirty-six.

Debate ensued.

Question—put and passed.

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

The House resumed ; Mr. Prowse reported accordingly.

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

Mr. Casey 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. Casey, was adopted by the House.

Ordered—That Mr. Casey and Mr. Thomas Paterson do prepare and bring in a Bill to carry out the foregoing Resolution.

10. INCOME TAX BILL (1935).—Mr. Casey (Treasurer) 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. Casey 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.*)

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

Bill to be reported without amendment.

The House resumed ; Mr. Prowse reported accordingly.

On the motion of Mr. Casey, the House adopted the Report, and the Bill was read a third time.

11. WAR SERVICE HOMES BILL (1935).—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.*)

Clause 1 agreed to.

Clause 2—

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

The House resumed ; Mr. Prowse reported accordingly.

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

12. ADJOURNMENT.—Mr. Menzies (Attorney-General) moved, That the House do now adjourn.

Debate ensued.

Question—put and passed.

And then the House, at twenty-six minutes to twelve o'clock midnight, 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. Frost, Mr. Roland Green, Sir Henry Gullett, Mr. Hutchinson, Mr. John Lawson, Mr. Makin, Mr. McBride, Mr. Earle Page, Mr. Parkhill, Mr. Perkins, Mr. Stacey, Mr. Thompson, and Mr. White.

E. W. PARKES,
Clerk of the House of Representatives.