

1940.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,
CANBERRA.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

No. 4.

WEDNESDAY, 27TH NOVEMBER, 1940.

1. The House met, at three o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable W. M. Nairn) took the Chair, and read Prayers.
2. TIME OF NEXT MEETING.—Mr. Menzies (Prime Minister) moved, That the House, at its rising, adjourn until to-morrow at half-past two o'clock p.m.
Question—put and passed.
3. PAPERS.—The following Papers were presented, pursuant to Statute—
Tariff Board Act—Tariff Board—Report for year 1939-40, together with Summary of Recommendations.
Ordered—That the Report be printed.
Arbitration (Public Service) Act—Determinations by the Arbitrator, &c.—1940—
No. 28—Australian Postal Electricians' Union.
No. 29—Commonwealth Storemen and Packers' Union.
No. 30—Commonwealth Storemen and Packers' Union; and Commonwealth Naval Storehousemen's Association.
No. 31—Commonwealth Temporary Clerks' Association.
Commonwealth Railways Act—Report on Commonwealth Railways Operations for year 1939-40.
Customs Act—Regulations—Statutory Rules 1940, No. 256.
Dairy Produce Export Control Act—Fifteenth Annual Report of the Australian Dairy Produce Board, for year 1939-40, together with Statement by Minister regarding operation of Act.
Defence Act—Regulations—Statutory Rules 1940, Nos. 252, 253.
Defence Act and Naval Defence Act—Regulations—Statutory Rules 1940, No. 254.
Lands Acquisition Act—Land acquired—
For Defence purposes—Darwin, Northern Territory.
For Postal purposes—Mitcham, Victoria.
National Security Act—
National Security (General) Regulations—Orders—
Control of highways.
Prohibited places (10).
Prohibiting work on land.
Taking possession of land, &c. (53).
Use of land (5).
Regulations—Statutory Rules 1940, Nos. 249, 250, 251.
Naval Defence Act—Regulations—Statutory Rules 1940, No. 255.
Norfolk Island Act—Ordinances of 1940—
No. 3—Interpretation.
No. 4—Advisory Council.
Petroleum Oil Search Act—Statement of Expenditure from 28th May, 1936, to 30th June, 1940.
Seat of Government Acceptance Act and Seat of Government (Administration) Act—
Ordinances of 1940—
No. 18—Public Baths.
No. 19—Inflammable Liquids.
No. 20—Court of Petty Sessions.
Regulations—1940—No. 7 (Police Ordinance).
Seat of Government (Administration) Act—Statement of Receipts and Expenditure for the Australian Capital Territory for year 1939-40.
Spirits Act—Regulations—Statutory Rules 1940, No. 248.

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4. POSTPONEMENT OF ORDERS OF THE DAY.—Ordered—That the Orders of the Day be postponed until after the consideration of Notices of Motion Nos. 1 to 3.
5. SALES TAX PROCEDURE BILL 1940.—Mr. Fadden (Treasurer) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Sales Tax Procedure Act 1934–1936*.
Question—put and passed.
Mr. Fadden then brought up the Bill accordingly, and moved, That it be now read a first time.
Question—put and passed.—Bill read a first time.
Ordered—That the second reading be made an Order of the Day for the next sitting.
6. POSTPONEMENT OF NOTICE OF MOTION.—Ordered—That Notice of Motion No. 2 be postponed until after the consideration of Notice of Motion No. 3.
7. SALES TAX ASSESSMENT BILL (No. 1A) 1940.—Mr. Fadden (Treasurer) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Sales Tax Assessment Act (No. 1) 1930–1936*, as amended by the *Sales Tax Assessment Act (No. 1) 1940*.
Question—put and passed.
Mr. Fadden then brought up the Bill accordingly, and moved, That it be now read a first time.
Question—put and passed.—Bill read a first time.
Ordered—That the second reading be made an Order of the Day for the next sitting.
8. INCOME TAX ASSESSMENT BILL (No. 2) 1940.—Mr. Fadden (Treasurer) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Income Tax Assessment Act 1936–1939*, as amended by the *Income Tax Assessment Act 1940*.
Question—put and passed.
Mr. Fadden then brought up the Bill accordingly, and moved, That it be now read a first time.
Question—put and passed.—Bill read a first time.
Mr. Fadden moved, by leave, That the Bill be now read a second time.
Mr. Scullin 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.
9. POSTPONEMENT OF ORDERS OF THE DAY.—Ordered—That Orders of the Day Nos. 1 and 2 be postponed until after the consideration of Order of the Day No. 3.
10. WAYS AND MEANS—INCOME TAX.—The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

Mr. Fadden (Treasurer) moved—

1. That, in lieu of the tax imposed by the *Income Tax Act 1940*, a tax be imposed upon incomes at the following rates:—

Division A.—Rate of Tax in Respect of Taxable Income Derived from Personal Exertion.

If the taxable income does not exceed Three hundred pounds, the rate of tax for every pound of taxable income shall be twelve pence.

If the taxable income exceeds Three hundred pounds but does not exceed One thousand and five hundred pounds, the rate of tax for every pound of taxable income shall be twelve pence and one twenty-fifth of a penny increasing uniformly by one twenty-fifth of a penny for every pound by which the taxable income exceeds Three hundred and one pounds.

and

If the taxable income exceeds One thousand and five hundred pounds, the rate of tax for every pound of taxable income up to and including One thousand and five hundred pounds shall be sixty pence, and the rate of tax for every pound of taxable income in excess of One thousand and five hundred pounds shall be one hundred and twenty pence.

Division B.—Rate of Tax in Respect of Taxable Income Derived from Property.

If the taxable income does not exceed Three hundred pounds, the rate of tax for every pound of taxable income shall be fifteen pence.

If the taxable income exceeds Three hundred pounds but does not exceed One thousand and two hundred pounds, the rate of tax for every pound of taxable income shall be fifteen pence and one-twentieth of a penny increasing uniformly by one-twentieth of a penny for every pound by which the taxable income exceeds Three hundred and one pounds.

and

If the taxable income exceeds One thousand and two hundred pounds, the rate of tax for every pound of taxable income up to and including One thousand and two hundred pounds shall be sixty pence, and the rate of tax for every pound of taxable income in excess of One thousand and two hundred pounds shall be one hundred and twenty pence.

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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.—Rates of Tax by reference to an Average Income.

(a) For every pound of the taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936-1940* applies, the rate of tax shall be ascertained by dividing the tax that would be payable under Division A upon a taxable income from personal exertion equal to his average income, by that average income.

(b) For every pound of taxable income derived by him from property the rate of tax shall be ascertained by dividing the tax that would be payable under Division B upon a taxable income from property equal to his average income, by that average income.

Division E.—Rate of Tax by reference to a Notional Income.

(a) For every pound of the actual taxable income from personal exertion of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1940*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under Division A upon a taxable income from personal exertion equal to his notional income, by that notional income.

(b) For every pound of the actual taxable income from property of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1940*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under Division B upon a taxable income from property equal to his notional income, by that notional income.

Division F.—Tax payable where amount would otherwise be less than Ten shillings.

Notwithstanding anything contained in the last five 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.

Division G.—Rates of Tax Payable by a Trustee.

For every pound of the taxable income in respect of which a trustee is liable, pursuant to either section ninety-eight or section ninety-nine of the *Income Tax Assessment Act 1936-1940*, to be assessed and to pay tax, the rate of tax shall be the rate which would be payable under Division A, B, C, D or E as the case requires, if one individual were liable to be assessed and to pay tax on that taxable income.

Division H.—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 twenty-four pence.

(b) Subject to the last preceding Division, for every pound of that portion of the taxable income of a company which has not been distributed as dividends on which the company is liable, pursuant to Part IIIA. of the *Income Tax Assessment Act 1936-1940*, to pay further tax, the rate of tax shall be twenty-four pence.

(c) For every pound of interest in respect of which a company is liable, pursuant to sub-section (1.) of section one hundred and twenty-five of the *Income Tax Assessment Act 1936-1940* to pay income tax, the rate of tax shall be twenty-four pence.

2. 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 forty.

3. That, until the commencement 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 forty-one, the foregoing provisions of this resolution shall also apply for all financial years subsequent to that beginning on the first day of July, One thousand nine hundred and forty.

Progress 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.

11. ADDRESS IN REPLY TO THE GOVERNOR-GENERAL'S SPEECH.—The Order of the Day having been read for the resumption of the debate on the question—That the following Address in Reply to the Speech of His Excellency the Governor-General be agreed to :—

MAY IT PLEASE YOUR EXCELLENCY—

We, the House of Representatives of the Parliament of the Commonwealth of Australia, in Parliament assembled, desire to express our loyalty to our Most Gracious Sovereign, and to thank Your Excellency for the Speech which you have been pleased to address to Parliament—

Debate resumed.

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Mr. Calwell addressing the House and not having concluded his speech at the termination of the time allowed by Standing Order No. 257B—

Ordered—That the honorable Member have leave to continue his speech.

Debate continued.

Mr. Morgan addressing the House and not having concluded his speech at the termination of the time allowed by Standing Order No. 257B—

Ordered—That the honorable Member have leave to continue his speech.

Debate continued.

Mr. Dedman 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.

12. ADJOURNMENT.—Mr. Fadden (Treasurer) moved, That the House do now adjourn.

Debate ensued.

Question—put and passed.

And then the House, at fourteen 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. Blain and Mr. White.

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