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Commonwealth of Australia.

Report of Royal Commission
on Taxation, 1921.

(five volumes.)

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FIRST REPORT.

OF THE

ROYAL COMMISSION ON TAXATION, (1)

TOGETHER WITH APPENDICES.

X 72-8, N 21
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Presented by Command ; ordered to be printed, 2nd November, 1921.

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Cost of Paper :—Preparation not given ; 1,000 copies ; approximate cost of printing and publishing, £85.

Printed and Published for the GOVERNMENT of the COMMONWEALTH of AUSTRALIA by ALBERT J. MUIRHEAD, Government Printer for the State of Victoria.

No. 147.—F.18031.—PRICE 1s. 6d.

COMMONWEALTH OF AUSTRALIA.

GEORGE V, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

TO Our Trusty and Well-beloved WILLIAM WARREN KERR, C.B.E., JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, STEPHEN MILLS, O.M.G.

GREETING :

KNOW YE that We do by these Our Letters Patent, issued in Our name by Our Governor-General of Our Commonwealth of Australia, acting with the advice of Our Federal Executive Council, and in pursuance of the Constitution of Our said Commonwealth, the Royal Commissions Act 1902-1912, and all other powers him thereunto enabling, appoint you to be Commissioners to inquire into and report upon the incidence of Commonwealth taxation, and into and upon any amendments which are necessary or desirable with a view to placing the system of taxation upon a sound and equitable basis, having regard generally to the public interest, and particularly to—

1. The equitable distribution of the burdens of taxation ;
2. The harmonization of Commonwealth and State taxation ;
3. The giving to primary producers of special consideration as regards the assessment of income tax, particularly in relation to losses resulting from adverse weather conditions ; and
4. The simplification of the duties of taxpayers in relation to returns and in relation to objections and appeals.

AND WE APPOINT YOU, the said WILLIAM WARREN KERR, C.B.E., to be Chairman. AND WE REQUIRE you to report as soon as possible to Our Governor-General in and over Our said Commonwealth the result of your inquiries into the matters intrusted to you by these Our Letters Patent.

(SEAL.)

WITNESS Our Right Trusty and Well-beloved SIR RONALD CRAUFURD MUNRO FERGUSON, a Member of Our Most Honorable Privy Council, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Our Governor-General and Commander-in-Chief in and over Our Commonwealth of Australia, this tenth day of September in the year of Our Lord One thousand nine hundred and twenty and in the eleventh year of Our reign.

R. O. M. FERGUSON,
Governor-General.

By His Excellency's Command,
W. M. HUGHES,
Prime Minister.

Entered on record by me, in Register of Patents, No. 25, page 11, this twenty-fourth day of September, One thousand nine hundred and twenty.

J. G. McLAREN.

COMMONWEALTH OF AUSTRALIA.

GEORGE V., by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

TO Our Trusty and Well-beloved WILLIAM WARREN KERR, C.B.E., JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, STEPHEN MILLS, C.M.G., and MAURICE BOYCE DUFFY.

GREETING :

WHEREAS by Letters Patent (hereinafter referred to as "the said Letters Patent") issued in Our name by Our Governor-General of Our Commonwealth of Australia on the tenth day of September, in the year of Our Lord One thousand nine hundred and twenty, We did, with the advice of Our Federal Executive Council, and in pursuance of the Constitution of Our said Commonwealth, the Royal Commissions Act 1902-1912, and all other powers Us thereunto enabling, appoint you, the said WILLIAM WARREN KERR, C.B.E., JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, and STEPHEN MILLS, C.M.G., to be Commissioners to inquire into and report upon the incidence of Commonwealth taxation and the other matters which are more particularly specified in the said Letters Patent : AND WHEREAS it is desirable to appoint you the said MAURICE BOYCE DUFFY to be one of the Commissioners to inquire into and report upon the incidence of Commonwealth taxation and the other matters which are more particularly specified in the said Letters Patent : AND WHEREAS it is desirable—

- (a) that at any meeting of the Commissioners appointed in pursuance of the said Letters Patent and these Letters Patent (hereinafter referred to as "the said Commissioners") five Commissioners shall be sufficient to constitute a quorum and may proceed with the inquiry under the said Letters Patent notwithstanding the absence of the other Commissioners ;
- (b) that in the event of the absence of the Chairman from any meeting of the said Commissioners the Commissioners present may appoint one of their number to act as Chairman during such absence ; and
- (c) that in the event of the votes given on any question at any meeting of the said Commissioners being equal, the Chairman, if present, and if the Chairman is not present then the Commissioner appointed to act as Chairman in his absence, shall have a second or casting vote :

NOW THEREFORE KNOW YE THAT We do by these Our Letters Patent issued in Our name by Our said Governor-General, acting with the advice of the Federal Executive Council, and in pursuance of the Constitution of Our said Commonwealth, the Royal Commissions Act 1902-1912, and all other powers Us thereunto enabling, appoint you the said MAURICE BOYCE DUFFY to be one of the Commissioners to inquire into and report upon the incidence of Commonwealth taxation and the other matters which are more particularly specified in the said Letters Patent : AND We direct that at any meeting of the said Commissioners five Commissioners shall be sufficient to constitute a quorum and may proceed with the inquiry under the said Letters Patent notwithstanding the absence of the other Commissioners : AND We further direct that in the event of the absence of the Chairman from any meeting of the said Commissioners the Commissioners present may appoint one of their number to act as Chairman during such absence : AND We further direct that in the event of the votes given on any question at any meeting of the said Commissioners being equal, the Chairman, if present, and if the Chairman is not present then the Commissioner appointed to act as Chairman in his absence, shall have a second or casting vote.

IN TESTIMONY WHEREOF We have caused these Our Letters to be made Patent and the Seal of Our said Commonwealth to be thereunto affixed.

(SEAL.) WITNESS Our Trusty and Well-beloved HENRY WILLIAM BARON FORSTER, a Member of Our Most Honorable Privy Council, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Our Governor-General and Commander-in-Chief in and over Our Commonwealth of Australia, this twenty-seventh day of October, in the year of Our Lord One thousand nine hundred and twenty, and in the eleventh year of Our reign.

FORSTER,
Governor-General.

By His Excellency's Command,
(Sgd.) W. M. HUGHES,
Prime Minister.

Entered on record by me in Register of Patents, No. 25, page 16, this ninth day of November, One thousand nine hundred and twenty.

(Sgd.) M. L. SHEPHERD.

GEORGE V., by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas King, Defender of the Faith, and Emperor of India.

TO Our Trusty and Well-beloved WILLIAM WARREN KERB, O.B.E., JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, and STEPHEN MILLS, C.M.G.

GREETING :

WHEREAS it is expedient in the public interest that full and careful inquiry should be made into the incidence of taxation, and into and upon any amendments which are necessary or desirable, with a view to placing the system of taxation upon a sound and equitable basis, having regard to the public interest and particularly to—

1. The equitable distribution of the burdens of taxation.
2. The harmonization of Commonwealth and State taxation.
3. The giving to primary producers of special consideration as regards the assessment of income tax, particularly in relation to losses resulting from adverse weather conditions; and
4. The simplification of the duties of taxpayers in relation to returns and in relation to objections and appeals.

NOW, THEREFORE, KNOW YE that We, reposing especial trust in your zeal, knowledge, learning, industry, discretion, and ability, do, by these presents, by and with the advice of Our Executive Council of Our State of Queensland, constitute and appoint you, the said WILLIAM WARREN KERB, JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, and STEPHEN MILLS, to be Our Commissioners for the purpose of inquiring into the matters hereinbefore mentioned: AND We do hereby require and enjoin you to make diligent inquiry into the matters aforesaid, and for that purpose to exercise all the powers conferred upon a Commission by "The Official Inquiries Evidence Act of 1910": AND We do furthermore command and enjoin you to summon before you and to examine all such persons as may appear to you able to inform you concerning the premises, and to cause to be taken down and reduced in writing the evidence of the several witnesses that may appear before you, and such evidence, together with a full and faithful report touching the matters aforesaid, to transmit to the Honorable the Premier and Chief Secretary of Our said State: AND We do hereby appoint you, the said WILLIAM WARREN KERB, to be Chairman of this Our said Commission.

IN TESTIMONY WHEREOF, We have caused the Public Seal of Our said State to be hereunto affixed.

(SEAL.) WITNESS Our Right Trusty and Well-beloved Counsellor SIR MATTHEW NATHAN, Major on the Retired List of Our corps of Royal Engineers, having the brevet rank of Lieutenant-Colonel in Our Army, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Governor of Our State of Queensland and its Dependencies, in the Commonwealth of Australia, at Government House, Brisbane, this twenty-fourth day of February, in the year of Our Lord One thousand nine hundred and twenty-one, and in the eleventh year of Our reign.

MATTHEW NATHAN.

By His Excellency's Command,
EDWARD G. THEODORE.

Entered on record by me in the Register of Patents, No. 15, page 4, this twenty-fourth day of February, A.D., One thousand nine hundred and twenty-one.

P. J. M. McDERMOTT,
Under Secretary, Chief Secretary's Department.

COMMISSION.

GEORGE V., by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas King, Defender of the Faith, and Emperor of India.

TO Our Trusty and Well-beloved WILLIAM WARREN KERR, C.B.E, JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, and STEPHEN MILLS, C.M.G., and MAURICE BOYCE DUFFY.

GREETING :

WHEREAS it is expedient in the public interest that full and careful inquiry should be made into the incidence of taxation, and into and upon any amendments which are necessary or desirable, with a view to placing the system of taxation upon a sound and equitable basis, having regard generally to the public interest and particularly to—

1. The equitable distribution of the burdens of taxation.
2. The harmonization of Commonwealth and State taxation.
3. The giving to primary producers of special consideration as regards the assessment of income tax, particularly in relation to losses resulting from adverse weather conditions ; and
4. The simplification of the duties of taxpayers in relation to returns and in relation to objections and appeals.

NOW THEREFORE KNOW YE that We, reposing especial trust in your zeal, knowledge, learning, industry, discretion, and ability, do by these presents, by and with the advice of Our Executive Council of Our State of Queensland, constitute and appoint you, the said WILLIAM WARREN KERR, JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, STEPHEN MILLS, and MAURICE BOYCE DUFFY, to be Our Commissioners for the purpose of inquiring into the matters hereinbefore mentioned : AND We do hereby require and enjoin you to make diligent inquiry into the matters aforesaid, and for that purpose to exercise all the powers conferred upon a Commission by " The Official Inquiries Evidence Act of 1910 " : AND We do furthermore command and enjoin you to summon before you and to examine all such persons as may appear to you able to inform you concerning the premises, and to cause to be taken down and reduced in writing the evidence of the several witnesses that may appear before you, and such evidence, together with a full and faithful report touching the matters aforesaid, to transmit to the Honorable the Premier and Chief Secretary of Our said State : AND We do hereby appoint you, the said WILLIAM WARREN KERR, to be Chairman of this Our said Commission.

IN TESTIMONY WHEREOF, We have caused the Public Seal of Our said State to be hereunto affixed.

WITNESS Our Right Trusty and Well-beloved Counsellor SIE MATTHEW NATHAN, Major on the Retired List of Our corps of Royal Engineers, having the brevet rank of Lieutenant-Colonel in Our Army, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Governor of Our State of Queensland and its Dependencies, in the Commonwealth of Australia, at Government House, Brisbane, this eighteenth day of March, in the year of Our Lord One thousand nine hundred and twenty-one, and in the eleventh year of Our reign.

(SEAL.)

MATTHEW NATHAN.

By His Excellency's Command,
EDWARD G. THEODORE.

Entered on record by me in the Register of Patents, No. 15, page 13, this eighteenth day of March, A.D., One thousand nine hundred and twenty-one.

P. J. M. McDERMOTT,
Under Secretary, Chief Secretary's Department.

ROYAL COMMISSION.

GEORGE V., by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

TO Our Trusty and Well-beloved WILLIAM WARREN KERB, O.B.E., JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, STEPHEN MILLS, C.M.G., and MAURICE BOYCE DUFFY.

GREETING :

WHEREAS it is expedient in the public interest that all and careful inquiry should be made into the incidence of taxation, and into and upon any amendments which are necessary or desirable, with a view to placing the system of taxation upon a sound and equitable basis, having regard generally to the public interest and particularly to—

1. The equitable distribution of the burdens of taxation.
2. The harmonization of Commonwealth and State taxation.
3. The giving to primary producers of special consideration as regards the assessment of income tax, particularly in relation to losses resulting from adverse weather conditions; and
4. The simplification of the duties of taxpayers in relation to returns and in relation to objections and appeals.

NOW THEREFORE KNOW YE that We, reposing especial trust in your zeal, knowledge, learning, industry, discretion, and ability, do, by these presents, by and with the advice of Our Executive Council of Our State of Tasmania, constitute and appoint you, the said WILLIAM WARREN KERB, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, STEPHEN MILLS, and MAURICE BOYCE DUFFY, to be Our Commissioners for the purpose of inquiring into the matters hereinbefore mentioned: AND We do hereby require and enjoin you to make diligent inquiry into the matters aforesaid, and for that purpose, to exercise all the powers conferred upon a Commission by law: AND We do furthermore command and enjoin you to summon before you and to examine all such persons as may appear to you able to inform you concerning the premises, and to cause to be taken down and reduced in writing the evidence of the several witnesses that may appear before you, and such evidence, together with a full and faithful report touching the matters aforesaid, to transmit to the Honorable the Premier and Chief Secretary of Our said State: AND We do hereby appoint you, the said WILLIAM WARREN KERB, to be Chairman of this Our said Commission.

IN TESTIMONY WHEREOF, We have caused the Public Seal of Our said State to be hereunto affixed.

(SEAL.) WITNESS Our Right Trusty and Well-beloved SIR WILLIAM LAMOND ALLARDYCE, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor in and over Our said State of Tasmania and its Dependencies, in the Commonwealth of Australia, at Hobart, in Our said State, the seventh day of April, One thousand nine hundred and twenty-one in the eleventh year of Our reign.

W. L. ALLARDYCE,
Governor.

By His Excellency's Command,
W. H. LEE,
Chief Secretary.

GEORGE V., by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

TO Our Trusty and Well-beloved WILLIAM WARREN KERB, C.B.E., JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, STEPHEN MILLS, C.M.G.

GREETING :

KNOW YE that We do by these Our Letters Patent, issued in Our name by Our Governor in and over the State of Western Australia, in the Commonwealth of Australia, acting with the advice of the Executive Council, appoint you to be Commissioners to inquire into and report upon the incidence of Commonwealth taxation, and into and upon any amendments which are necessary or desirable with a view to placing the system of taxation upon a sound and equitable basis, having regard generally to the public interest, and particularly to—

1. The equitable distribution of the burdens of taxation.
2. The harmonization of Commonwealth and State taxation.
3. The giving to primary producers of special consideration as regards the assessment of income tax, particularly in relation to losses resulting from adverse weather conditions ; and
4. The simplification of the duties of taxpayers in relation to returns and in relation to objections and appeals.

AND WE APPOINT YOU, the said WILLIAM WARREN KERB, C.B.E., to be Chairman ; AND WE REQUIRE YOU to report as soon as possible to Our Governor in and over the said State of Western Australia, the result of your inquiries into the matters intrusted to you by these Our Letters Patent, which We declare to be a Royal Commission to which the " Royal Commissioners' Powers Act 1902 " applies.

(SEAL) WITNESS Our Right Trusty and Well-beloved SIR FRANCIS ALEXANDER NEWDEGATE, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor in and over the State of Western Australia and its Dependencies in the Commonwealth of Australia, this eleventh day of May in the year of Our Lord One thousand nine hundred and twenty-one.

F. A. NEWDEGATE,
Governor

By His Excellency's Command,
JAMES MITCHELL,
Premier.

GOD SAVE THE KING.

ROYAL COMMISSION.

GEORGE V., by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

TO Our Trusty and Well-beloved WILLIAM WARREN KERB, C.B.E., JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, STEPHEN MILLS, C.M.G., and MAURICE BOYCE DUFFY.

GREETING :

WHEREAS by Letters Patent (hereinafter referred to as "the said Letters Patent") issued in Our name by Our Governor in and over the State of Western Australia, in the Commonwealth of Australia, on the eleventh day of May, in the year of Our Lord One thousand nine hundred and twenty-one, WE DID, with the advice of Our Executive Council, APPOINT YOU, the said WILLIAM WARREN KERB, C.B.E., JOHN JOSEPH GARVAN, JOHN JOLLY, JOHN GIBSON FARLEIGH, WILLIAM THOMAS MISSINGHAM, JOHN THOMSON, and STEPHEN MILLS, C.M.G., to be Commissioners to inquire into and report upon the incidence of Commonwealth taxation and the other matters which are more particularly specified in the said Letters Patent : AND WHEREAS it is desirable to appoint you, the said MAURICE BOYCE DUFFY to be one of the Commissioners to inquire into and report upon the incidence of Commonwealth taxation and the other matters which are more particularly specified in the said Letters Patent : AND WHEREAS it is desirable—

- (a) That at any meeting of the Commissioners appointed in pursuance of the said Letters Patent and these Letters Patent (hereinafter referred to as "the said Commissioners"), five Commissioners shall be sufficient to constitute a quorum and may proceed with the inquiry under the said Letters Patent, notwithstanding the absence of the other Commissioners ;
- (b) that in the event of the absence of the Chairman from any meeting of the said Commissioners, the Commissioners present may appoint one of their number to act as Chairman during such absence ; and
- (c) that, in the event of the votes given on any question at any meeting of the said Commissioners being equal, the Chairman, if present, and if the Chairman is not present then the Commissioner appointed to act as Chairman in his absence, shall have a second or casting vote :

NOW THEREFORE KNOW YE THAT We do, by these our Letters Patent issued in Our name by Our said Governor, acting with the advice of the Executive Council, appoint you, the said MAURICE BOYCE DUFFY, to be one of the Commissioners to inquire into and report upon the incidence of Commonwealth taxation and the other matters which are more particularly specified in the said Letters Patent : AND We direct that at any meeting of the said Commissioners five Commissioners shall be sufficient to constitute a quorum and may proceed with the inquiry under the said Letters Patent, notwithstanding the absence of the other Commissioners : AND We further direct that, in the event of the absence of the Chairman from any meeting of the said Commissioners, the Commissioners present may appoint one of their number to act as Chairman during such absence : AND We further direct that, in the event of the votes given on any question at any meeting of the said Commissioners being equal, the Chairman, if present, and if the Chairman is not present then the Commissioner appointed to act as Chairman in his absence, shall have a second or casting vote.

(L.S.) WITNESS Our Right Trusty and Well-beloved SIR FRANCIS ALEXANDER NEWDEGATE, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor in and over the State of Western Australia and its Dependencies, in the Commonwealth of Australia, this twenty-eighth day of September, in the year of Our Lord One thousand nine hundred and twenty-one.

F. A. NEWDEGATE,
Governor,

By His Excellency's Command,
JAMES MITCHELL,
Premier.

GOD SAVE THE KING.

FIRST REPORT

OF THE

ROYAL COMMISSION ON TAXATION

TOGETHER WITH APPENDICES.

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