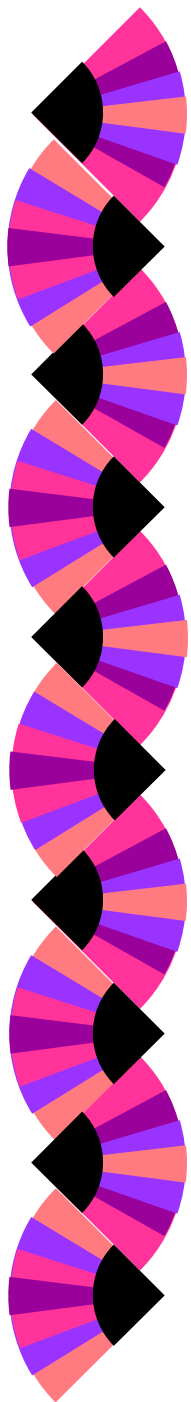


# *TAX REFORM: An Unfinished Agenda?*

1. Recent History of Considerable Achievement
  - broader income base
  - broader indirect tax base
  - imputation system
  - excise and business franchise fees



# *TAX REFORM: An Unfinished Agenda?*

## 2. But, More Could be Done.

- Further base broadening
- Special indirect taxes
- State taxes
- Hybrid mess for saving and investment



# *Greater International Mobility of Capital and Skilled Labour*

1. Implications of highly elastic supply of capital and skilled labour vs highly inelastic supply of natural resources and unskilled labour
  - final tax incidence
  - optimal taxation



# *Greater International Mobility of Capital and Skilled Labour*

2. Lower tax burden on mobile factors means:

- greater Australian location for capital and skilled labour
- higher pre-tax returns for natural resources and unskilled labour

3. Tax reform options



# *Replace State Stamp Duties*

1. Inefficient taxes
2. Conveyance duties
  - broad based land tax
3. Vehicle transfers
  - higher annual registration fee
4. Insurance
  - revised GST, land tax, payroll tax
5. Rental, mortgages, etc
  - revised GST, land tax, payroll tax