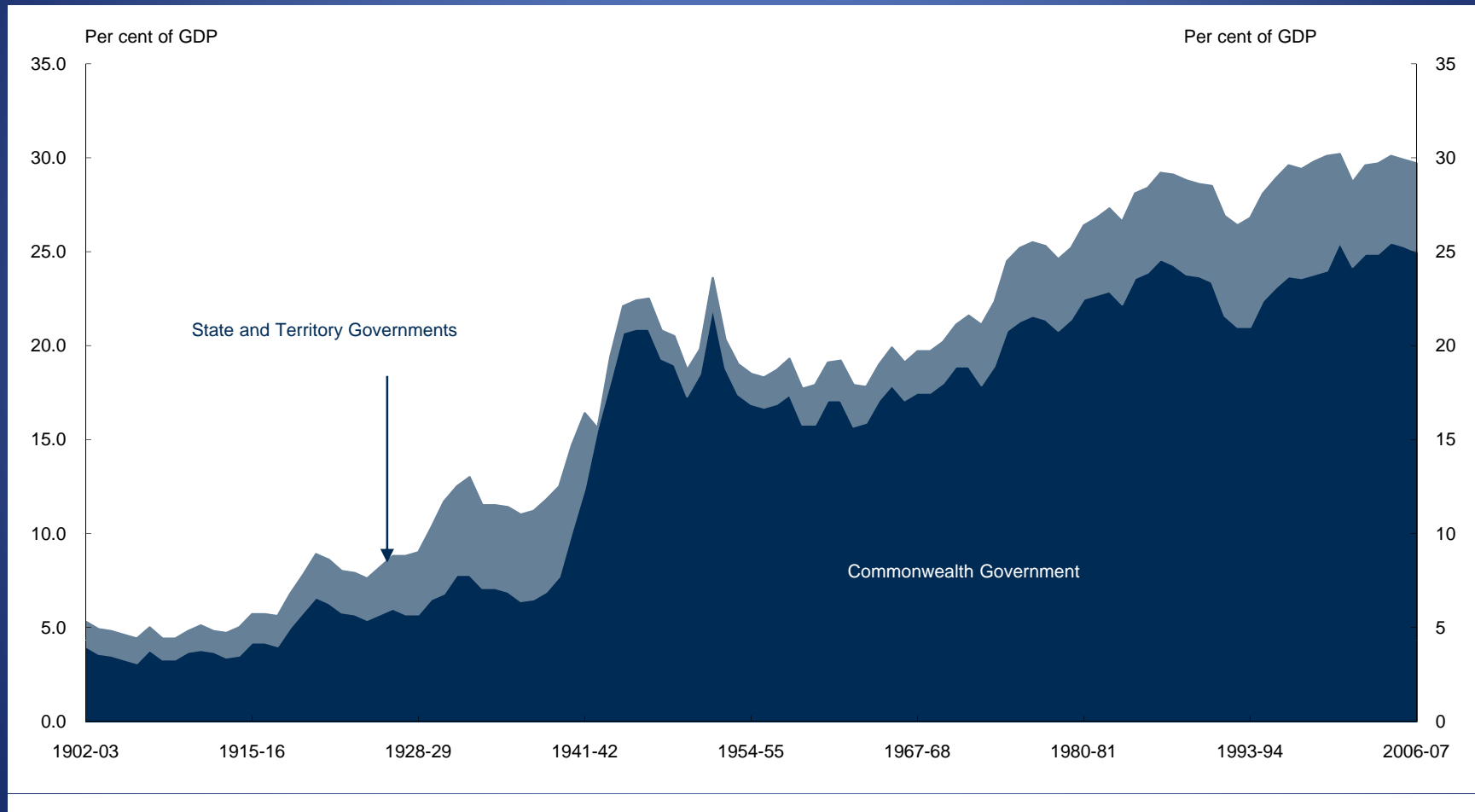


The Hon Bill Shorten MP

Assistant Treasurer

Minister for Financial Services and
Superannuation

Australian government and state taxation (1902-03 to 2006-07)



Taxpayers

- 12.6 million individuals
- 2.7 million micro businesses, including around 1 million 'sole traders' who are also individuals
- Approx 432,700 superannuation entities including just under 430,000 Self Managed Super Funds
- 140,000 SME businesses
- 1,100 large businesses (which include 32,500 sub-entities)

Source: Taxation Statistics 2008-09

Where does the Commonwealth's revenue come from (2010-11)

Revenue Head	Receipts (\$ billion)	%
Individuals and other withholding	132,650	47
Fuel and other excise	24	23.3
Company tax	57,100	20.2
Sales tax	45	17.3
GST	45,779	16.2
Superannuation tax	6	2.3
Customs Duty	5	2
Fringe Benefits tax	3,600	1.3
Resource rent taxes (a)	840	0.3
Other taxes	2,596	0.9
Total	282,515	

Myth 1: “Henry has produced little policy action” – WRONG

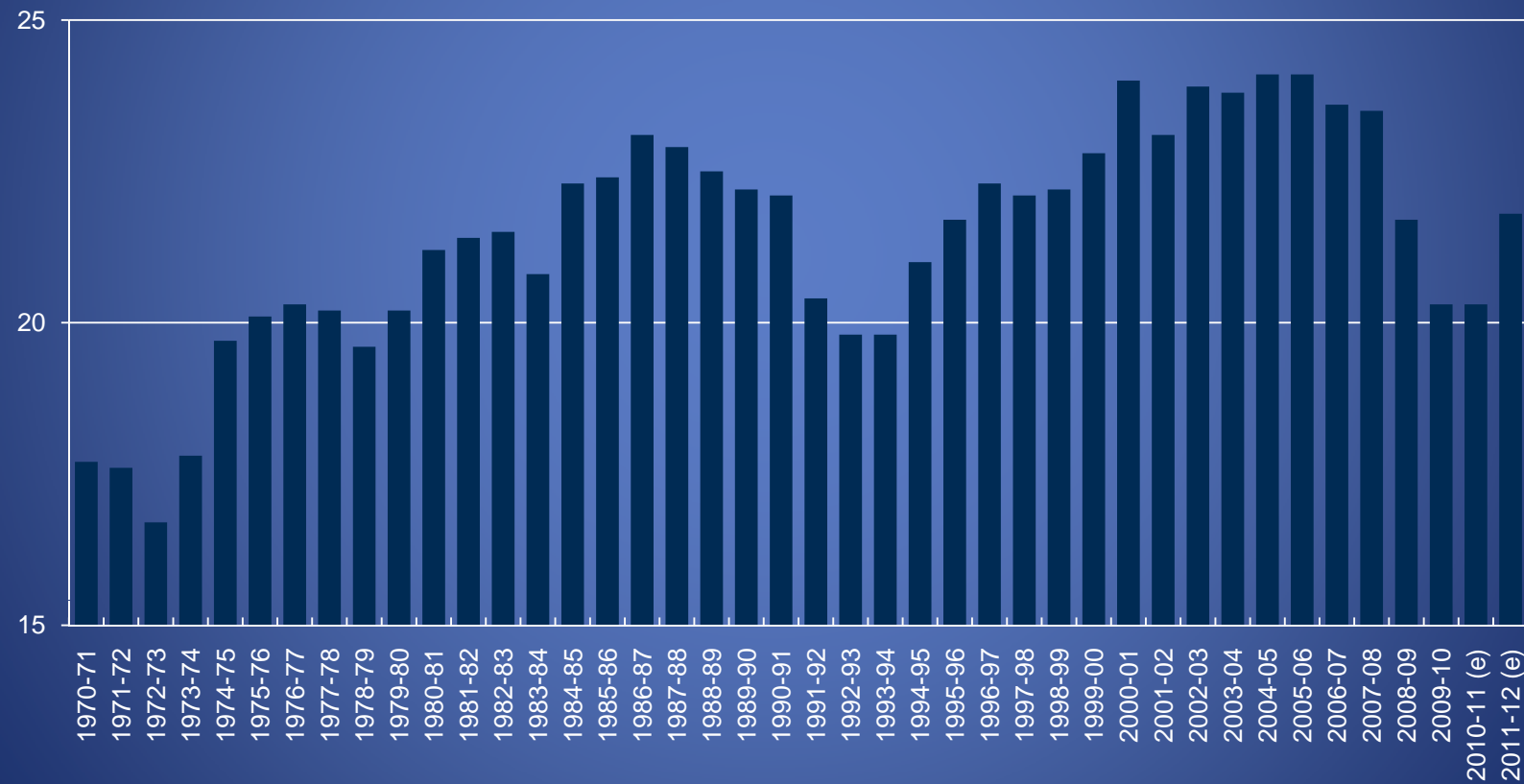
AFTS recommendations acted on	AFTS recommendations ruled out
Tobacco excise increase	Include the family home in means tests
Government super contributions tax rebate for low income earners	Introduce land tax on the family home
Concessional contribution caps for individuals over 50s	Require parents to work when their youngest child turns 4
Raising the SG age limit from 70 to 75	Hit single income families (recs 92 & 93)
Lowering the company tax rate, early start for small businesses	Restrict eligibility to rent assistance for families
Instant asset write-off for small business and simplified pooling	Make any changes to the tax system that harm the NFP sector
Improved resource tax arrangements	Reduce overall remuneration to defence force personnel
Standard deduction for work-related expenses	Remove the Medicare levy
50% discount for interest income	Reduce indexation of the age pension
Phasing down IWT	Remove the benefits of dividend imputation

AFTS recommendations acted on	AFTS recommendations ruled out
Reporting to employees and use of TFN to link records	Hit pensioner and low income concessions for utilities, transport and other services
Reform of fuel ethanol tax	Introduce a bequests tax
Principles based drafting	Align preservation age with pension age
Board of Tax expanded role	Offer a government annuity product
Tax System Advisory Board	Ask the States to charge market rents to public housing recipients
Reform of FBT on cars rules	Abolish the luxury car tax
Abolish Entrepreneurs' Tax Offset	Index fuel tax to CPI
Phase out Dependent Spouse Tax Offset	Change alcohol tax arrangements/tax on a volumetric basis
Charities and NFP Commission establishment	
Statutory definition of 'charity'	

AFTS recommendations acted on	AFTS recommendations ruled out
Enhanced loss utilisation for designated infrastructure projects	
Accelerated depreciation for small business motor vehicles	
Reduce overlap of FTB and Youth Allowance	
Higher FTB A for 16-18yr olds	

Myth 2: Government is a high taxing one – WRONG

Tax to GDP ratios (%)



OECD Comparison

Tax revenue (% GDP)

