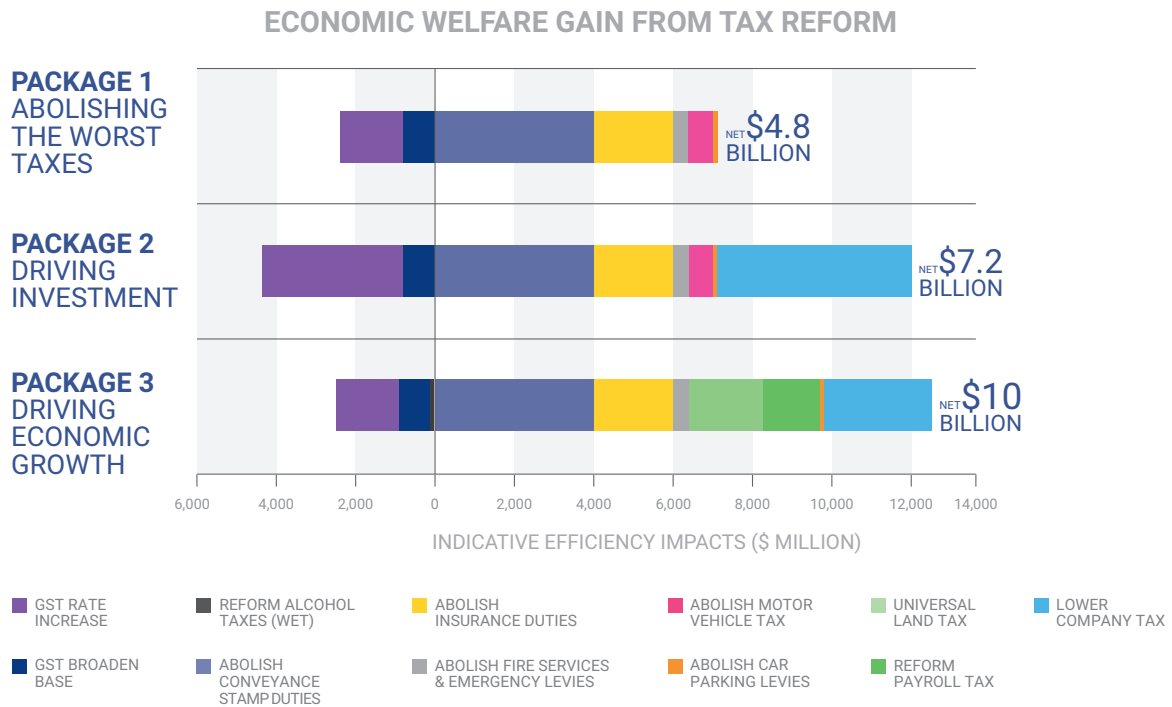


Australia's tax system relies on some highly inefficient taxes. These taxes are a drag on economic growth, investment and jobs. The Property Council of Australia commissioned ACIL Allen Consulting to analyse three potential tax reform packages. The results show that replacing inefficient taxes with more efficient ones would boost the economy and raise more revenue for governments.

TAX REFORM CAN UNLOCK BILLIONS OF DOLLARS OF NEW ECONOMIC GROWTH



Source: ACIL Allen Consulting, 2014.

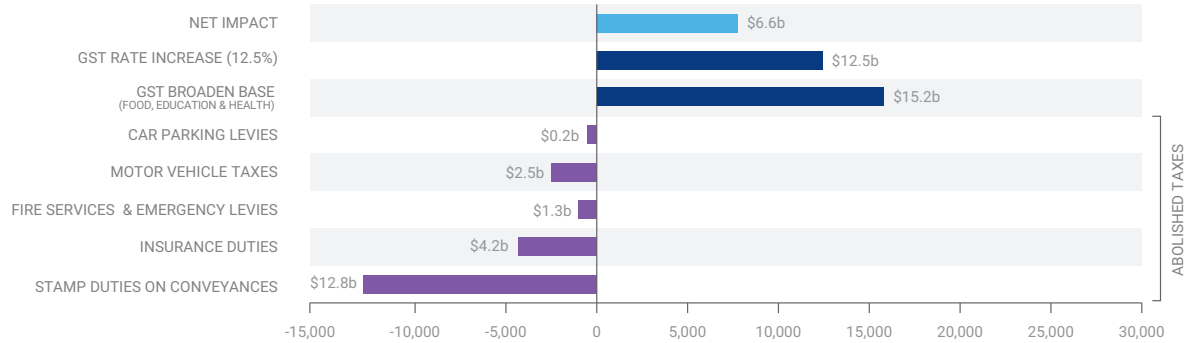
TAX PACKAGE	MAJOR REFORMS	REVENUE INCREASE ANNUAL	ECONOMIC WELFARE INCREASE ANNUAL
1. Abolish the worst state taxes	Abolish stamp duty, insurance taxes, fire services levies, motor vehicle taxes, parking levies. Increase GST to 12.5% and remove exemptions.	\$6.6 billion	\$4.7 billion
2. Drive investment	Abolish state taxes as above. Reduce company tax to 25%. Increase GST to 15% and remove exemptions.	\$7.8 billion	\$7.2 billion
3. Drive economic growth	Abolish state taxes as above but retain motor vehicle taxes. Reduce company tax to 27%. Broad-base low-rate payroll tax. Broad-base low-rate land tax. Increase GST to 12.5% and remove exemptions.	\$6.2 billion	\$10 billion

Changing Australia's tax mix can boost the economy and raise more revenue for governments.

TAX REFORM PACKAGE 1 (\$ MILLION)

ABOLISHING THE WORST TAXES

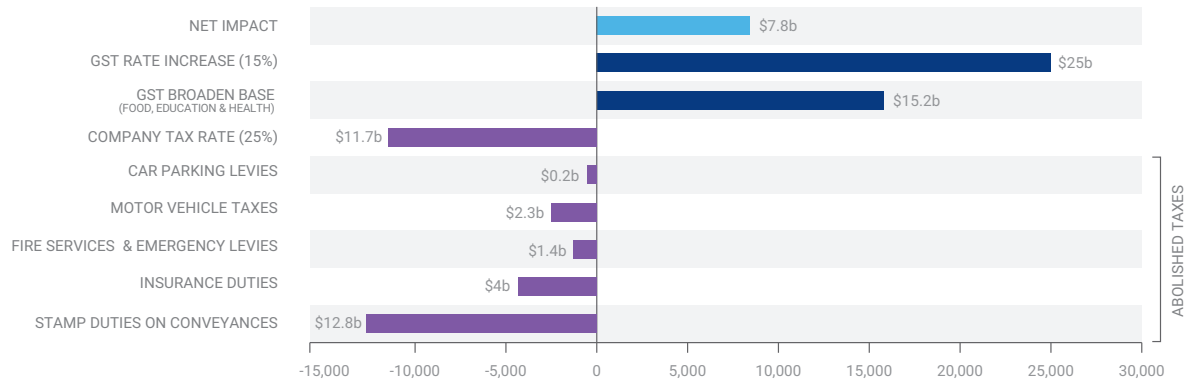
This package will increase revenues in the order of \$6.6 billion per annum



TAX REFORM PACKAGE 2 (\$ MILLION)

DRIVING INVESTMENT

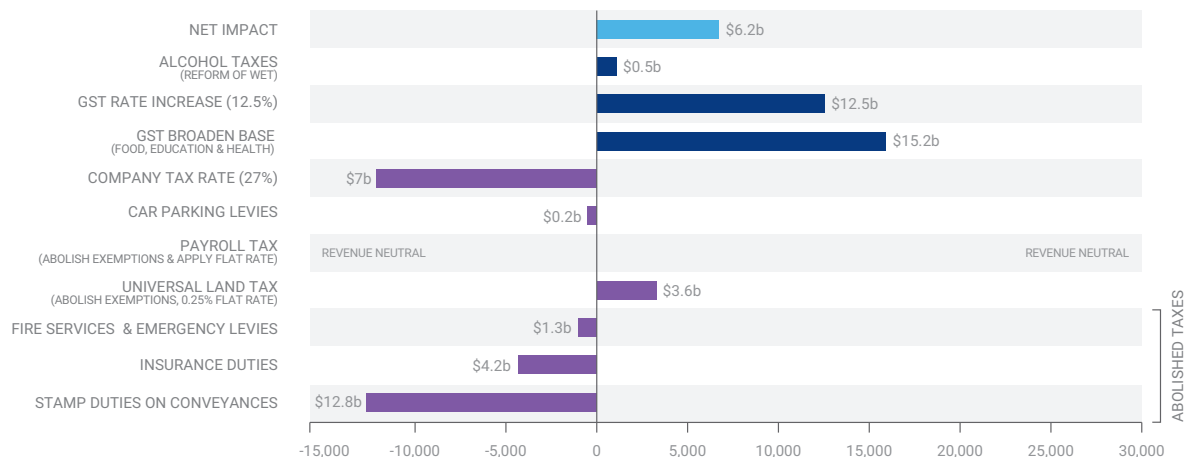
This package will increase revenues in the order of \$7.8 billion per annum



TAX REFORM PACKAGE 3 (\$ MILLION)

DRIVING ECONOMIC GROWTH

This package will increase revenues in the order of \$6.2 billion per annum



For more details on 'Modernising Australia's Tax System' by ACIL Allen Consulting, please go to www.propertycouncil.com.au