

Media Release

Sustainable tax architecture is key to a stronger economy

Laying the foundations for a stronger, more inclusive and more sustainable economy requires a commitment from the Federal Government to advance tax reform as part of the 2024-25 Federal Budget.

“Tax reform is critical to laying the foundations for a stronger, more inclusive and more sustainable economy that supports all Australians,” the Corporate Tax Association’s (CTA) Executive Director Michelle de Niese said today.

“It is integral to supporting Australians by addressing the well-known challenges we face, such as an ageing population, productivity, falling terms of trade, spending on health, defence and infrastructure as well as unlocking Australia’s energy transition that will require an additional \$225 billion in investment beyond business-as-usual levels.”

“The current ‘short-term’ approach to tax policy and legislative design in Australia is unsustainable and adds little benefit to the wider economy beyond the initial revenue sugar hits.”

Today’s release of the [CTA’s 2023-24 Federal Budget Submission](#) outlines the steps needed to progress tax reform:

1. Finalise pending tax integrity and transparency measures from the October 2022-23 Budget
2. Develop a tax policy governance framework to underpin all future tax policy work
3. Commit to a roadmap and timeline for tax reform as part of the 2024-25 Federal Budget.

“The current strength of Australia’s fiscal position masks the already unsustainable tax system and the current tax policy governance and consultation process. Building a sustainable tax system needs stronger governance over tax policy development to ensure that both short and long-term tax policy is formulated in the context of ensuring our system remains competitive,” Ms de Niese said.

“We are perpetually stuck in ‘catch-up’ mode where the absence of a tax policy governance framework has seen recent measures stray from what was announced resulting in unnecessarily protracted debates, confusion and delays, with many now having retrospective application.”

“Putting in place the right steps, committing to tax reform and agreeing on a path that not only allows but encourages stakeholders to engage in a conversation frankly and fearlessly about how Australia can ensure its tax system can deliver what is required of it in the future is crucial to building a competitive, future-oriented tax system that all Australians will benefit from.”

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