



FACT SHEET

The mix of taxes on work, investment and consumption

Section 6 of the 'Architecture of Australia's tax and transfer system' paper examines the mix of taxes in Australia on labour income, capital income and consumption and compares this with outcomes in other OECD countries.

Key points

- Australia's tax mix is slightly skewed toward direct taxes on labour income. This accounts for around 40 per cent of tax revenue. Taxes on capital income account for about 33 per cent, while taxes on consumption account for 27 per cent.
- Compared with other OECD countries, Australia has a lower share of revenue from labour taxes and the highest share from capital taxes. In part, this reflects the relatively greater contribution of corporate income taxes to total tax revenue.

**Tax revenue from labour, capital and consumption
Australian Government and States — 2006-07**

