



FACT SHEET

Taxing goods and services

Section 9 of the 'Architecture of Australia's tax and transfer system' paper examines the current Australian system of taxing goods and services.

Key points

- Historically, taxes on goods and services raised revenue relatively simply from narrow bases that are easy to tax, with a shift over time toward more efficient broad-based taxation.
- Some taxes on specific goods and services may reflect a range of non-tax policy objectives, such as reinforcing social policy objectives, or providing assistance to domestic industry.
- Specific taxes can also be levied to help correct market failures. For example, an effectively targeted tax creates incentives in the market for individuals to respond to environmental concerns.
- Improving technology is making it administratively feasible to replace some taxes with more direct user charges.

Australian government taxes on goods and services in 2006-07

