

# FOREWORD

This discussion paper is a further step in involving business and the community in helping the Review in its task of developing recommendations for an internationally competitive and structurally sound business taxation system for Australia. The over-arching objective is an internationally competitive economy providing optimum economic growth, encouraging savings and investment to provide employment opportunities for Australians. The paper continues a deliberate approach by the Review to encourage a structured debate on the reform of the business tax system.

We have been heartened by the way in which the business community and the community generally have responded and taken up the challenge to consider the fundamental shortcomings of current arrangements in the context of broad national objectives and principles as proposed in *A Strong Foundation*. Following the release of that paper the response has been an encouraging appreciation of the need to look at the business taxation system from the national viewpoint. Discussions held following the release of *A Strong Foundation* have proved to be very worthwhile and have created a positive atmosphere in which to progress to the next stage of discussion and debate. We look forward to a similar positive outcome from the next round of meetings and seminars, and from the written submissions that we are inviting.

*A Platform for Consultation* considers a range of issues and problems exposed by the current taxation treatment of investments and entities. As required by the Review's terms of reference, its consideration of responses to those issues and problems is anchored by the Government's strategies announced in *A New Tax System*. The paper examines all proposals in the context of the framework outlined in *A Strong Foundation*.

We do not expect that there will be agreement on specific issues across all sections of the business community, nor even within specific sectors. In a nation which houses such a diversity of business interests, there will never be total consensus about every aspect of the system. But that is not what this paper is designed to achieve. Its purpose is to put the issues out for discussion and deliberation, to facilitate effective consultation, and to consider how the national objectives and principles should be applied in the best overall interests of the country. It is about building on a strong foundation.

Our current business tax system lacks coherence and a sound structural framework. It is a drag on the economy and its performance. The overriding objective of a redesigned business tax system is to improve the climate for investment and productivity and to boost employment and the standard of living – by creating a more competitive business environment. This overriding objective will only be achieved through a comprehensive and principled approach to reform. Thus as you read the two volumes of this discussion paper we invite you to consider the issues from this perspective.

We look forward to receiving submissions in response to this paper by 16 April 1999, and to discussing the issues with the business community and the community generally.

J.T. Ralph AO  
Chairman

*Membership of the Review*

Mr John Ralph AO (Chairman)  
Mr Rick Allert AM  
Mr Bob Joss

The Secretary is Dr Alan Preston.