

What's new on the Treasury website

The Treasury's website, www.treasury.gov.au, includes past issues of the *Economic Roundup*. Some of the other items posted on the website since the previous issue of *Roundup* that may be of interest to readers are listed below.

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Working paper

2008-01: 'Structural effects of a sustained rise in the terms of trade'
(July 2008)

<http://www.treasury.gov.au/contentitem.asp?NavId=035&ContentID=1400>

Adam McKissack, Jennifer Chang, Robert Ewing and Jyoti Rahman

While previous terms of trade booms have tended to be short lived, there are reasons to believe that the current boom could be more enduring. This paper considers the implications for the Australian economy in the event that recent rises in the terms of trade are sustained, with a focus on labour market, industry and regional implications.

Thus far, the economy's reactions to the terms of trade boom have largely matched the predictions of economic theory: incomes, employment and investment have risen, in particular for mining and resource-rich States. However, we have not seen so called 'Dutch disease' effects as strongly as could be expected in the manufacturing industry and other traded parts of the economy.

Adjustments to the boom have thus far taken place in a position of less than full employment, so the resources sector has to date been able to utilise previously unemployed factors of production rather than simply attract factors from other sectors of the economy. Going forward, expanding labour supply in the resource rich regions of the country will be a central policy challenge.

If well managed, the transition to a higher terms of trade presents an opportunity to raise Australian living standards. But the challenges in ensuring a successful transition are significant and will test our policy frameworks in ways they have not been tested before.

Review

'Australia's Future Tax System' (August 2008)

<http://www.treasury.gov.au/contentitem.asp?NavId=035&ContentID=1405>

On 13 May 2008 the Australian Government announced the review of Australia's tax system. The review will look at the current tax system and make recommendations to position Australia to deal with the demographic, social, economic and environmental challenges of the 21st century. The review will encompass Australian Government and State taxes, except the GST, and interactions with the transfer system. The first report released by the Review Panel is entitled 'Architecture of Australia's Tax and Transfer System' and was released on 6 August 2008.

Consultations

<http://www.treasury.gov.au/content/consultations.asp?ContentID=1013&titl=Reviews,%20Inquiries%20%26%20Consultations>

Treasury conducts many consultations on behalf of the Government. The following consultations are open for public comment:

- Exposure Draft of the Corporations Amendment (Short Selling) Bill 2008
- Issues Paper – Unit Pricing
- Discussion Paper – Creeping Acquisitions
- Interest Withholding Tax – Extension of Eligibility for Exemption to State Government Bonds
- Review of Non-Forestry Managed Investment Schemes
- Fringe Benefits Tax – Jointly Held Assets
- Draft Legislation to Reform Division 6C of the Income Tax Assessment Act 1936
- Thin Capitalisation: Amendments to the Application of Accounting Standards – Public Consultation
- Taxation of Financial Arrangements – Stages 3 & 4
- Australia's Future Tax System

