



# The Treasurer of Victoria

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Mr Ray Purdey  
Clerk of the Legislative Assembly  
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Our Ref: D11/30825

Dear Mr Purdey

## **GOVERNMENT RESPONSE TO THE ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE INQUIRY INTO STATE GOVERNMENT TAXATION AND DEBT**

In accordance with *Section 36(1) of the Parliamentary Committees Act 2003*, I hereby request that the attached Government response to the Economic Development and Infrastructure Committee Inquiry into State Government Taxation and Debt be tabled.

I have made a similar request to the Clerk of the Legislative Council.

Yours sincerely

**KIM WELLS MP**  
Treasurer

23/3/11

## Government Response to the Economic Development and Infrastructure Committee's Final Report, *Inquiry into State Government Taxation and Debt*

The Government has considered the Final Report of the Economic Development and Infrastructure Committee ('the Committee') *Inquiry into State Government Taxation and Debt*. The inquiry was referred to the Committee on 29 July 2009 and the Committee tabled a Final Report on 16 September 2010.

The Government notes the analysis and recommendations in the report, but does not support the specific tax reform proposals put forward by the Committee.

In preparing its report, the Committee did not receive co-operation from the previous Victorian Government, the Commonwealth Government or the Commonwealth Grants Commission, and the Government does not believe that it represents a full and comprehensive inquiry. In particular, the Government notes that the report made no recommendations concerning State debt. The recommendations of the Committee's report regarding taxation have since been superseded by other reviews.

The Government remains committed to boosting the productivity and competitiveness of the Victorian economy, and will conduct a review of Victoria's competitiveness, including state taxes. The Government will also formulate a position on national tax reform to advocate at the Commonwealth's national tax forum in October.

In relation to Recommendation 8 of the Committee's report, the Government will continue to fight for Victoria to receive a fair share of GST revenue. The Government believes that Victoria should not be penalised for other states' failures to meet their obligations to abolish inefficient taxes.