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Australia:Canberra Summit Sets Economic Reform Priorities

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Treasurer Jim Chalmers has ruled out launching a broad, lengthy review of Australia’s tax system but signalled that targeted reforms aimed at efficiency and competitiveness could still be considered before the next federal election. His comments came as the government concluded its three-day Economic Reform Roundtable in Canberra, which brought together ministers, economists, business groups, and unions to debate ways of strengthening Australia’s economy.

At the conclusion of the summit, Chalmers outlined 10 priority areas for economic reform, including measures to boost productivity, cut unnecessary regulation, and improve workforce participation. He described several “quick wins” the government will pursue in the short term, while also identifying broader reforms to be considered over the longer horizon.

Divisions Over Tax Reform

Tax policy featured prominently in discussions, though without consensus. Attendees debated changes to superannuation tax concessions, the capital gains tax discount, negative gearing, the Goods and Services Tax, and company tax rates. While some participants argued that reform in these areas was essential to ensure fairness and

sustainability, others cautioned that heavier taxation could undermine investment, limit growth, and place greater burdens on households.

Chalmers stressed that while the government is open to reviewing elements of the tax system, it will not embark on an all-encompassing tax review that could take years to complete. “We want to make practical progress, not be bogged down in processes that delay reform,” he said.

Tensions Over Spending

The summit also exposed divisions between the government and the opposition. Treasurer Chalmers and Shadow Treasurer Ted O’Brien engaged in what observers described as a fiery exchange over the scale of government spending. O’Brien criticised what he called excessive expenditure, arguing that restrained budgets and fiscal discipline are essential to protect taxpayers, while Chalmers defended the government’s approach as necessary to support growth and manage cost-of-living pressures.

States Pressed on Funding Commitments

Finance Minister Katy Gallagher used the forum to call on state governments to match the Commonwealth’s \$2 billion Thriving Kids program, which aims to provide support for children with autism and developmental delays outside of the National Disability Insurance Scheme. Health Minister Mark Butler has described the program as a key investment in early childhood support, designed to reduce pressure on the NDIS while addressing gaps in care.

Outlook

The roundtable underscored both the opportunities and challenges facing Australia’s economy. While participants agreed on the need to lift productivity and modernise regulation, disputes over tax reform and government spending suggest that consensus will remain difficult to achieve.

Chalmers emphasised that the government would pursue reforms it believes can deliver practical benefits in the short term while leaving space for further debate on contested issues. With the next election on the horizon, the extent to which tax changes and spending commitments shape Australia’s economic agenda is likely to remain a central point of political contest.