

From:
To:
Cc:
Subject: Draft EM Analysis of Allens Report (2).docx
Date: Tuesday, 12 June 2012 3:29:41 PM
Attachments: [Draft EM Analysis of Allens Report \(2\).docx](#)

Thanks for providing the draft – I don't think I can offer much assistance however. From a very quick look attached are a few very minor comments.

Cheers,

TREASURY EXECUTIVE MINUTE

Minute No.

12 June 2012

Deputy Prime Minister and Treasurer

cc: Assistant Treasurer, Minister Assisting for
Deregulation
Minister for Financial Services and
Superannuation

MANAGED INVESTMENT TRUST FINAL WITHHOLDING TAX BUDGET MEASURE: ANALYSIS OF ALLENS CONSULTING DRAFT REPORT *SMALL CHANGE, BIG IMPACT*

Timing: This draft report was part of a submission to a House of Representatives Committee that is due to report by [18 June 2012].

Recommendation: We recommend that you:

- Note that we consider that the draft report prepared by Allens Consulting for the Property Council of Australia is deeply flawed.

Noted

Signature:/...../2012

KEY POINTS

Section 22

Section 22

- It is also not clear how the analysis in the Allens Consulting assumes other levers of economic policy would adjust to keep the economy fully employed.

- In particular, it is strange that both scenarios result in an enduring negative impact on the level of employment.

: If it was expected that a measure had an enduring negative effect on productivity, this would instead be expected to be reflected in a reduction in equilibrium real wages.

Comment []: It appears that it slowly returning to equilibrium – I assume it must take a long time for wages to adjust

Section 22

Contact Officer:

Ext:

General Manager
International Tax and Treaties Division

ADDITIONAL INFORMATION