

Tax & Workforce Participation: how can we increase labour supply, especially in a capacity-constrained economy?

CEDA - ATRF

2008 Tax Policy Directions Forum

12 March 2008

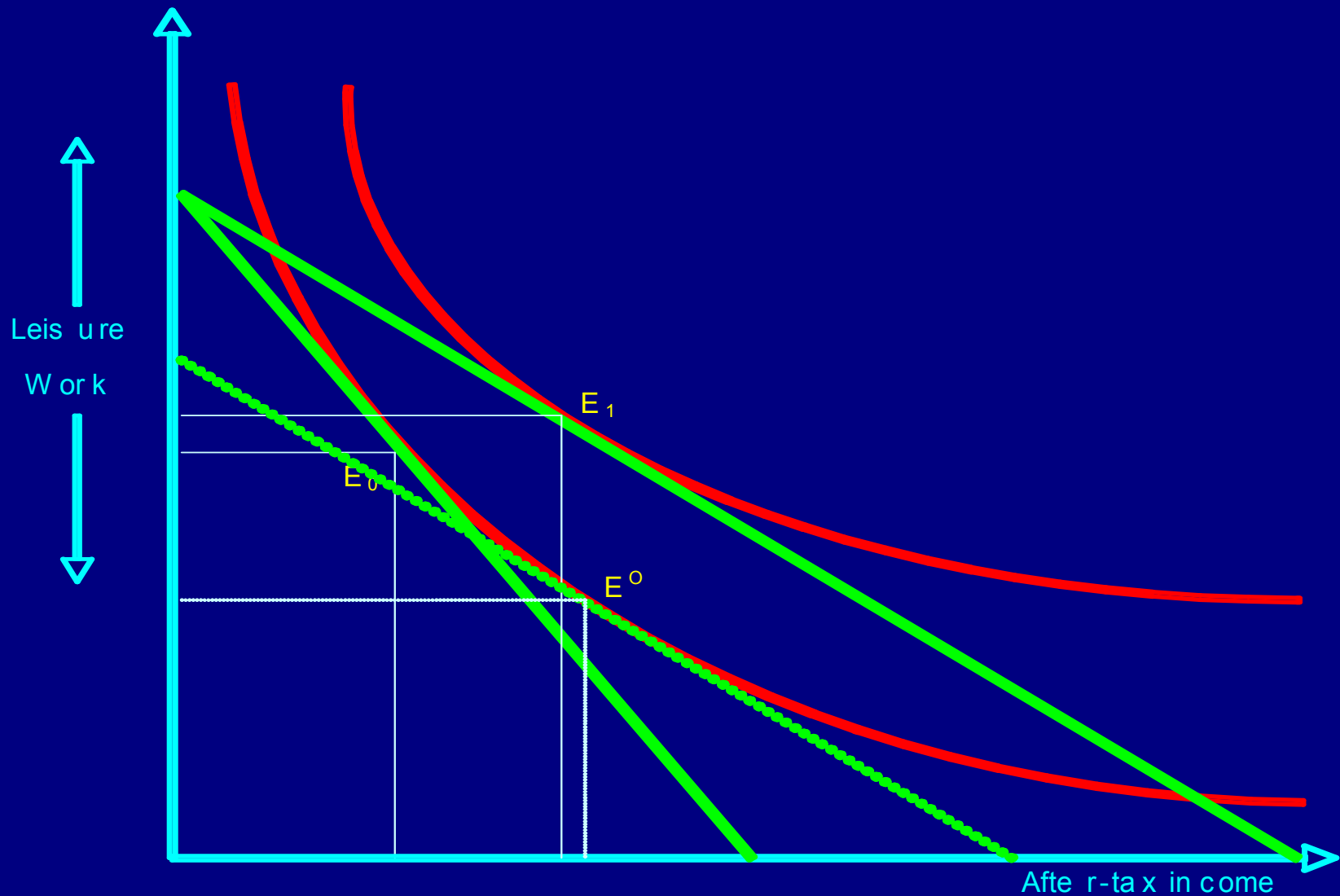
Geoff Carmody

Director, Geoff Carmody & Associates

Framework Principle #1

**Be very clear on
substitution versus
income effects**

Substitution versus income effects



Framework Principle #2

**Recognise
constraints imposed
by a 'flat-chat'
economy**

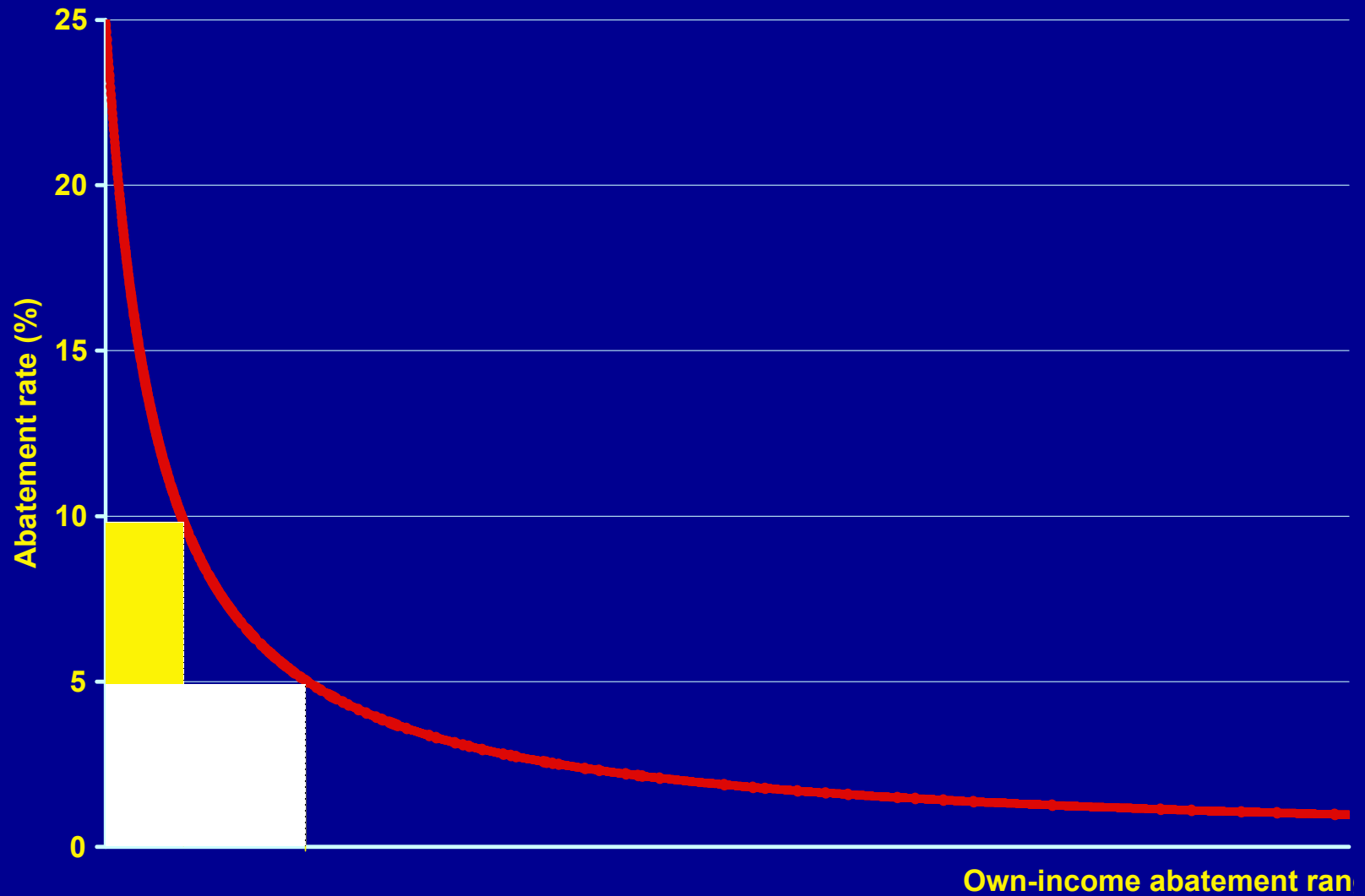
Framework Principle #3

**Neutralise or
minimise income
effects to maximise
participation effects**

Framework Principle #4

**Recognise limits on
easing abatement
rates for targeted
benefits**

The benefit abatement hyperbola



Expert Panel Discussion

- **Dr Peter Burn**, Associate Director, Public Policy, Australian Industry Group
- **Peter Davidson**, Senior Policy Officer, ACOSS
- **Professor Ann Harding**, Director, National Centre for Social and Economic Modelling, University of Canberra
- **Dr Andrew Leigh**, Senior Fellow, Research School of Social Sciences, The Australian National University