



## Stimulus Package A Missed Opportunity

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“By focusing on cash handouts and short-term measures, the stimulus is a missed opportunity to address Australia’s structural economic problems through lower taxes, less red tape, and energy market deregulation,” said Daniel Wild, Director of Research at the free market think tank the Institute of Public Affairs.

“The stimulus package is the good, the bad, and the missing: the expansion of the Instant Asset Write-Off and accelerated depreciation is encouraging but too limited; the cash handouts are short sighted and will increase debt; and there is no effort to cut taxes or red tape which is needed to drive long term prosperity.”

“Red tape costs Australia \$176 billion in lost economic output each year. Rather than reducing red tape, which disproportionately affects small businesses, the government has decided to paper over structural economic weaknesses with cash handouts.”

“The government should immediately bring forward Stages 2 and 3 of the income tax cuts that



were introduced in the 2019-20 Budget, which will result in some 94 per cent of wage-earners facing a top marginal tax rate of 30 per cent or less.”

“Cash handouts will not drive long-term economic prosperity, but instead burden Australians with more debt and taxes into the future.”

“The expansion of the IAWO is encouraging but it is too small, too short, and too limited in its application. Instead, the IAWO should be made permanent, extended to all businesses regardless of turnover, and made available on capital purchases of up to \$1 million.”

“This stimulus package will not avert a recession because it does not address the underlying reasons why businesses do not want to invest in Australia: taxes are too high and there is too much red tape.”

“Business investment in Australia is just 10.9 per cent of GDP which is lower than the rate which prevailed during the economically hostile Whitlam years,” said Mr Wild.

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