MEDIA RELEASE

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OECD DATA SHOWS AUSTRALIA IS NOT A LOW TAX COUNTRY

“The release of 2012 taxation statistics by the OECD dispels the myth that Australia is a low tax country,” says Dr Mikayla Novak, Senior Research Fellow at free market think tank the Institute of Public Affairs.

In its annual update of taxation statistics, *Revenue Statistics 2014*, the OECD released international taxation data from all member countries, including 2012 Australian data. In its publication, the OECD claim Australia’s tax-to-GDP ratio was 27.3 per cent, below the OECD average of 33.7 per cent.

“To use these figures to claim that Australia is a ‘low taxing country’ would be misleading,” says Dr Novak.

“This is because the OECD statistics exclude compulsory superannuation and compulsory private health insurance payments, both of which act as taxes similar to social security contributions in Europe.”

“When employer contributions to superannuation (5.2 per cent of GDP) and health insurer premium incomes (1.06 per cent) are added to Australia's reported tax burden, it increases from 27.3 per cent in 2012 to 33.5 per cent.”

“With the actual Australian tax burden of 33.5 per cent of GDP similar to the OECD average (33.7 per cent), it cannot be reasonably claimed that Australia is a low tax country.”

“There will be calls for Australia to raise its taxes based on this report. Those calls must be ignored to protect the long term health of the Australian economy,” says Dr Novak.

Dr Novak’s report released this month, *The Australia ‘low taxing country’ myth* is available to read here.

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