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SMALL STEPS IN BIG BUDGET REPAIR TASK: IPA

The federal budget deficit remains at record levels because the federal government has failed to reduce wasteful and excessive government spending, according to free market think tank the Institute of Public Affairs.

Receipts in 2015-16 will be \$398 billion, up from \$377 billion in the previous financial year, signifying no revenue crisis. The level of already over-budgeted payments increases to \$430 billion from \$415 billion.

“This budget has made only small steps towards fixing our national fiscal problem, caused by government overspending,” says Dr Mikayla Novak, Senior Research Fellow at the Institute of Public Affairs.

“The \$35 billion budget deficit demonstrates how big the fiscal repair task is.”

“Now is not the time for a generous new childcare policy which doles out an extra \$2,500 in middle class welfare for families earning \$185,000 a year, when the Budget is already so deeply in the red.”

“The extent of overspending has become so extensive that Australians are now paying \$1.2 billion per month in net interest repayments, with our \$415 billion gross debt at record levels and still growing.”

“Compounding the overspending problem are plans to hit Australians with new and increased taxes such as the internet downloads tax (\$350 million over four years), and so called ‘tax integrity’ measures,” says Dr Novak.

“Australia is not a low tax country, and these new taxes not only represent a broken election promise but will hurt ordinary Australians for precious little improvement to the bottom line.”

“The IPA is especially concerned at the flagrant violation of the rule of law in legislatively targeting 30 companies for prescriptive tax inspection.”

“The Prime Minister was right when he said before the last election that Australia has a spending problem, not a revenue problem.”

“The federal government needs to rededicate itself to the task of reducing spending, and abandon their plans to increase the tax burden on Australians,” says Dr Novak.

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