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TAXES ON QUEENSLANDERS GROWING FASTER THAN IN ANY OTHER STATE

State government taxes are growing faster in Queensland than in any other state according to a new report launched today by the free market think tank, the Institute of Public Affairs.

According to the report the tax take has grown in Queensland on average by 9.2 per cent every year between 2000-01 and 2009-10, compared to the six-states' average of 5.8 per cent. In comparison, the tax take of NSW grew by 4.1 per cent; Victoria grew by 5.4 per cent; and WA grew by 8.9 per cent.

According to the author of the report, IPA Research Fellow Julie Novak, 'There is now a deliberate policy in Queensland to keep on spending. As we all know, when the government goes on a spending spree, taxpayers rarely see the best return for their dollar.'

'From the 1970's to the 1990's Queensland had the lowest taxation system in the country. This period set the state up for a period of economic and population growth for the following decades.'

'The problem with the spending spree, in excess of revenue growth in recent years, is the resulting government debt and reduced credit rating.'

'Queensland now has the dubious distinction of possessing the worst budget outcome of all the Australian states and territories of budget deficits across the forward estimates.'

'During the 1970's and 1980's interstate migration to Queensland was 70 per cent higher than the average. In comparison, last year Queensland had the lowest net interstate migration in 30 years.'

'The objective for the Queensland government should be a transition back to being Australia's low taxing state. Low taxes are fundamental in attracting investment and stimulating the economy.'

The IPA's North Australia Project has been advocating for the establishment of a Northern Special Economic Zone (SEZ) in Australia's North. *Queensland the low tax state* supports the claim that lowering taxes is the best policy driver to stimulate economic growth, international and domestic migration and overall prosperity.

'The North faces unprecedented challenges in terms of investment, infrastructure and unemployment, and is about to be hit with more levies and taxes. As Queensland rebuilds following the disasters over the summer, it makes sense to consider a SEZ to promote long term growth in Australia's North,' said Ms Novak.

The full report, *Queensland the low tax state: The birth and death of an idea, and how to bring it back to life*, can be downloaded from the IPA's website at www.ipa.org.au.

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