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GOVERNMENT SHOULD REJECT IMF CALL FOR HIGHER TAXES

The Abbott government should publicly reject IMF head Christine Lagarde's call to slug Australians with a higher GST, according to free market think tank the Institute of Public Affairs.

'The head of the IMF is yet to set foot in Australia but she is reportedly giving us advice to hit Australians even harder on tax,' said IPA Senior Fellow Dr Mikayla Novak.

'A GST hike would do little but give governments financial license to spend even more wastefully, yet hurt the poor disproportionately at the same time.'

'The fact of the matter is, on a genuine like-with-like comparison stripping out European social security taxes, Australian taxes already take more of our national income than the OECD average,' said Dr Novak.

'It is clear that Australia's biggest budget problem is overspending, as opposed to the popular claim we are not fleecing taxpayers vigorously enough.'

'The Abbott government would do very well not to heed this free, but bad, advice from the IMF's head bureaucrat,' Dr Novak said.

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