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MYEFO SHOWS AUSTRALIA ON EUROPEAN PATH TO BIG GOVERNMENT: IPA

Today's Mid Year Economic and Fiscal Outlook statement shows the federal government is failing to reduce wasteful and excessive government spending, according to free market think tank the Institute of Public Affairs.

Receipts in 2015-16 will be \$394.9 billion, up from \$378.3 billion the previous financial year, demonstrating no revenue problem. The level of already over-budgeted payments will increase to \$428.3 billion from \$412.1 billion.

"Treasurer Scott Morrison, and his immediate predecessor Joe Hockey, have made barely any dent into fixing our national fiscal problem, which is caused by public sector overspending," says Dr Mikayla Novak, Senior Research Fellow at the Institute of Public Affairs.

"The \$37.4 billion budget deficit this financial year, and a decade of forecasted deficits to 2018-19, demonstrates just how much more government must do to reduce expenditure."

"Compounding the overspending problem is our continuing heavy tax burden."

"Australia is not a low tax country when you consider the hefty compulsory superannuation and workers' compensation imposts, and health mandates, that Australians have to pay."

"Using the latest figures, for 2013, the Australian tax-to-GDP ratio is at the average for the OECD, when we account for these additional payments which are similar to taxes imposed by the Europeans."

"MYEFO entrenches the precedent that government will delay the task of reducing spending, when action is needed now."

"Prime Minister Malcolm Turnbull and Treasurer Morrison must cut spending even further to prevent this country straying down the European path of big government and low growth," says Dr Novak.

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