

# IPA MEDIA RELEASE

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## **GOVERNMENT SHOULD REJECT CALL FOR HIGHER TAXES ON AUSTRALIANS: IPA**

The Abbott government should publicly reject the OECD's recommendation to slug Australians with higher taxes, according to free market think tank the Institute of Public Affairs.

"The latest OECD economic survey of Australia explicitly calls for Australians to bear an even heavier tax load," says IPA Senior Research Fellow Dr Mikayla Novak.

"This call for higher taxes to bring Australia more in line with the OECD average is misleading. IPA analysis has clearly demonstrated that Australia is not a low taxing country."

"The IPA has shown our 2012 tax-to-GDP ratio of 33.5 per cent (including superannuation and health insurance contributions) is now virtually level with the OECD average of 33.7 per cent."

"The tax recommendations, such as raising the GST to 15 per cent, higher land taxes, road user charges, and withholding future income tax cuts through a 'stabilisation fund,' are an invitation for economic disaster if implemented."

"OECD calls for higher Australian taxes are precisely the wrong policy prescription for our budget overspending problems, and must be rejected by government in favour of more vigorous expenditure savings."

"If the government is to change Australian taxes, they should make our overall tax burden lower," says Dr Novak.

Dr Novak's report, '*The Australia 'low taxing country' myth*,' is available to read here:

<http://ipa.org.au/publications/2301/the-australia-%27low-taxing-country%27-myth/pg/2>

A factsheet that demonstrates Dr Novak's findings is available to read here:

<http://ipa.org.au/publications/2310/factsheet-the-myth-of-australia-as-a-%27low-tax%27-country/pg/1>

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