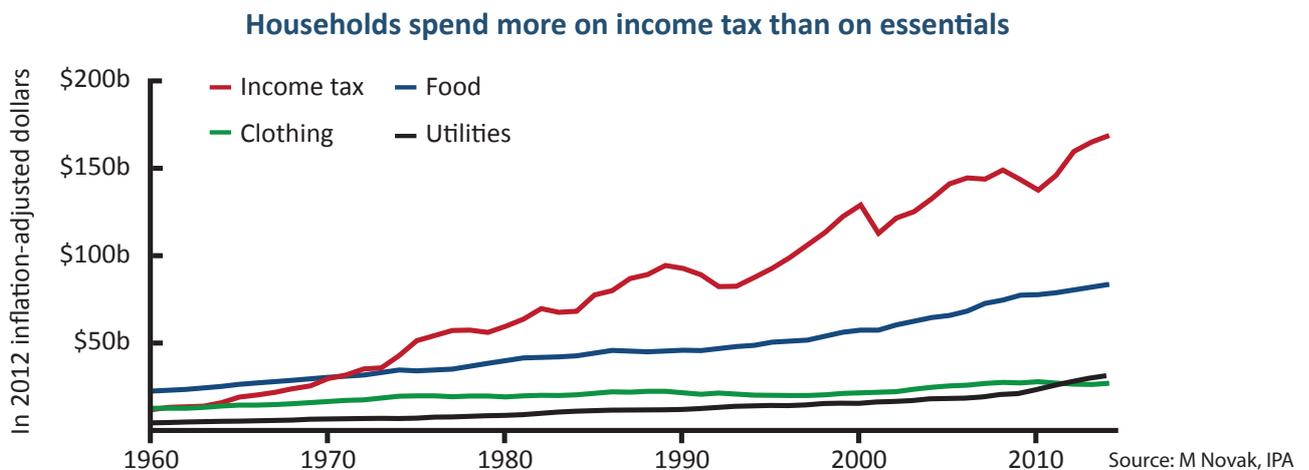


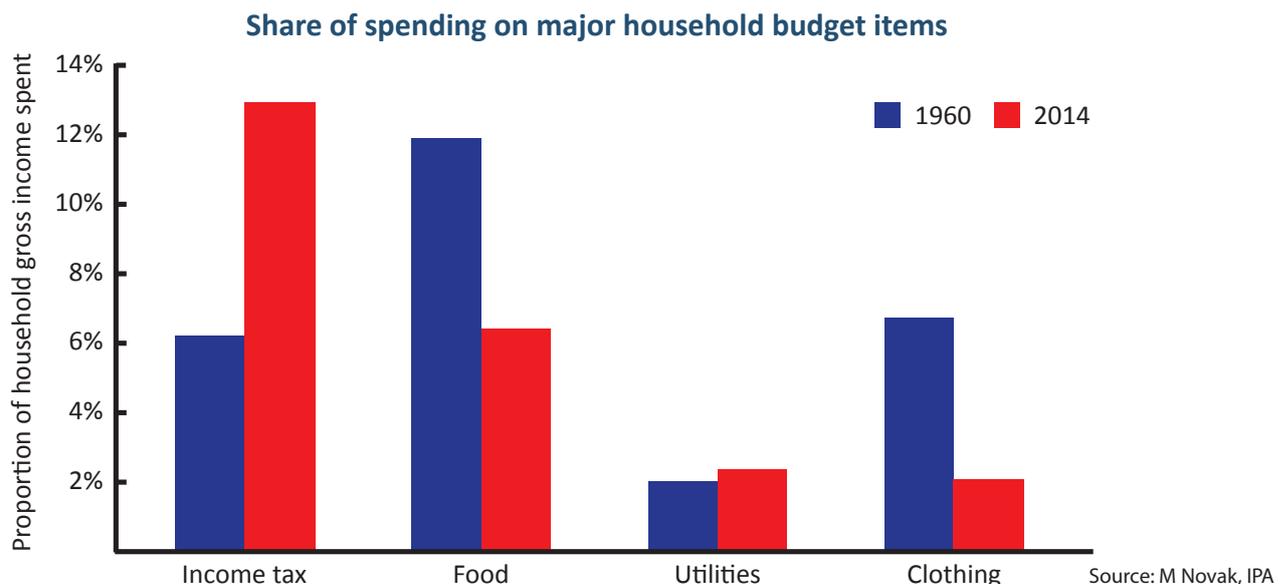
## Income tax – weighing down the family budget

As previous Institute of Public Affairs research has shown, Australia is not a low tax country. An apples-with-apples comparison which includes both European social security taxes that cover retirement incomes, and Australia's compulsory superannuation, shows that in 2013, Australia's tax-to-GDP ratio was 34.3 per cent – above the OECD average of 33.7 per cent.

New research from the IPA shows the increasing real burden placed on Australian households by income tax. Income tax is now a much larger expense in the family budget than food, clothing or utilities. This chart shows the total Australian household expenditure on major budget items over time:



While the proportion of household budgets dedicated to items such as food and clothing has significantly fallen since 1960, income taxes represent an increasing strain on the family budget in real terms:



Australian households already bear a heavy and growing burden from income taxes. Proposals to increase the Medicare Levy will only add to this burden. Cutting taxes is the best way to help the family budget and reduce the cost of living.

To read the full report *Income Tax Weighing Down the Australian Family Budget* visit [www.ipa.org.au](http://www.ipa.org.au).  
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