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Tuesday 28<sup>th</sup> October 2014

## **PETROL TAX HIKE UNDEMOCRATIC AND UNNECESSARY: IPA**

The Abbott government's decision today to ram petrol tax indexation past the Parliament is undemocratic and unnecessary, according to free market think tank the Institute of Public Affairs.

"A fundamental democratic principle is that tax changes must be consented to by parliamentarians, as representatives of the Australian people, but the Abbott government will push through fuel tax indexation without debate," said IPA Senior Fellow Dr Mikayla Novak.

"Starting as early as 10 November this year, fuel tax indexation increases the fuel bill that motorists have to pay to go to work, do the grocery shopping and take their children to child care centres.

"The government is justifying this tax increase on the basis that it would only cost the average family 40 cents per week (\$20.80 per annum), delivering \$2.2 billion in additional revenue.

"But as the prime minister himself said before the last election, Australia's budget problem 'is not a revenue problem. The problem is a spending problem.'

"Burning a bigger tax hole through the wallets of motorists is not the most effective way to address a budget emergency.

"The Abbott government should redouble its efforts to cut government spending, and ditch this unnecessary and undemocratic tax hike," said Dr Novak.

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