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MEDICARE LEVY HIKE WILL WORSEN OUR TAX BURDEN: IPA

The Abbott government must explicitly rule out another increase to the Medicare Levy, which would entrench Australia as one of the highest taxing countries in the world, according to the free market think tank the Institute of Public Affairs.

“Media reports suggest the government is proposing to double the Medicare Levy, raising \$14 billion in extra revenue,” says Dr Mikayla Novak, Senior Research Fellow at the Institute of Public Affairs.

“But increasing the Medicare Levy would only worsen our tax burden, which is already one of the highest in the world.”

“The IPA has shown that Australia’s taxes, including compulsory super and health insurance mandates, are at 34.3 per cent of GDP, which is above the OECD average of 33.7 per cent, according to the latest available OECD figures.”

“A massive Medicare Levy hike of the magnitude suggested would only make Australia an even less attractive place to work hard and to do business.”

“In fact, it is estimated doubling the Medicare Levy would make an average working family \$2,000 worse off each year.”

“Slugging families with this increased tax will go nowhere towards closing the \$35 billion federal budget deficit, let alone contain runaway public health costs.”

“To minimise financial pressures on individuals and families the Abbott government should rule out hiking the Medicare Levy, and redouble its efforts to cut government spending,” says Dr Novak.

For media and comment: Dr Mikayla Novak, Senior Research Fellow, Institute of Public Affairs, mnovak@ipa.org.au or 0408 873 739.