

IPA MEDIA RELEASE

Institute of Public Affairs | Australia's leading free market think tank

9 October 2015

PRODUCTIVITY COMMISSION REPORT CONFIRMS AUSTRALIA IS A HIGH TAX COUNTRY

A major Productivity Commission report released this week confirms research by free market think tank the Institute of Public Affairs that Australia is a high tax country.

The report, *Tax and Transfer Incidence in Australia*, acknowledges that “taxation revenue as a share of GDP from all other sources would be higher in Australia than the OECD average” once superannuation, the health insurance mandate and workers’ compensation are added. (pp. 26-27)

Research by Dr Mikayla Novak, Senior Research Fellow at the Institute of Public Affairs, has previously shown when superannuation, the health insurance mandate and workers’ compensation are included, that Australia in 2012 (the year of the most recent data) had a tax to GDP ratio of 34.3%, compared to the OECD average of 33.7%.

The Productivity Commission’s report went on to acknowledge that international tax comparisons are “complicated by the fact that some benefits provided by employers (for example, employer superannuation contributions) are not measured as a tax in Australia but are part of SSCs [social security contributions] in other countries.” (pp. 26-27)

The research is from a report, *The Australia ‘low taxing country’ myth*, released in December 2014 by Dr Novak.

“The evidence is clear. Australia is a high tax country. The Turnbull government must lower taxes,” said Dr Novak.

Tax and Transfer Incidence in Australia can be downloaded [here](#).

The Australia ‘low taxing country’ myth, a report by Dr Novak highlighting Australia’s uncompetitive tax burden, can be downloaded [here](#).

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