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IPA: REDUCE SPENDING AND GOVERNMENT INTERVENTION TO REPAIR BUDGET

The worsening condition of the Federal Budget is further evidence of the need to re-think the role of the government in Australia, according to free market think tank the Institute of Public Affairs.

The latest Commonwealth Budget figures were released today in the 2016-17 Mid-Year Economic and Fiscal Outlook. They show the cumulative expected deficits from 2016-17 to 2019-20 have increased by \$10.3 billion since the Budget was handed down in May this year.

“Spending is unsustainable and must be reduced. The best way to do this is to remove the Federal Government’s involvement in matters better handled by the states, including in education, health and the environment,” said Daniel Wild, Research Fellow with the Institute of Public Affairs.

“The government must remove impediments to growth today so that our economy is growing tomorrow. This means cutting red tape on job creating entrepreneurs, rather than sapping resources through needless regulation.”

“Employing hundreds of thousands of public servants to create and enforce a red tape regime that costs \$176 billion per year curtails Australia’s potential.”

“A key drag on the fiscal outlook is low wage growth. Reducing company taxes and cutting red tape will increase competition for workers which will increase wages and government revenue.”

“Our government is bequeathing to future generations a debt-burden that will saddle them for their entire lives. Urgent action is needed to change course,” said Mr Wild.

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