

IPA MEDIA RELEASE

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

Thursday 30 January 2014

IPA RELEASES NEW AUSTRALIAN FREEDOM INDEX WA FREEST STATE; TAS LEAST FREE

New research has found that Western Australia was the freest state for economic activities in 2011, while Tasmania was the least free state, according to free market think tank the Institute of Public Affairs.

“In an Australian first, the IPA has undertaken original research and analysis to rank the relative economic freedom of the six states,” said IPA Senior Fellow Dr Julie Novak.

“In this IPA economic freedom study, the states have been ranked according to government spending, taxation and debt, government dependency, and the regulatory environment.”

“Western Australia has been assessed as the most free jurisdiction in Australia, based on its key strengths of relatively low government spending, and low welfare dependency.”

“At the other end of the scale, Tasmania was ranked in 2011 as the least free state, mainly due to relatively high public sector expenditures and entrenched welfare dependency,” said Dr Novak.

Using data across all levels of government, where available, the study also shows that greater levels of economic freedom are statistically associated with stronger rates of economic growth.

“Statistical analysis appears to confirm what is already widely known overseas - greater economic freedom, through smaller government, leads to a stronger economy, meaning prosperity for all,” said Dr Novak.

A contributed essay in the economic freedom report, by renowned Australian economist *emeritus* Professor Wolfgang Kasper, underlines the critical importance of economic freedom in making Australia a more attractive destination for business.

“This study highlights, in no uncertain terms, that the Abbott government and the states must make economic freedom, through red tape repeals, reducing welfare dependency, and fixing budget emergencies, a strong policy priority over the next few years.”

Copies of the IPA publication, *2014 IPA Economic Freedom Index*, and accompanying Fact Sheet, can be found at http://www.ipa.org.au/portal/uploads/PAPER-ECONOMIC_FREEDOM_INDEX_2014-FINAL.pdf and http://www.ipa.org.au/portal/uploads/FACTSHEET_2014.pdf

For further information and comment:

Dr Julie Novak, Senior Fellow, Institute of Public Affairs, 0408 873 739, jnovak@ipa.org.au

**Institute of Public Affairs, Level 2, 410 Collins St. Melbourne
ph: 03 9600 4744 fax: 03 9602 4989 www.ipa.org.au**