

## The case for significant tax cuts

Submission of the Australian Taxpayers' Alliance (ATA)

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Australia's tax revenue has ballooned since the turn of the century. Federal tax revenue has increased from \$153 billion (1999/2000) to an estimated \$504 billion (2021/22). About \$211 billion of that increase can be explained by inflation and population growth, but a massive \$140 billion represents an outright increase in the level of real per-capita tax paid in Australia.

This story of massive tax increases is highlighted in the below graph, with the blue line representing the growth in tax revenue and the orange line showing a hypothetical scenario if tax revenue had kept pace with population and inflation. The gap between the lines shows the "excess" tax growth over the last couple of decades.





Despite these uncontested facts, somehow the media and bureaucracy have managed to convince a large section of Australian society that recent history has been a time of austerity and tax cuts. This sort of gas-lighting is endemic to our political system and it prevents serious and honest policy analysis. The plain fact is that taxes have increased massively and many Australians believe that we have not been getting good value for money.

The occasional tax cuts that are so loudly celebrated or condemned by partisan commentators are insignificant by comparison to the automatic and ongoing tax increases that Australians face every year. The Australian Taxpayers' Alliance is calling for significant tax cuts immediately, and for the indexing of income tax brackets to slow down the excessive growth in tax revenue in the future. This should be matched by spending restraint, to ensure that today's runaway government spending does not become a greater burden on future taxpayers. Some members of the government enjoy using the rhetoric of small government – at this budget we invite them to put those principles into practice.

The Australian Taxpayers' Alliance is a not-for-profit organisation based in Australia, focused on alleviating the burden placed on Australian taxpayers by excessive government overreach.

Sincerely,

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**The Australian Taxpayers' Alliance**