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TAXPAYERS BETTER-OFF BY \$58 PER WEEK IF WE'D HAD TAX CUTS INSTEAD OF SPENDING PROMISES

The average taxpayer earning \$60,000 per annum would be \$58 a week better off after four years if instead of more spending the Coalition had promised tax cuts, according to calculations by two senior Australian economists, Professor Sinclair Davidson and Dr Alex Robson.

In a research paper *What Price Spending?* for the free market think tank, the Institute of Public Affairs, released today, Professor Davidson of the Royal Melbourne Institute of Technology and Dr Robson of the Australian National University analyse the implications of the major parties' election promises.

“Despite all of the attention given in the election campaign to tax cuts - the reductions promised by both parties are actually quite small.

“While it is a good first step that both parties have promised tax reductions, the size of government is still too large and no party has made a commitment to reducing it.

“The benefit of a tax cut, rather than a spending increase, is that it allows individuals themselves to decide how to spend their own money,” said the authors.

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The research paper *What Price Spending?* Is available at www.ipa.org.au.