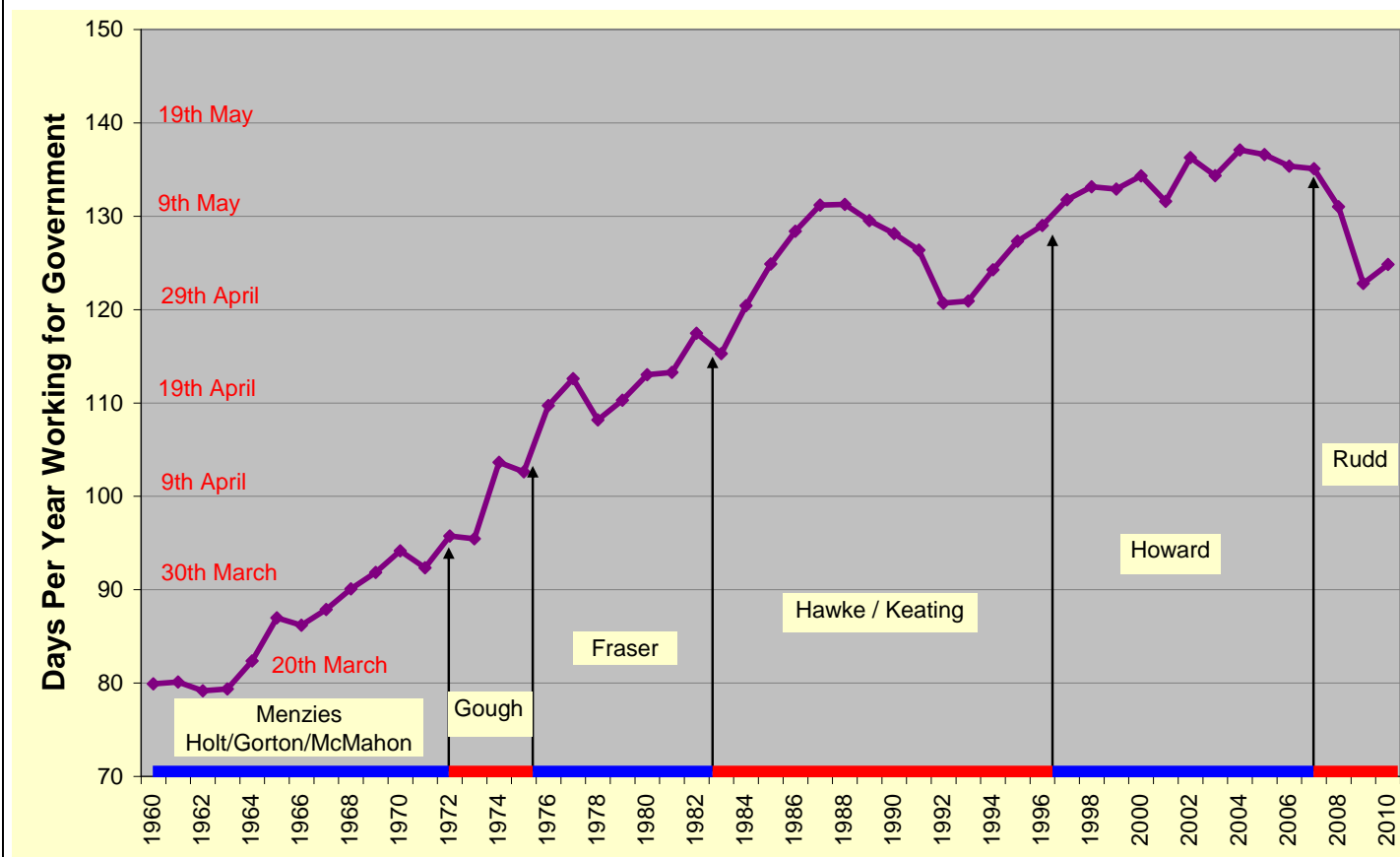


# ECONOMIC INDICATOR SERVICES

## Australia's Tax Freedom Day

(1960 - 2010)



**Tax Freedom Day for the nation will fall on the **3rd of May in 2010**, according to “EIS” analysis, using trend estimates of ABS, RBA data and government budget estimates.**

### Notes and Sources

#### Tax Freedom Day

Tax Freedom Day, is calculated by comparing the net national income of the nation to the total tax revenue collected at all levels of government, including indirect taxes. It represents the day in the year when the nation as a whole is finally free of the tax burden to government.

#### Sources

National Income Accounts figures and Total Tax Receipts obtained from: <http://www.abs.gov.au/>

**Table 1: Net National Income and Total Tax Receipts 1960-2010**

Cal'r Year	NNI '000	TTR '000	TTR/NNI	TFD Days	TFD
1960	\$ 14732	\$ 3185	21.6%	79.9	19-Mar
1961	\$ 14725	\$ 3191	21.7%	80.1	20-Mar
1962	\$ 15775	\$ 3378	21.4%	79.2	19-Mar
1963	\$ 17239	\$ 3701	21.5%	79.4	19-Mar
1964	\$ 18807	\$ 4192	22.3%	82.4	22-Mar
1965	\$ 20171	\$ 4751	23.6%	87.0	26-Mar
1966	\$ 21467	\$ 5010	23.3%	86.2	26-Mar
1967	\$ 23585	\$ 5613	23.8%	87.9	27-Mar
1968	\$ 25892	\$ 6319	24.4%	90.1	30-Mar
1969	\$ 28950	\$ 7205	24.9%	91.8	31-Mar
1970	\$ 31828	\$ 8123	25.5%	94.2	3-Apr
1971	\$ 35666	\$ 8926	25.0%	92.3	1-Apr
1972	\$ 39709	\$ 10307	26.0%	95.7	4-Apr
1973	\$ 46916	\$ 12139	25.9%	95.4	4-Apr
1974	\$ 56393	\$ 15857	28.1%	103.6	12-Apr
1975	\$ 66420	\$ 18490	27.8%	102.6	11-Apr
1976	\$ 77809	\$ 23173	29.8%	109.7	18-Apr
1977	\$ 85396	\$ 26111	30.6%	112.6	21-Apr
1978	\$ 94182	\$ 27653	29.4%	108.2	17-Apr
1979	\$ 108194	\$ 32397	29.9%	110.3	19-Apr
1980	\$ 123404	\$ 37872	30.7%	113.0	22-Apr
1981	\$ 139767	\$ 42991	30.8%	113.3	22-Apr
1982	\$ 154712	\$ 49360	31.9%	117.5	26-Apr
1983	\$ 166229	\$ 52046	31.3%	115.3	24-Apr
1984	\$ 190785	\$ 62423	32.7%	120.4	29-Apr
1985	\$ 208285	\$ 70692	33.9%	124.9	3-May
1986	\$ 224226	\$ 78250	34.9%	128.4	7-May
1987	\$ 252888	\$ 90193	35.7%	131.2	10-May
1988	\$ 283681	\$ 101237	35.7%	131.3	10-May
1989	\$ 317497	\$ 111805	35.2%	129.5	8-May
1990	\$ 336336	\$ 117140	34.8%	128.1	7-May
1991	\$ 331438	\$ 113835	34.3%	126.4	5-May
1992	\$ 350878	\$ 115054	32.8%	120.7	29-Apr
1993	\$ 372290	\$ 122311	32.9%	120.9	29-Apr
1994	\$ 394340	\$ 133166	33.8%	124.3	3-May
1995	\$ 415595	\$ 143824	34.6%	127.3	6-May
1996	\$ 442661	\$ 155230	35.1%	129.0	7-May
1997	\$ 467345	\$ 167406	35.8%	131.7	10-May
1998	\$ 495056	\$ 179236	36.2%	133.1	12-May
1999	\$ 518699	\$ 187425	36.1%	132.9	11-May
2000	\$ 564363	\$ 206120	36.5%	134.3	13-May
2001	\$ 598560	\$ 214142	35.8%	131.6	10-May
2002	\$ 639042	\$ 236838	37.1%	136.3	15-May
2003	\$ 681635	\$ 249029	36.5%	134.3	13-May
2004	\$ 727641	\$ 271284	37.3%	137.1	16-May
2005	\$ 779924	\$ 289745	37.2%	136.6	15-May
2006	\$ 835059	\$ 307366	36.8%	135.3	14-May
2007	\$ 915400	\$ 336273	36.7%	135.1	14-May
2008	\$ 997678	\$ 355366	35.6%	131.0	10-May
2009	\$ 998335	\$ 333107	33.4%	122.8	1-May
2010	\$ 1011257	\$ 343100	33.9%	124.8	3-May

Note: At time of calculation 2010 figures are estimates only.

# Appendix

Two Party Comparison Since 1960

&

Change of Government Comparisons

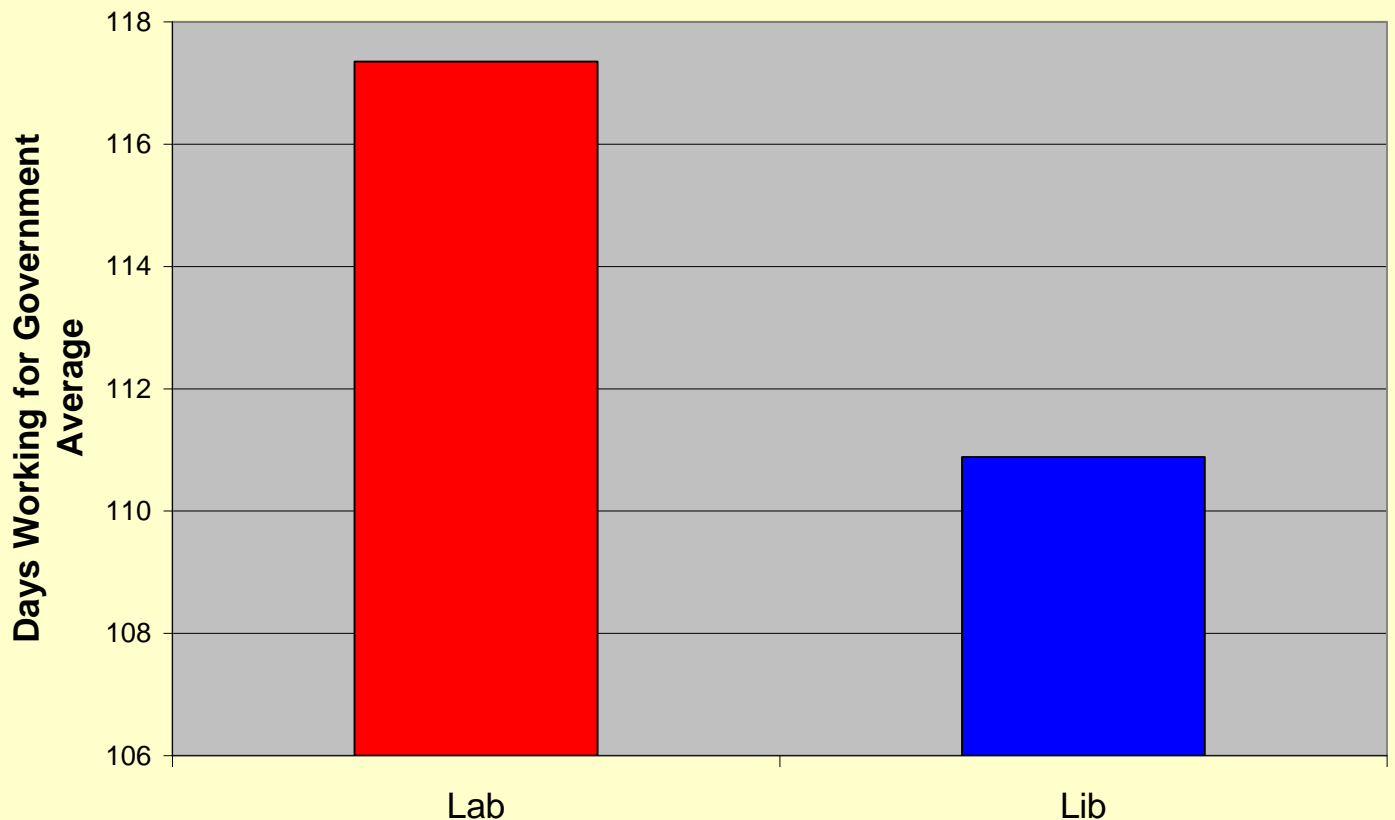
# ECONOMIC INDICATOR SERVICES

Australia's Tax Freedom Day

## Two Party Comparison 1960 -2010



V's



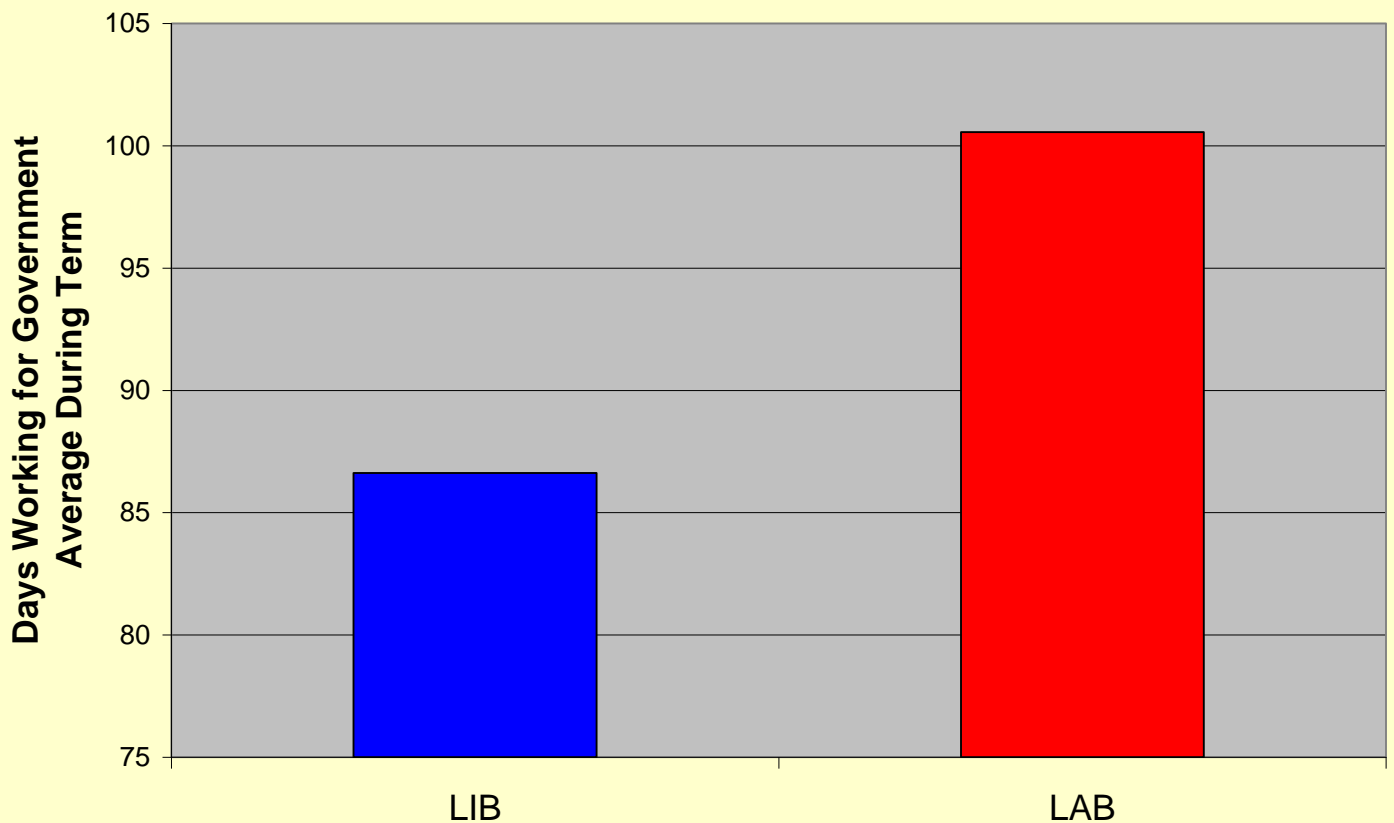
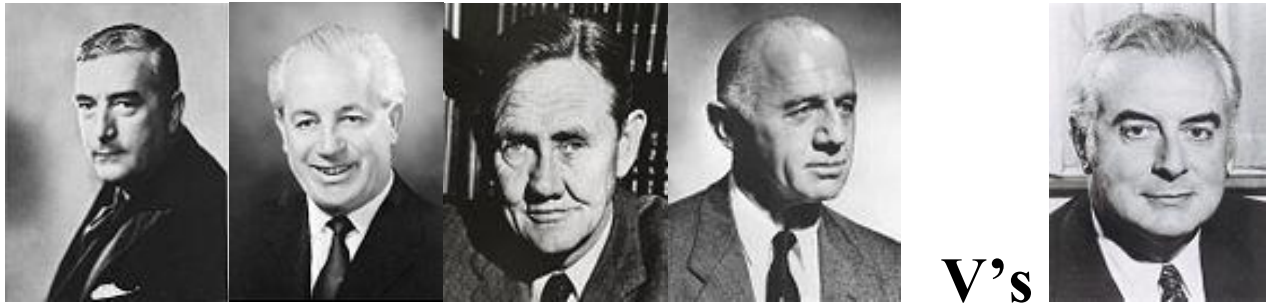
Since 1960 to the present day (the period of this study), Labor has been the highest taxing government averaging 117 days in the calendar year, coming in at the 26th of April a full seven days more than the Liberal party averaging 110 days, coming in at the 19th of April.

# ECONOMIC INDICATOR SERVICES

## Australia's Tax Freedom Day

### Tax Freedom Day Comparisons

**The Menzies, Holt, Gorton, & McMahon administrations in comparison to the Whitlam administration**



The December 1972 election ended 23 years of unbroken conservative Government. The new Labor Government of Gough Whitlam was eager to make long-planned and socially progressive reforms. Which saw a Tax Freedom Day Blowout. When the Labor Administration took office Tax Freedom Day stood at the 4th of April, at the end of their term three years later, it had drifted to the 11th of April.

# ECONOMIC INDICATOR SERVICES

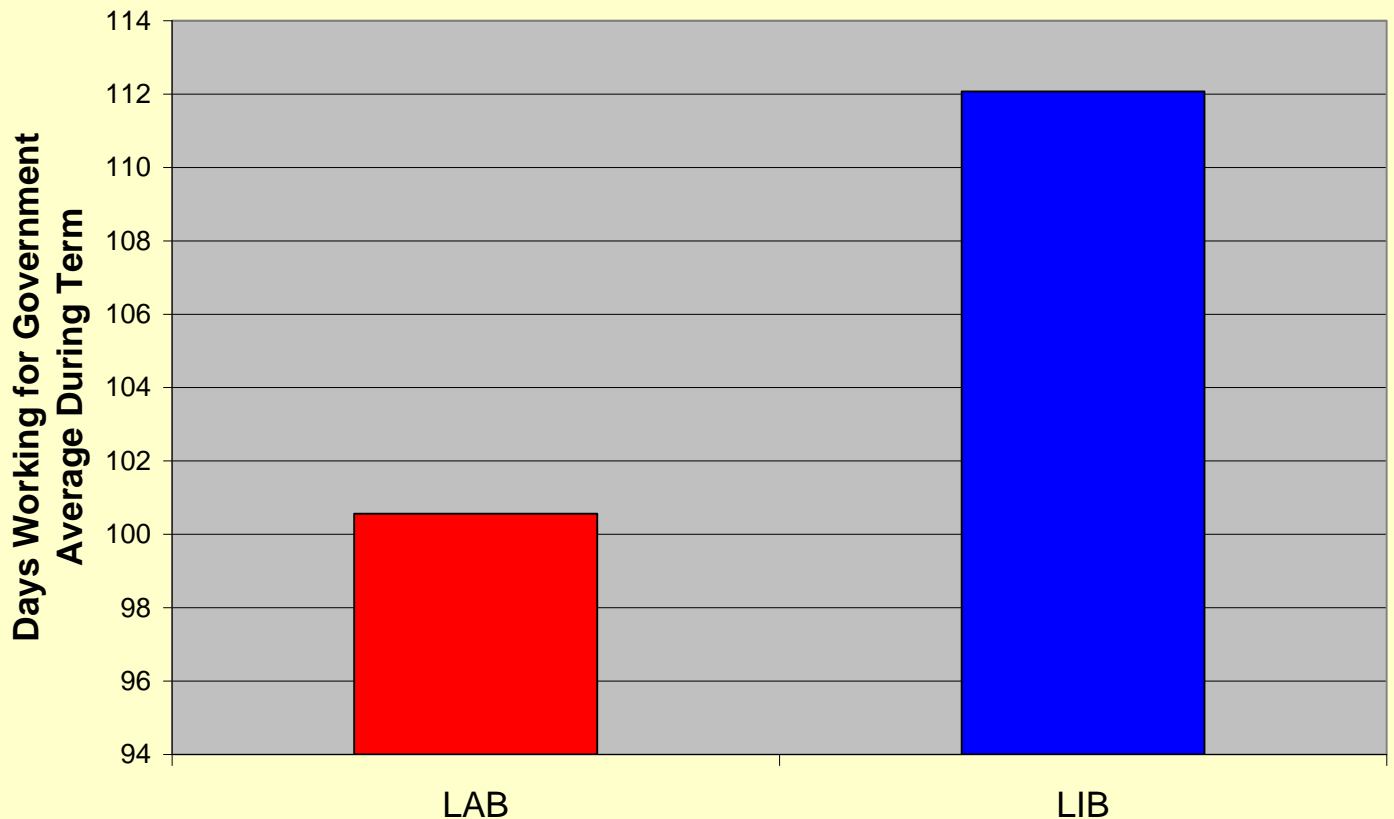
## Australia's Tax Freedom Day

### Tax Freedom Day Comparisons

## **The Whitlam Administration compared to the Fraser Administration**



**V's**



The election of December 1975 saw a change of government following the controversial dismissal of the Whitlam government by Governor-General Sir John Kerr in the November constitutional crisis. The Liberal government campaigned on government mismanagement, however, dealing with the wrong end of a land boom was never going to be easy. The Whitlam Labor government gained a reputation as a high taxing government, however, the Conservative Coalition Fraser governmentt saw a further Tax Freedom Day blowout. When Fraser administration took office Tax Freedom day stood at the 11th of April, seven years later at the end of his term Tax Freedom Day had drifted to the 26th of April. A blowout of over two whole weeks, of extra tax burden.

# ECONOMIC INDICATOR SERVICES

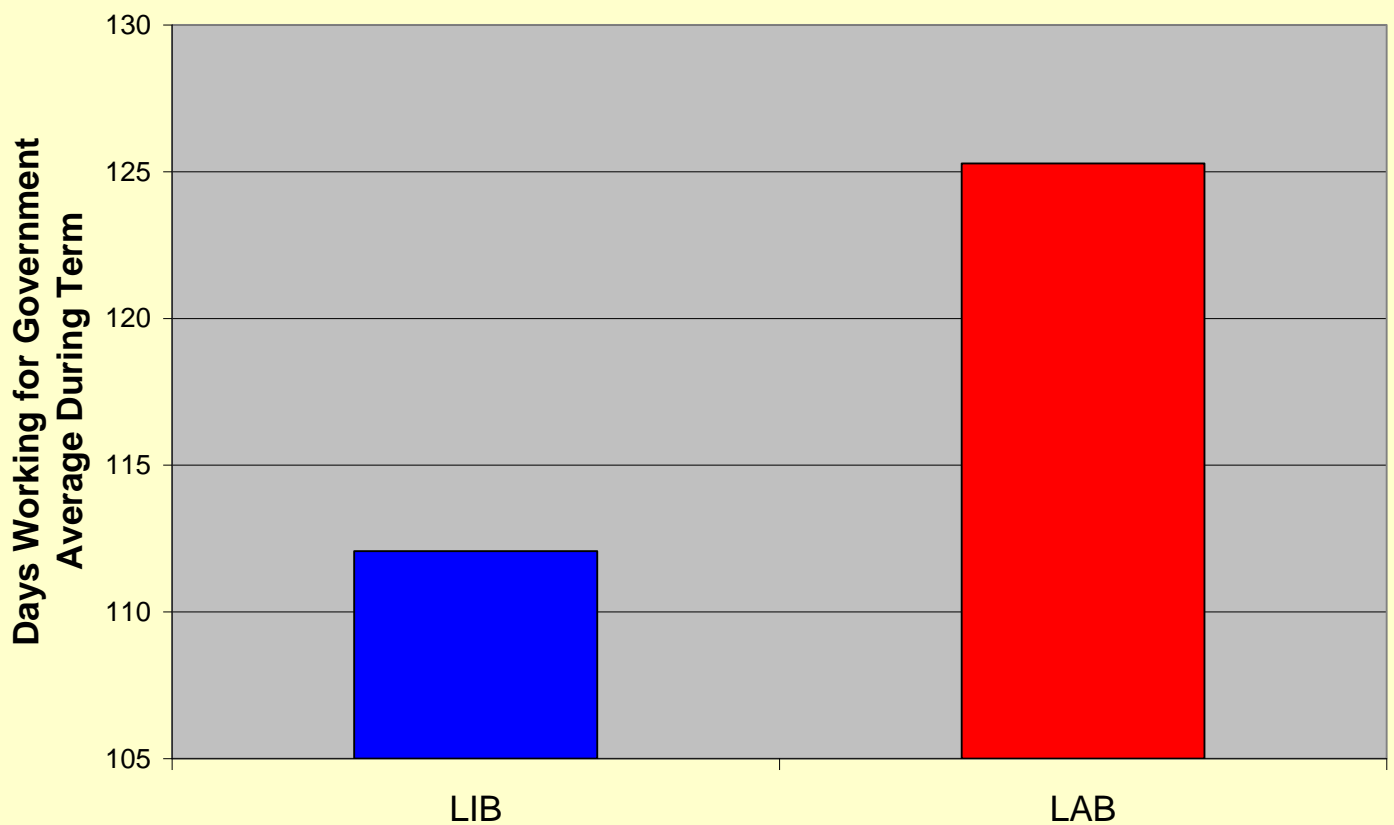
## Australia's Tax Freedom Day

### Tax Freedom Day Comparisons

## **The Fraser Administration compared to the Hawke /Keating Administrations**



**V's**



The March 1983 election saw a change of government and another Tax Freedom Day blowout. When the Hawke Labor government took office Tax Freedom Day stood at the 26th of April, but by the end of their term with the world's greatest treasurer at the helm 13 years later, it had drifted to the 6th of May, a further ten days of extra tax burden.

# ECONOMIC INDICATOR SERVICES

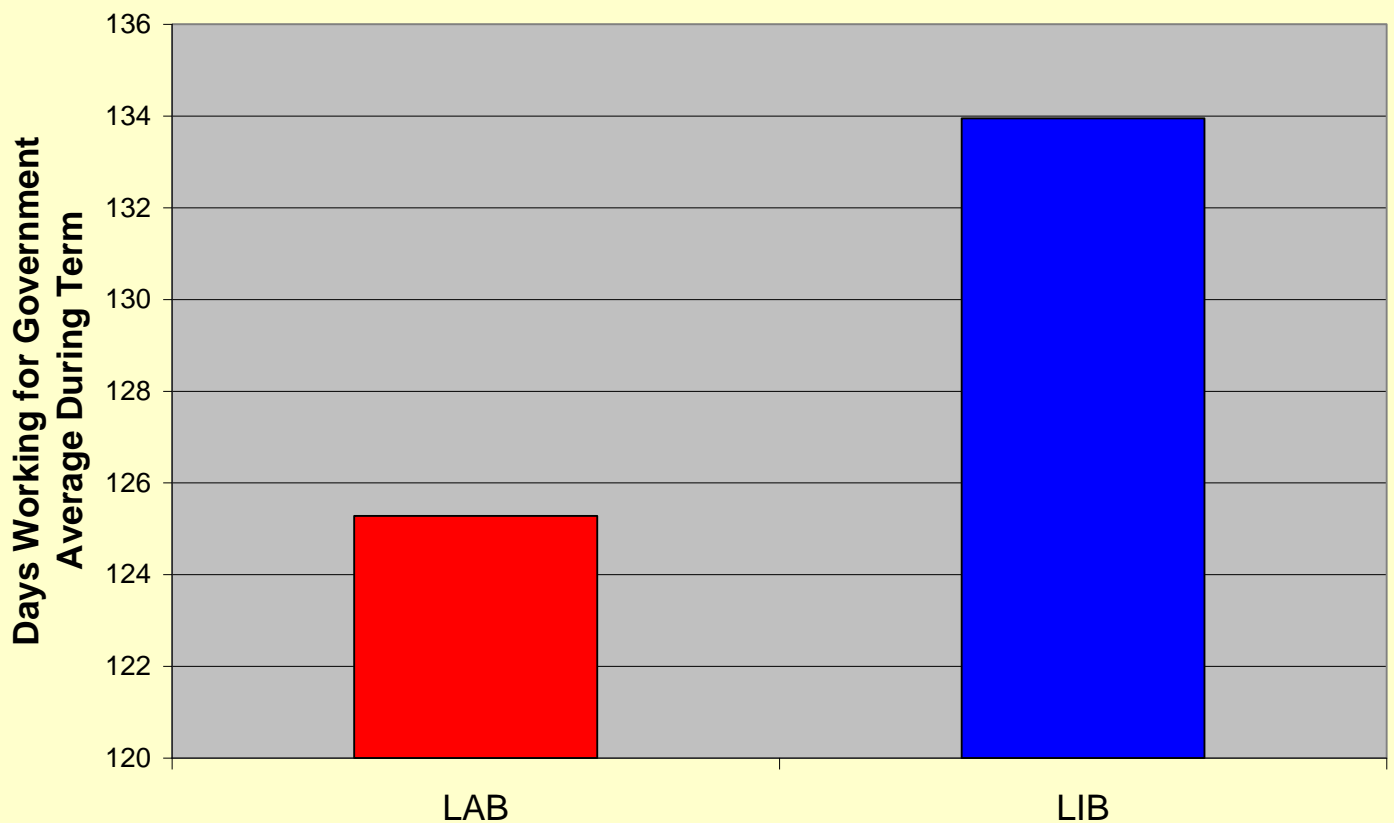
## Australia's Tax Freedom Day

### Tax Freedom Day Comparisons

## **The Hawke/ Keating Administration compared to the Howard Administration**



**V's**



The election of March 1996 saw another change of government. When the Conservative Howard Administration took office in early 1996, Tax Freedom Day stood at the 6th of May, but by the end of his term Tax Freedom Day had drifted a further eight days of extra tax burden to the 14th of May.



# ECONOMIC INDICATOR SERVICES

## Australia's Tax Freedom Day

### **The New Rudd Labor Administration**



### Tax Freedom Day, What's Next ?

In the first two years of the Rudd administration, there has been a decrease in Tax Freedom Day. This is largely due to the adverse effects of decreasing company tax receipts on government revenues, during this recent economic downturn. In other words, while GDP is declining, tax receipts are declining even more. In fact the fall in tax revenue for the calendar year of 2009 has been of a scale unprecedented in the 50 year time frame of this study.

Looking forward, even though improved company profits are forecast, prior year losses carried forward and expected lower company instalment rates, will have a lag effect on total tax revenue collected. The challenge for the Rudd government will be, to see if it can contain any increase in Tax Freedom Day, as tax collection starts to catch up with improving profit conditions. Every new administration has increased the tax burden of the nation and so it would be something extraordinary for the Rudd Labor government to reverse this trend.

Let's wait and see what unfolds.