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Excerpt from Q&A, May 9, 2016.

One of the first facts, and it comes from the [Treasury's own tax discussion paper](#), is that we are one of the lowest-taxing countries in the OECD. – Australian Council of Social Service CEO, Cassandra Goldie, [speaking](#) on Q&A, May 9, 2016.

Voters will hear plenty of seemingly contradictory claims on tax in the lead up to the federal election. Is Australia a [high taxing country](#) or was ACOSS chief Cassandra Goldie right to say that Australia is one of the lowest-taxing countries in the Organisation for Economic Co-operation and Development?

Let's unpack the facts on tax.

## Checking the data

A spokesperson for ACOSS told The Conversation that Goldie's statement was based on Treasury [documents](#) and OECD data. (You can read their full response [here](#).)

The most recent OECD data for Australia, for the year 2013, lists Australia as having a tax to GDP ratio of 27.5%. This is the sixth lowest in the OECD after Mexico, Chile, Korea, United States and Switzerland.

This ratio is based on tax as a proportion of GDP.

### **Australia is above average for some taxes; below average for others**

The data above shows us Australia's total tax revenue as a proportion of GDP. However, within Australia's tax mix are a range of taxes, including corporate tax, personal income tax, GST and many more.

A closer look at the breakdown reveals that Australia is above the OECD average for some tax categories, such as corporate tax.

Australia also has relatively high collections from income tax, and lower levels of consumption taxes than the average in the OECD.

The following table compares the OECD average tax rates with Australia for the most common taxes:

The table shows that Australia collects more income tax and corporate tax as a proportion of GDP than the OECD average, but less tax on goods and services.

This is reflected in the relevant tax rates, which are higher than the OECD average for income tax and corporate tax, but lower for goods and services.

Here's how Australia's top marginal tax rates compared with the OECD average in 2013.

Analysis of the tax mix must be treated with caution: for example, Australia is one of two countries in the OECD that does not impose a Social Security Tax, which averages 9.1% across OECD countries.

## Election FactCheck Q A: is Australia among the lowest-taxing countries in the OECD?

Written by The Conversation USA

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And any [discussion of the corporate tax rate](#) should take into account that Australia and New Zealand are unusual in adopting a full dividend franking system in respect of dividends paid to resident shareholders.

The ACOSS spokesperson [told](#) The Conversation that:

The Australian corporate tax rate is above the OECD average, though comparisons are complicated by our dividend imputation system, which means that company tax is refunded to domestic shareholders.

### Verdict

Cassandra Goldie's statement that Australia is the sixth lowest taxing country in the OECD is true for total tax revenue as a percentage of GDP.

However, Australia does rank higher than the OECD average on income tax and corporate tax collections, and lower than average on goods and services tax collections. – **Helen Hodgson**

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### Review

This looks like a fair analysis of the data. The OECD also publishes data showing total tax paid on corporate income [distributed as dividends](#) (taking into account imputation) which suggests a lower ranking for Australia.  
– **Kevin Davis**

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*Helen Hodgson receives funding from AHURI. Helen Hodgson is a member of the Tax Policy Working Group of ACOSS and the Social Policy Committee of NFAW. Helen was a member of the WA Legislative Council as an Australian Democrat from 1997 to 2001, but has no current affiliation with any political party.*

*Kevin Davis does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.*

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