

Happy Market Freedom Day!

24 September 2013

It's at this point in the year when the average Australian has paid for the private goods and services they need - and can start contributing to public services via taxation, writes Ian McAuley

You may know that every year the Centre for Independent Studies celebrates Tax Freedom Day "when Australians stop working for the government and begin working for themselves" (the inference being that "government" is a detached kleptocracy which does nothing for us of any value). This year it fell on Sunday 7 April.

Well in case you missed it, Tuesday 24 September is Market Freedom Day in Australia. That is the day when we can stop working to satisfy our individual needs and start working for others and for our shared good.

It is the point in the year when the average Australian has theoretically paid for his or her private goods and services and, through taxation, can start contributing to age pensions, schools, hospitals, roads, defence forces and a whole range of other public goods and services – all the things we need to complement our private consumption.

A market freedom day as late as 24 September means that only 26 per cent of the wealth created by working Australians is devoted to public services. Our market freedom day used to be earlier, but as tax revenues have gone down it is now falling later in the year.

The USA and Korea will celebrate Market Freedom Day a few days later, while Chile and Mexico, two countries with severe deficits in public services, will have to wait until late October. For the other 29 OECD countries Market Freedom Day has already passed. Those economically well-balanced democracies which devote more to the collective good, such as Sweden and Germany, celebrated their Market Freedom Day in July or August.

Unless we are to go further down the path of private affluence and public squalor, we need to bring forward our Market Freedom Day. It's all very well to enjoy the temporary affluence of private consumption, but unless we contribute more to our shared goods and services – our common wealth – that affluence will be short-lived.